# Selecting a Billing Service

Are you considering a transition from an in-house billing department to a billing service, or thinking of replacing your current billing service? This checklist will help you get started in evaluating vendors. Christina Moschella, consultant, Medical Division, Edelstein & Company, LLP, Boston, and Nominee in the American College of Medical Practice Executives assisted in creating this tool.

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**Review your current billing service contract**

- ❑ Pay special attention to:
  - Inadequate notice and potential penalties
  - Ownership of data and data formats
  - Automatic contract extensions
  - Written notice requirements
  - Termination options
  - Continuation beyond termination date

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**Evaluate companies**

- ❑ Ask for recommendations from other practice managers
- ❑ Decide on using an in-state or out-of-state company
- ❑ Find at least three companies to interview
- ❑ Use the questionnaire for each company interviewed

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**On-site visit**

- ❑ Narrow your search to two companies
- ❑ Visit each one and:
  - Ask to meet some of the staff who will work on your account and talk about what they do and how
  - Ask the staff and management similar questions and compare answers
  - Get a feel for the company and workflow. Do you feel comfortable with the people and procedures?
  - Check references
  - Make decision

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**Finalizing the commitment**

- ❑ Review the contract carefully before signing it
- ❑ If you are replacing a billing service, compare your old contract with the new one. Does it have all the provisions you want?
- ❑ Have your practice's lawyer review the contract before signing it

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# Selecting a Billing Service Questionnaire

**General questions**

Company Name ______________________
Date ______________________

How many years have you been in business?
Years ____________

Have you been in business under any other name?
❍ Yes ❍ No

If yes, what name?
Business name ____________

Do you have a compliance plan in place?
❍ Yes ❍ No

Do you have the necessary Health Insurance Portability and Accountability Act regulations in place?
❍ Yes ❍ No

Has your company ever been investigated in a fraud or abuse case?
❍ Yes ❍ No

If yes, what was the outcome?
______________________________________
______________________________________
______________________________________

Have you provided billing services for a practice that has been investigated in a fraud or abuse case?
❍ Yes ❍ No

If yes, what was the outcome?
______________________________________
______________________________________
______________________________________

What is your in-house audit system?
______________________________________
______________________________________
______________________________________

# Selecting a Billing Service Questionnaire

**General questions**

Do you have periodic audits done by an outside firm?
❍ Yes ❍ No

Is there a current auditor's report or summary available?
❍ Yes ❍ No

How many certified coders are on staff?
Certified coders ____________________

What type of training do you provide your staff?
________________________________________________
________________________________________________
________________________________________________

How often is training done?
________________________________________________
________________________________________________
________________________________________________

What is your hiring and background-check policy?
________________________________________________
________________________________________________
________________________________________________

Do you carry errors & omissions insurance?
❍ Yes ❍ No

Do you offer bookkeeping services?
❍ Yes ❍ No

How many clients do you have with my specialty?
Clients ____________________

# Selecting a Billing Service Questionnaire

**Billing questions**

Company Name ______________________
Date ______________________

What insurance companies do you bill electronically?
Companies ______________________

Are insurance payments posted electronically?
❍ Yes ❍ No

If yes, from what companies?
Companies ______________________

Are there any exceptions to billing electronically?
❍ Yes ❍ No

How is the information transmitted back and forth between the practice and billing service? Is the information sent on paper, disk or electronically?

______________________
______________________
______________________
______________________
______________________

How is the work load distributed? Is one person responsible for an account or do several people work on it?

______________________
______________________
______________________
______________________

Are there any billing processes that your company does not supply?
❍ Yes ❍ No

If yes, what are they?

______________________
______________________
______________________

Do you handle all billing-related and ancillary documentation to insurance companies and private-pay patients?
❍ Yes ❍ No

# Selecting a Billing Service Questionnaire

**Billing questions**

If no, what is not handled?

____________________________________________________________
____________________________________________________________
____________________________________________________________

What is your procedure for deposits – lock boxes or other?

____________________________________________________________
____________________________________________________________
____________________________________________________________

How often do you submit claims to insurance companies?
Timeframe for submission ______________________________________

How often do you send statements to patients?
Timeframe for submission ______________________________________

Who is responsible for:
CPT coding ________________________________________________
HCPCS coding ________________________________________________
ICD-9 coding ________________________________________________

What is the process/policy for handling problems, such as incomplete billing information?

____________________________________________________________
____________________________________________________________
____________________________________________________________

How are electronic rejections handled?

____________________________________________________________
____________________________________________________________
____________________________________________________________

How are charges batched?

____________________________________________________________
____________________________________________________________
____________________________________________________________

Are charges confirmed against a service log?
❍ Yes ❍ No

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**Payment posting/follow-up questions**

Company Name ____________________
Date ____________________

How are returned claims and statements handled, and who is responsible for them?

____________________
____________________
____________________

Are payments posted line by line or by the total amount of the claim?

Type of posting ____________________

How are zero payments (deductibles) posted?

____________________
____________________
____________________

How are denied claims posted and tracked?

____________________
____________________
____________________

How are rejections tracked and resolved?

____________________
____________________
____________________

How often are reports run for credit balances?

Timeframe ____________________

How do you handle credit balances?

____________________
____________________
____________________

Do you prepare a report for abandoned property?

❍ Yes ❍ No

Who reviews the reports and makes the decisions regarding bad debt, write offs, etc.? What standards do you follow?

____________________
____________________
____________________

# Selecting a Billing Service Questionnaire

**Payment posting/follow-up questions**

Is there a threshold below which a balance is not billed?
❍ Yes ❍ No

Are small balances kept on the books or are they written off?
Small balances ______________________________

**Data entry questions**

Company Name ______________________________
Date ______________________________

What is your data entry process?
______________________________
______________________________
______________________________

Is there a required format for encounter forms?
❍ Yes ❍ No

What types of forms and data are the practice required to submit to you?
______________________________
______________________________
______________________________

Can you provide a sample of the types of forms the practice needs to complete?
❍ Yes ❍ No

How do you verify and audit data entries?
______________________________
______________________________
______________________________

From the time you receive the data, what timeframe do you need to process the claim?
______________________________
______________________________
______________________________

Who has ownership of the data if the contract is terminated?
Ownership ______________________________

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**Reports questions**

Company Name ________________________________________
Date ________________________________________

What types of standard reports do you provide?

________________________________________________________________
________________________________________________________________
________________________________________________________________

Can you provide customized reports?

❍ Yes ❍ No

Can an aged report be completed by “billing date” and “date of service”?

❍ Yes ❍ No

Can the practice access the computer terminal to perform queries, update records, schedule appointments, generate demand reports, demand statements and superbills?

❍ Yes ❍ No

Can one report (same page, tabular style) be generated showing a patient’s name, insurance provider, charge, payment, adjustment and balance?

❍ Yes ❍ No

Can you provide a report showing the names, amounts and reasons for bad debt, write offs and full adjustments?

❍ Yes ❍ No

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**Costs questions**

Company Name ________________________
Date ________________________

How do you determine your fees?

________________________________________
________________________________________
________________________________________

If payment is by percentage, is it determined by the amount billed or by the amount collected?

Payment ________________________________

Is there an additional charge for paper claims?

❍ Yes ❍ No

Is there an extra cost for adding a new physician to the system?

❍ Yes ❍ No

Do you handle physician credentialing?

❍ Yes ❍ No

What is the conversion process and the costs involved?

________________________________________
________________________________________
________________________________________

Approximately how long will the conversion process take?

________________________________________
________________________________________
________________________________________

Do you provide a conversion schedule?

❍ Yes ❍ No

Do you handle any old A/R from the previous billing company?

❍ Yes ❍ No

Does the practice generally require additional staff to handle the conversion?

❍ Yes ❍ No

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**Computer/software questions**

Company Name ____________________
Date ____________________

What is the security system and who has access?

____________________
____________________
____________________

Do you have regularly scheduled virus checks?
❍ Yes ❍ No

When is the system backed up and where are the back-ups stored (on-site or off-site)?

____________________
____________________
____________________

How are yearly computer system updates handled for:
CPT codes ____________________
HCPCS codes ____________________
ICD-9 codes ____________________

Can the software track a patient's demographics?
❍ Yes ❍ No

How would the system handle the following situation? A patient changes insurance companies and there are outstanding balances on Plan A and new charges on Plan B.

____________________
____________________
____________________

Can the system handle two primary insurances and differentiate which needs to be billed by date of service?
❍ Yes ❍ No

Is the practice required to pay for a software license?
❍ Yes ❍ No

Does the practice have to pay for any software or hardware updates or maintenance?
❍ Yes ❍ No

Is the practice required to pay for any hardware?
❍ Yes ❍ No

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**Computer/software questions**

If so, does the practice retain the license and hardware if the agreement ends?
❍ Yes ❍ No

Do you use the latest version of the billing software?
❍ Yes ❍ No

**Collections questions**

Company Name ________________________________
Date ________________________________

Do you have a separate department that handles collections?
❍ Yes ❍ No

Can you generate reports showing the patient's name, the service provider, insurance company, charges and reason for insurance rejection?
❍ Yes ❍ No

Describe the collection procedure for private-pay patients.
____________________________________________________
____________________________________________________
____________________________________________________
____________________________________________________
____________________________________________________

Do you call patients with past-due balances?
❍ Yes ❍ No

If the practice does not provide the service with information in a timely manner, is the account written off as a bad debt or as an insurance adjustment?
____________________________________________________
____________________________________________________
____________________________________________________

How do you document services provided but not billable due to timeliness?
____________________________________________________
____________________________________________________
____________________________________________________

Is there a charge to document services not billable to the insurance company or patient?
❍ Yes ❍ No

Can you provide a sample of collection letters used?

# Selecting a Billing Service Questionnaire

**Collections questions**

❍ Yes ❍ No

What process do you follow to turn an account over to collections?

____________________________________________
____________________________________________
____________________________________________

If you turn an account over to a collection agency, are the “regular rate” fees subtracted from the amount due to you when payment is collected?

____________________________________________
____________________________________________
____________________________________________

**References questions**

Company Name ____________________________
Date ____________________________

Has the billing service carried out its commitment?

❍ Yes ❍ No

Was the conversion process handled smoothly?

❍ Yes ❍ No

Have you encountered any hidden costs or surprises?

❍ Yes ❍ No

Does the customer service department meet your needs most of the time?

❍ Yes ❍ No

How helpful is the company to your individual needs?

____________________________________________
____________________________________________
____________________________________________

What, if any, problems have you experienced?

____________________________________________
____________________________________________
____________________________________________

Does the company stay up-to-date on industry changes?

❍ Yes ❍ No

Would you recommend the service?

❍ Yes ❍ No

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