

Training Front Office Personnel Improves the Bottom Line

By Sanjay Sippy



In today's health care environment, physicians and medical groups are faced with "a perfect storm" — sizeable malpractice premiums, increasing overhead and decreasing reimbursements from third-party payers. Given these conditions, medical practices need to evaluate their administrative processes and implement the best practices to improve their profit margins and maintain a consistent cash flow.

The manufacturing industry dramatically improved its profit margins by re-engineering its "order-to-cash" process. In medical practice terms, this translates into the process from the patient's visit to the receipt of payment. The key objectives are to ensure efficiency of claims processing and payment upon the first submission. Medical groups that have adopted best business practices in this area have successfully contained their aging accounts receivable, with an average of less than 15 percent over 120 days. Furthermore, these medical practices have benefited from lower costs as claims processing and billing cycles are more efficient.

Gathering complete and accurate information from the patient during the first encounter is essential to a well-run

practice, since it ensures that claims will be adjudicated and paid upon the first submission. This requires an efficient front office staff. Front office training is the best practice, but it's often overlooked, even though it has the potential to significantly improve the bottom line. In many medical groups, front office personnel are expected to learn new procedures and navigate new systems by watching their colleagues, without formal training. It is an education process that is fraught with errors, omissions, frustration and wasted time.

Consider the upside if a practice invested in proper education; not only of procedures and systems, but in training that helped to eliminate the gap between the front and back office (the billing department). Close collaboration between these two departments can yield significant gains in both efficiency and bottom line improvements. Here are a few examples:

INSURANCE CARDS AND VERIFICATION

A critical success factor for front office staff is accurately reading insurance cards. Given the multitude of policies insurers have made available to the public, it has become increasingly difficult for front office personnel to know if a plan will pay for services rendered. The staff must determine whether a patient has a PPO, POS or HMO type coverage, and whether the patient requires an authorization from their PCP. In addition, front office personnel must identify correct patient copay and/or coinsurance information, and collect the appropriate copayment at the time of service.

Understanding the guarantor information is crucial to the billing process. If the patient is covered under the spouse's plan, the staff will have more data to gather. Relevant information regarding the spouse, such as date of birth and employer, are necessary for the billing department to successfully submit the initial claim. It is unfortunate, but third-party payers will grasp at any reason to deny or delay paying a claim; thus, gathering all the necessary data should be a priority in any medical practice. This will reduce the collection activity and cost at the back-end, and help to maintain a healthy cash flow.

PATIENT SCHEDULING AND ACCOUNT BALANCE ACCESS

The front office staff should be trained thoroughly with the practice's computer scheduling system. Here again, the front office and the billing department should be in close collaboration. The most effective tool the front office staff can have is a scheduling system that incorporates the patient's financial activity.

Consider this: typically when a patient is checking out, he or she will arrange the next appointment. If the scheduling system is tied to patient balances, the front office personnel can collect the patient's copay for the current appointment, as well as any outstanding balance that the patient is still liable for. It is easier, faster and more cost-effective to collect payments when the patient is standing in front of the staff member than relying on a billing statement. Empowered with a sophisticated scheduling system that is tied to patient balances, medical practices can increase

their cash flow, reduce their accounts receivable, and decrease administrative costs for statement printing, postage and collections.

OTHER HELPFUL TIPS

- Make copies of the front and back of insurance cards.
- Obtain a copy of the patient's photo I.D. This may help the collection company if the patient relocates.
- Ensure legible and accurate patient information is completed on the registration form.
- Obtain all patient telephone numbers, including the cell phone number.
- Verify all emergency contact information is obtained, including telephone numbers.

Until recently, patient responsibilities were not a high priority for most medical practices. In light of today's financial climate and decreasing third-party payer reimbursements, patient responsibility has become a larger portion of a practices' income. It is no surprise that those medical practices that invest in cross-training and collaboration between the front office with the billing department achieve higher profit margins through efficient processing of patient data and claims, and lower aging accounts receivable. Aged receivables are a hindrance to practices today, consuming higher collection costs with a decreasing probability of success. Proper training and access to high-quality financial tools are essential to maintaining a healthy, profitable and well-run practice.

Medical Billing Management, Inc. (MBM), is a premier billing service company with 15 years' experience in helping medical practices improve their bottom line. MBM offers comprehensive billing services, including a Web-based scheduling system that incorporates patient financial data.

For a free consultation, please contact CEO Sanjay Sippy at (310) 696-5400. ■

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