

Assessing Insourcing and Outsourcing: Advantages for Practice Billing		
Questions Asked	Answer Given	Answerer
Of the 20% that does in house do they vary in size or are they primarily larger groups?	<p>The vast majority are large to very large (50ish+ pathologists). However, I know of two small practices (<10 pathologists) in North Texas that do their own billing. The pathologist/owners have two full time jobs: one in billing and one in pathology.</p> <p>I do not have the breakdown by my experience would be larger groups.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>
Are there any current trends that groups are moving to inhouse vs outsource? Or the other way around?	<p>The trend is to be outsourcing as the solution. It is usually the most cost effective (highest ROI).</p> <p>I have seen no trend.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>
Is there a primer / brief article that could be useful?	<p>Not that I'm aware of.</p> <p>I am not aware of any article</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>
What is insurance discovery?	<p>Determining the valid insurance coverage of a patient.</p> <p>A service that looks for insurance coverage for patients. This allows you to try to find correct insurance information for patients that did not provide correct insurance information.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>

<p>Does anyone have any knowledge of an approximate amount it can cost to set up insourced billing? Is there a cost per CPT standard or anything?</p>	<p>No standard I'm aware of.</p> <p>There is no standard. You would need to prepare a detailed cost projection to include all expenses to run an operation that could handle the volume.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>
<p>Does it make sense to understand inhouse and outsource billing by type of services such as PC, global and PCCP?</p>	<p>Not in my opinion as most Pathology groups usually do every TOS. However, if you are an AP or CP only lab, your costs will be different.</p> <p>PCCP billing has its own set of issues and if possible, should be kept separate from AP billing.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>
<p>What is the range of percentage revenue is taken by or charge by outsource billing company?</p>	<p>6% - 9%</p> <p>I see the range usually between 6% and 8% of net collections as the base price. You need to be aware of any additional cost that may or may not be included in the base price such as postage, patient statements, coding, and credentialing.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>
<p>If one wished to insource billing. What billing solution/software do you recommend that is robust enough to be successful?</p>	<p>The question has too many variables to answer. Happy to discuss offline.</p> <p>There was an article in the April 2021 edition of CAP Today that compares several billing software companies.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>

<p>What to set as a notice period if signing a contract with an outsourced biller when it comes to termination provision?</p>	<p>Initially contracts will run for 2-3 or more years often with an automatic renewal (evergreen clause) unless terminated with cause. Average notice to terminate without cause is 90 days before renewal but occasionally it is 120 days.</p> <p>I have seen many contracts require a 90-day notice before the contract expires, or it automatically renews for another year. I recently saw one that required 180-day notice, or it automatically renews.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>
<p>Are there any antitrust issues or state regulation that arise when pathology groups share inhouse billing?</p>	<p>No. All billing companies have the ability to wall off server access and separate clients for data, revenue, reporting, HIPAA etc. concerns.</p> <p>I am not an attorney, but I cannot think of any reason that would be an issue.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>
<p>How to determine what should be included in a full set of monthly reports? Are there any examples available?</p>	<p>All systems will produce “canned” reports providing business metrics, trends, etc. such as the KPIs covered in the presentation. However, many systems fall short on data mining capabilities which gives the user the ability to query the system to find out what is truly driving the numbers. When looking at averages, small positive /negative trends are missed.</p>	<p>Joe Saad, MD, FCAP, CPE</p>

	<p>I would recommend the following reports as a minimum:</p> <ul style="list-style-type: none"> • Trailing Twelve Months (see Exhibit-A below) • Summary of Activity with KPI's (see Exhibit-B below) • Breakdown reports by: <ul style="list-style-type: none"> ○ Payor (see Exhibit-C below) ○ CPT Code ○ Location ○ Place of Service • Aging Analysis by Financial Class 	Al Harrison Sirmon, Pathology Practice Advisor
How often should a billing audit be done and is the handled by a group's accountant or a pathology billing audit firm?	<p>In our practice we do small (limited audits) at least every 6 months by a professional that understands the RCM business for Pathology. More extensive audits should be done annually. CPA firms typically do not have this expertise.</p> <p>I would recommend doing an initial one and if it had good results, then do one each year going forward. If the initial one did not look good, do one quarterly until you got good results and then switch to annual. Many accounting firms have health care departments, and they may have Certified Coders and medical auditors with pathology experience. There are several qualified pathology billing audit firms.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>
Any suggestions for a method to capture all CPT codes daily?	<p>The first step is to make sure you are capturing all accessions. Your billing company or department should have a process to look kfor any missing accessions. Once you afe comfortable you have captured all accessions, you need to rely on CPT coding audits to ensure you are capturing all CPT codes. Look especially</p>	Joe Saad, MD, FCAP, CPE

	for add on codes like stains.	
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Do y'all recommend a 100% billing code review (we have in-house billing - but also in general)?	<p>Should be done annually (if you are referring to review of the charge master).</p> <p>It depends on the results of the audit. If you are doing a good job that may be over kill. However, I do know of a group that one of the pathologists use to review all of his partners coding each day and he said he made more for his group in that hour, and he did by reading slides.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>
Who can do external audit?	<p>Happy to discuss offline.</p> <p>There are firms that specialize in pathology billing and coding audits. Also, many CPA firms have health care departments, and they may have pathology expertise.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>
We are having trouble getting billing companies to bill and collect within our EMR which has to happen, any advice on this issue? Most want to use their own systems. We have practice management software where we must use the EMR to do the billing and collection	<p>Every billing company I'm aware of will insist on using their own system. This may be a situation where you may have to bill in-house using your EMR.</p> <p>I would think most billing companies would want to use their own software instead of a client's.</p>	<p>Joe Saad, MD, FCAP, CPE</p> <p>Al Harrison Sirmon, Pathology Practice Advisor</p>

Trailing Twenty Four Month Report

This report shows only 12 months, but 24 or more months allows you to see trends. Provides a great “snapshot” of the practice’s billing and collections

ABC Pathology								
Trailing Twenty Four Months (TTM)								
	Beginning			Contract.	Bad		Ending	Credit
Months	A/R	Charges	Collect.	Adjust.	Debt	Refund	A/R	Balances in AR
17-Jan	\$ 1,410,078	\$ 1,063,274	\$ (332,403)	\$ (582,298)	\$ (36,928)	\$ 4,678	\$ 1,526,402	\$ (13,175)
17-Feb	\$ 1,526,402	\$ 1,196,184	\$ (391,119)	\$ (665,484)	\$ (27,742)	\$ 6,349	\$ 1,644,590	\$ (13,637)
17-Mar	\$ 1,644,590	\$ 930,365	\$ (367,375)	\$ (748,669)	\$ (32,335)	\$ 6,015	\$ 1,432,591	\$ (11,020)
17-Apr	\$ 1,432,591	\$ 1,262,638	\$ (332,403)	\$ (831,855)	\$ (23,149)	\$ 6,120	\$ 1,513,943	\$ (11,663)
17-May	\$ 1,513,943	\$ 1,123,009	\$ (379,889)	\$ (665,484)	\$ (43,023)	\$ 5,347	\$ 1,553,902	\$ (12,717)
17-Jun	\$ 1,553,902	\$ 930,365	\$ (403,632)	\$ (748,669)	\$ (26,335)	\$ 5,681	\$ 1,311,312	\$ (10,317)
17-Jul	\$ 1,311,312	\$ 1,063,274	\$ (434,862)	\$ (682,298)	\$ (22,149)	\$ 6,683	\$ 1,241,960	\$ (10,143)
17-Aug	\$ 1,241,960	\$ 1,029,729	\$ (352,764)	\$ (665,484)	\$ (29,242)	\$ 5,347	\$ 1,229,546	\$ (10,636)
17-Sep	\$ 1,229,546	\$ 1,129,093	\$ (427,375)	\$ (707,076)	\$ (31,538)	\$ 6,015	\$ 1,198,664	\$ (12,143)
17-Oct	\$ 1,198,664	\$ 1,063,274	\$ (332,403)	\$ (670,400)	\$ (24,649)	\$ 6,678	\$ 1,241,164	\$ (13,271)
17-Nov	\$ 1,241,164	\$ 1,196,184	\$ (379,889)	\$ (790,262)	\$ (29,242)	\$ 5,347	\$ 1,243,301	\$ (13,212)
17-Dec	\$ 1,243,301	\$ 1,303,540	\$ (350,000)	\$ (560,140)	\$ (32,943)	\$ 2,572	\$ 1,606,330	\$ (12,107)
	\$ 1,410,078	\$ 13,290,928	\$ (4,484,116)	\$ (8,318,118)	\$ (359,275)	\$ 66,833	\$ 1,606,330	
		\$ (8,318,118)	\$ 66,833					
	Net Charges	\$ 4,972,810	\$ (4,417,283)					
		Gross Collection %	34%					
		Net Collection %	89%					
				Bad Debt %	7%			
						Days in A/R	44	

- *This report show all elements of changes in AR for current month and Year to Date Compared to Prior Year. Also shows Key Performance Indicators (KPI's)and their computation*

Exhibit B

Breakdown Reports

- This report takes the YTD numbers from Summary of Activity (Exhibit B) and breaks them down by Insurance Company . Can also be used to break down by CPT Code, Location, Place of Service, Referring Physician...*

ABC Pathology													
Summary of Activity by Payor													
For the Calendar Year 2017													
		Beginning			Contract.	Bad		Ending	Gross	Net	Bad	Claims	Days
#	Payor	A/R	Charges	Collect.	Adjust.	Debt	Refund	A/R	Coll %	Coll %	Debt %	Paid %	In AR
1	Care	\$ 493,527	\$ 4,651,825	\$ (1,196,029)	\$ (3,411,341)	\$ (89,819)	\$ 16,708	\$ 464,871	26%	95%	7%	26%	36
2	ABC	\$ 310,217	\$ 3,024,004	\$ (1,334,917)	\$ (1,529,986)	\$ (114,968)	\$ 21,387	\$ 375,737	44%	88%	8%	47%	45
3	DEF	\$ 169,209	\$ 1,694,911	\$ (672,617)	\$ (947,718)	\$ (53,891)	\$ 10,025	\$ 199,919	40%	89%	7%	42%	43
4	GHI	\$ 112,806	\$ 863,274	\$ (224,206)	\$ (515,906)	\$ (37,964)	\$ 3,342	\$ 201,347	26%	64%	11%	30%	85
5	JKL	\$ 70,504	\$ 664,546	\$ (199,047)	\$ (449,087)	\$ (21,557)	\$ 4,010	\$ 69,370	30%	91%	10%	31%	38
6	Caid	\$ 42,302	\$ 298,728	\$ (89,682)	\$ (166,362)	\$ (17,186)	\$ 1,337	\$ 69,137	30%	67%	13%	35%	84
7	MNO	\$ 28,202	\$ 265,819	\$ (44,841)	\$ (183,181)	\$ (3,593)	\$ 668	\$ 63,073	17%	53%	4%	20%	87
8	QRS	\$ 17,626	\$ 166,137	\$ (89,682)	\$ (66,362)	\$ (7,186)	\$ 1,337	\$ 21,869	54%	89%	7%	57%	48
9	TUV	\$ 10,576	\$ 99,682	\$ (53,809)	\$ (39,817)	\$ (4,311)	\$ 802	\$ 13,121	54%	89%	7%	57%	48
10	WXYZ	\$ 14,101	\$ 132,909	\$ (35,873)	\$ (66,545)	\$ (2,874)	\$ 535	\$ 42,253	27%	53%	4%	35%	116
Sub Total		\$1,269,070	\$11,861,835	\$ (3,940,704)	\$ (7,376,306)	\$ (353,348)	\$ 60,150	\$ 1,520,697	33%	87%	8%	35%	47
Others		\$ 141,008	\$ 1,429,093	\$ (543,412)	\$ (941,812)	\$ (5,928)	\$ 6,683	\$ 85,633	38%	110%	1%	37%	22
Total		\$1,410,078	\$13,290,928	\$ (4,484,116)	\$ (8,318,118)	\$ (359,275)	\$ 66,833	\$ 1,606,330	34%	89%	7%	35%	44