

**BUSINESS PROCESS
OUTSOURCING**

Make vs. Buy

Part 2

OUTSOURCING

**How to
SELECT A BPO
SERVICE PARTNER**

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EXECUTIVE SUMMARY

If you're frazzled from running the business side of your medical practice while simultaneously providing quality patient care, there are tremendous benefits waiting to be accrued from Business Process Outsourcing (BPO). BPO, also known as outsourcing, involves moving your cost-related services to external sources.

According to **Forrester Research**, "BPO refers to an organization relying on a service provider to manage all aspects of a business activity: The business people associated with the process, the underlying technologies, and the IT support staff."

In this cost-conscious era of healthcare, rife with constantly changing government regulations, aligning your practice with a BPO service partner provides a cost-effective way to practice more efficiently and to gain compliance with these rules. But, beware. Before you take the plunge, it is crucial that you are properly prepared to evaluate BPO services partners prior to signing on the dotted line.

"In addition to its resources, the supplier's expertise and its partnering mind-set are key ingredients to delivering value."

**The Everest
Research Institute**

The Everest Research Institute, which provides strategic and advisor services, advises, "In addition to its resources, the supplier's expertise and its partnering mind-set are key ingredients to delivering value. Thus, a buyer's selection of the right service supplier is critical to their outsourcing return on investment."

Fortunately, there are many ways to evaluate a BPO Service Partner that can result in an extremely productive and long lasting union. This is the second in a two-part series of white papers on BPO. The previous white paper explored the multitude of benefits accrued by medical practices when they outsource Revenue Cycle Management (RCM), Financial Control and Bookkeeping, Clinical and Meaningful Use (MU), Marketing and Scribe Services. We invite you to visit www.wrshealth.com/business-solutions to learn more.



This white paper will explain the criteria that are crucial in selecting a BPO Service Partner. We will discuss all of the fundamentals of choosing BPO Services and the questions you should ask so that you can avoid problems and reap the rich rewards of outsourcing to a truly perfect partner.

HOW TO FIND THE RIGHT SERVICE PROVIDER

QUESTION 1 Can the external services firm perform this service? This means asking the following subset of questions:

1 Management

Can you manage my practice on an ongoing basis? Is your staff qualified to manage my practice successfully? For example, when it comes to Billing Services, can the company go beyond processing claims to follow up with insurance companies, appeal denials, take care of rejections, as well as no payments and slow payments? Do they have the tools to increase your revenue and can they provide a sharp view of your practice's financial health?

2 Measurement

Can you measure and report to me in a consultative manner? The outsourcing firm should be staffed by experts who are able to provide you with constructive criticism and feedback. Dr. Hennessey reveals the benefits when there is a consultative partnership. "The team asks me to tell them more whenever I ask them to explain how to do something. They query me as to what I want to accomplish," he said.

3 Integration

Exemplary contractors offer seamless integration of all of the clinical and business functions required for healthcare providers, including: Electronic Medical Records, Revenue Cycle Management, Personal Health Records, electronic prescribing (ERx), scheduling, website creation and content management, messaging, fax, order tracking and billing.

In Black Book Ranking's 2013 poll, one of the major concerns to current EHR users are unmet pleas for sophisticated interfaces with other practice programs, complex connectivity and networking schemes.

Pointing out why integration is key when choosing to outsource services, the author of an online article in the American Academy of Orthopedic Surgeons' AAOS Now, said, "Choosing a company whose system is built on a platform of connectivity that enables the sharing of health information and the synchronization of data between patients, physicians, hospitals, labs, pharmacies and insurance companies provides unrivaled value, power and functionality."

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AAOS Now

Denton Combs, CNP, an ENT and allergy practice in South Dakota is using external Billing Services from a company that boasts an integrated platform. Combs said, "I like that Billing Services are all tied together with the EMR. I pay for someone to audit my charts every six months and I've been doing very well. Right now we get five (claim) rejections a week. That's a low number," said Combs.

4

Trusting Relationships

Are they a trusted partner? It's important to ask how the company handles problems and questions. Many top companies offer prompt responses via email tickets. Maki Rheume, M.D., of Kuraoka Clinic in Ohio said, "I'm very particular and always expect the best. I like the company's team because they're all very friendly so I'm always comfortable. I send e-tickets or emails if



I have a problem, the team figures it out and provides me with an answer quickly. I don't like when people don't get back to me. The team always tries to resolve the problem."

Toni Pratt-Reid, ARNP, of Family Health Care & Minor Emergency Clinic in Oklahoma said the company she outsources billing and practice management to “responds in less than half an hour to my questions. If we face an issue, we’ll know that they will address it rapidly.”

5 Viability of Company

How do you find out if your outsourced company will be there for you in the future? Here are some questions you should ask:

- ▶ **What year was your business founded?** You want a firm that has been in business for at least five years.
- ▶ **What's the average turnover of your staff?** How long has your support staff worked for your company? What credentials does your staff possess? Are expert personnel available full time to handle questions? Will the company provide you with a “go to person?”
- ▶ **How many clients do you currently serve?** Does this number represent growth from last year? What is your client retention rate?
- ▶ Although many companies won't divulge information about potential mergers or acquisitions, you should **ask whether they have intentions down the road to merge or be acquired by another vendor.**
- ▶ **What were your sales figures for the past year?** If the firm does not release sales numbers, you can ask for a ballpark figure or a percentage to see if the percentage represents growth from the previous year.
- ▶ Having **partnerships with leading industry companies** is another indicator of credibility and trustworthiness.
- ▶ **What kind of results do you get for your clients?** Speak to some key references in the same specialty and service area as your inquiry and practice.

6 Access and Control

Will you have access and control of your information? For example, when outsourcing billing services, does the company provide you with the ability to track your business collections day or night and from any location?

Dr. Derrick Wallace's story is a best-case scenario. Owner of Ear, Nose & Throat Solutions of New Jersey, Dr. Wallace said, "It's easier for me to track things because the company's billing team works within my EMR. That's another feature that I wanted – to be able to track what's happening. It is more cost effective for me to hire someone to do the billing, but it's great to have them work with the EMR system so that I can pull up a report while I am at home relaxing and see the status of my collections whenever I want to. I don't have to call up a billing person to get a report or wait for some report at the end of the month. I can look at it whenever I want to."

"It's easier for me to track things because the company's billing team works within my EMR."

**Dr. Derrick Wallace,
Ear, Nose & Throat
Solutions of NJ**

HOW DO YOU FIND OUT MORE ABOUT BPO SERVICES FOR MEDICAL PRACTICES

Start with a trusted vendor

Ask for references and testimonials from other service clients. Read reviews. Have they achieved successful results? Many of the physicians and other providers involved in selecting BPO partners are not bashful when it comes to talking about failed partnerships and bestowing praise on trustworthy partners. Read blogs and white papers from unbiased sources. Finally, make sure the company is really here to stay. Don't feel uncomfortable asking the vendor to provide evidence of their financial and strategic viability.

Ask for a defined set of services to be listed in the contract

Insist on a breakdown of exact services to be performed so that you and the partner are in agreement as to what services to expect.



Performance Objectives and Consultations

What are you going to do for me? How will results be measured? How are you going to make things better? Look for a service that is transparent and insist on results.



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– Gregory Youngblood, Family First Medical Clinic in Los Angeles

When Gregory Youngblood, office manager of Family First Medical Clinic in Los Angeles, asked this question, the outsourced firm’s answer clinched the deal. “A really big thing for me was whether they were going to be able to take our payments and post them directly into the patient’s account without us having to actually go in and do some manual intervention. The internal billing process wasn’t as productive as we needed it to be, so we needed to go and develop a better solution. We started utilizing an external company’s Billing Service in April 2012 and to date we have been very happy with the results. The money is coming in the door. A lot of the old claims that were still outstanding are the things that our external billing company has been able to bring to fruition. I’ve been quite pleased.”

Dr. William Blythe, an otolaryngologist in Alabama, said, “We’re very fiscally conservative and efficient. We have a group that manages our practice. They oversee our financials and run a monthly report and tell us how we are doing. When we were looking at making this final change we really didn’t have anywhere to go but down as far as money because we were so very efficient. Our accounts receivable was 28 days. We were collecting **98% of expected collections after contractual write offs**. When we started talking to each individual EMR company, I said, ‘The bar has been set high. We are going to change, but if our numbers go down and we become less efficient financially, we’re going right back.’ I was very honest about revenue cycle management. I talked to everybody about every aspect of claims entry and clearinghouse.”

“The training the company offered was good. It was also very personable.”

Denton Combs

Learning and Teaching

An outstanding BPO partner should offer training tools, such as one-on-one training with clinical and billing experts, access to live webinars and a guided training library. Denton Combs said, “The training the company offered was good. It was also very personable. Our training was scheduled for an hour and we were done in 20 minutes. We did it all over the phone. The company walked us through the whole process of showing us how to do things. The first time we talked we had already put 200 patients into the computer without any training. When we call or email, we get a response back right away.”

Chain of communication



Is there a live person when you have a problem? Can you reach them immediately? Impeccable customer service is critical.

Dr. Blythe is also reaping the rewards of a BPO firm that believes in the customer comes first. “When you e-mail or make a phone call and say, ‘I wanted it yesterday’ they come through with flying colors,” he said.

What kind of management and oversight will there be on my account?

Cristina Garcia, practice manager of Florida-based Peter V. Choy M.D. and Ricardo O. Calonge M.D. LLC takes the other providers' thoughts one step further. Her BPO company went the extra mile in assigning a specific representative to work with her. "The company we use has assigned a representative to our account and she called me and we had an interview. She asked me if we were having any problems and in the future if we want to set up one-on-one training, we could do that through the computer," said Garcia.

Veerappan Sundar, M.D. of North Carolina-based Sundar Internal Medicine Associates is enthusiastic that he knows the names of the people at his BPO firm. "The team is so friendly. In fact, I know all of their names. Even though I used a previous system for three or four years I never knew any of the people I was talking to," said Dr. Sundar.

What is the company's culture and values?

Do they mesh with your views? For example, nurse practitioners often express that they don't get the respect they deserve as vital health care providers. This can cause friction between a nurse practitioner and an external company, unless the company is sensitive and respectful of their stature. For Toni Pratt-Reid, it was crucial that the company's culture and values were sensitive to those of a Nurse Practitioner. "The company we outsourced to never referred to us as physicians through this whole process," says Pratt-Reid. She added, "They looked at who we were as providers and based their conversation on us and never made us feel like we were second rate. That is something that each one of my providers and staff were impressed with. So many of the competitors' say, 'The physician will be able to do this and the nurse will do that.' The ability of the company to recognize who we are and to respect our profession went a long way with us."



CONCLUSION

With the healthcare landscape in constant flux, outsourcing services makes more business sense for small and medium practices than ever before. The selection of a BPO Service company can be intimidating. But, like finding the right marriage partner, when the right BPO firm comes along, you know it. And, by knowing how to evaluate and select BPO Services, you increase the likelihood for a long and happy marriage.

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