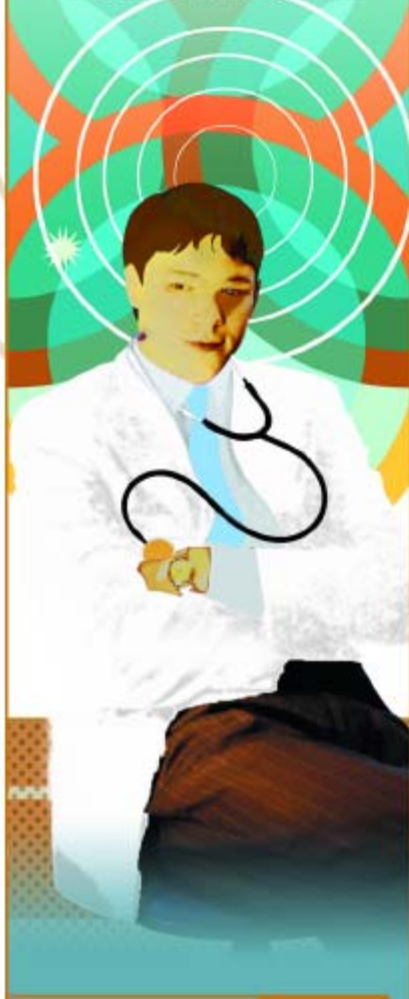




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Medical Business Service, Inc. is owned and operated by the Herald family – the founders.

- The "Partner of Choice" for large practices
- Experts in achieving the highest managed care allowances
- Will provide a list of radiologists we serve with contact information
- Will provide a guarantee against cash lag in a transition

## LEARN FROM EXPERIENCE

### How Do I Select a Billing Agency?

All too often the decision to go with the cheapest, the local company that handles other docs in the hospital, your accounting firm, or a Mom and Pop company results in catastrophic problems and extraordinary amounts of lost revenue. The decisions are usually driven by a sense that billing agencies are a commodity service, you like the guy you are dealing with notwithstanding his inexperience in the field, the need to move fast, and the thought "how hard could billing be?" Don't be another victim.

The first step is to screen for the best candidates to serve your practice. The best resource for this information is your peers. Call the radiologists you trained with, worked with in the past, or who work in the groups you wish to emulate. Your peers can share with you their "war stories" and be of invaluable aid in deciding what your expectations should be. Don't be afraid of calling practices from a couple states away because maybe the only good initiative in HIPAA was that it made the differences in billing between states inconsequential.

Your minimum expectations of a candidate service is that they have a track record and references in serving a transition like you would have to undertake and a history of serving groups your size. Don't be their largest client. Expect the firm, in addition to billing and collecting, to offer all managed care negotiations for maximum allowances, contract fulfillment, and credentialing as part of their scope of service. They should offer advice on dictating for proper remuneration, experienced certified coders, and an unabridged list of all their radiologist clients (not just their friends). They should also provide for electronic interfaces with hospitals, a liaison within the company with whom you should meet in advance of the engagement, strategic and experiential advice on practice initiatives.

Above all, you should be comfortable with everything you hear and everyone you meet at a bare minimum. I don't think that your billing agency should do your accounting, retirement planning, tax returns, payroll, etc., for a higher billing fee. Groups with these arrangements end up paying more for the billing services and having "the fox watching the hen house".

All billing agencies charge a commission on collections. Most all determine their fee by cost metrics. They know it costs them maybe \$5.00 to bill and collect a patient account. The pricing process involves their determining what they expect to collect for you per patient account and figuring what fee gets them, for example, \$5.50 per patient account. The difference in fees between companies has to do with their cost structures and profit expectations. Larger companies have greater scaling capabilities, but if they are publicly held or physician owned (and almost all are), they also have the highest profit expectations because the company owners expect dividend checks you end up paying. Imaging center sites and substantial IR practices should pay far lower fees than typical hospital based groups. If you expect a local office within which all tasks are performed and/or the billing agency takes on your former employees without salary reductions, expect the very highest of fees.

At the end of the day, hiring a billing agency is leap of faith. If you don't feel comfortable because of guarded references, slick salesmanship, soft pricing, badmouthing of competition, or unrealistic promises, let your intuition rule the day and don't hire them. Demand of yourself that they earn your trust through the interview process with the highest emphasis on the opinions about them of those that you trust.

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