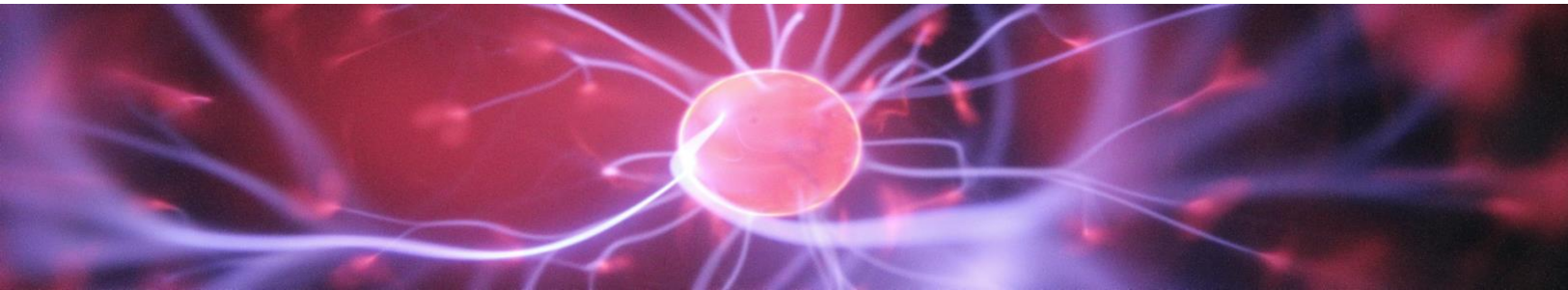


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# Rise of Success Partnership and Demise of Outsourcing



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## Introduction

Outsourcing in medical billing presents many challenges. In this article, we briefly discuss the challenges faced by medical clinics looking to outsource billing services to third parties. Next, we discuss **Success Partnership** as an emerging solution to the outsourcing quagmire, and how many medical clinics across the US are benefiting from working with competent partners.



## Medical Billing Outsourcing Does Not Work

Many medical clinics have been lured by cost reduction promises by the outsourcing companies, only to find that their take-home revenue drops along with their credibility with insurance companies and patients. Following such realization, the medical clinics have brought billing services back in-house.

Listed below are some reasons why outsourcing in medical billing does not work as expected.

1. **Complexity and Specificity of Medical Billing:** Medical billing involves intricate procedures, numerous codes, compliance regulations, and insurance intricacies. Outsourced companies might not always have the necessary expertise or understanding of the specific requirements of a medical practice, leading to errors or inefficiencies.
2. **Communication and Coordination:** Outsourcing can lead to challenges in communication and coordination between the healthcare provider's office and the external billing service. Lack of direct interaction may result in delays, misunderstandings, or difficulties in addressing specific patient or practice needs.
3. **Data Security and Privacy Concerns:** Healthcare data is highly sensitive and subject to strict privacy regulations (e.g., HIPAA in the U.S.). Outsourcing billing functions can raise concerns about data security and confidentiality, especially when sensitive patient information is shared with external entities.
4. **Quality Control and Accountability:** Monitoring the quality and accuracy of outsourced billing services can be challenging. It might be difficult for the healthcare provider to ensure that the outsourcing company maintains high standards, adheres to regulations, and provides accurate billing services consistently.
5. **Cost and Control:** While outsourcing can potentially reduce operational costs, it might not always lead to significant cost savings in the long term. Additionally, some healthcare providers prefer to retain control over their billing processes to ensure accuracy and responsiveness to patient needs.
6. **Customization and Flexibility:** Outsourced services may not always offer the same level of customization or flexibility as an in-house billing department. Tailoring billing processes to suit the specific needs and workflows of a medical practice can be more challenging with an outsourced service.

### Solution: Success Partnership

Cost reduction was the major driver behind the outsourcing phenomenon. However, the total cost of outsourcing resulted in a net revenue reduction for the medical clinics. This started the reverse trend of bringing medical billing in-house.

Despite these challenges, many medical practices learned to successfully utilize talents available in cheaper geographies to reduce their costs effectively while remaining HIPAA compliant. This led to the emerging trend of Success Partnerships between the US clinics and their service providers in cost-effective geographies.

So, how does a US clinic go about entering a mutually beneficial Success Partnership? Below we list salient points to consider for a medical administrator as they plan to enter into such a partnership with an off-shore company:

1. The key lies in retaining key talent such as administrative managers and qualified healthcare professionals with the clinic's on-site team and hiring a reputable partner who has experience in the US healthcare insurance and billing industry. It pays to find a partner who has previous experience in the specialty of the clinic, who can navigate the complexities and address the majority of the tasks.
2. Ensure that the off-site team works during your clinic hours and follows the workflow that works best at your clinic. It is also advisable to form a team with your off-site staff with video meetings and internal chats as if they were simply an extension of the on-site office.
3. Establish clear communication channels that are directly under the control of the clinic, this ensures compliance with regulations and improves the flow of information within the team (on-site and off-site).
4. Partner with a company that is fully HIPAA compliant, and is ready to sign a BAA (Business Associate Agreement).
5. Ensure you own and control the medical data. All the EHR and communication data must be stored on a remote terminal/shared drive physically located in the US. Ensure your IT staff has direct control of such storage.
6. Have a dedicated Quality Assurance officer on-site and off-site to maintain a certain standard of billing and claim submission. Calibrate at regular intervals and have multiple layers of quality control to ensure the off-site team continually delivers the highest quality results.
7. Experience has shown that a flat-fee structure works much better for the clinics than a percentage of earned income. With the latter, the outsourcing companies tend to prioritize quantity over quality, directly increasing the denial rates from the insurance companies.
8. Prefer solutions that fit your clinic's needs as one size has never fit all. That's why hiring outsourced staff and building your own team has worked great for many clinics instead of outsourcing departments or responsibilities to organizations.

## Conclusion

The outdated model of medical billing outsourcing does not work.

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