Auto Casualty

Outsourcing Your Medical Bill Review Process: A Comprehensive Guide

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9 MIN READ

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Claims organizations like yours succeed when you are able to focus on serving your clients, managing outcomes, improving efficiencies and getting injured employees back to work. The COVID-19 pandemic has put a lot of pressure on workers' compensation and auto casualty claims organizations' top and bottom lines, which, in turn, has caused many companies to adjust their operating models to accommodate a new way of working and to accelerate automation. In fact, McKinsey estimates that the world "vaulted five years forward in consumer and business digital adoption" in a span of only about eight weeks. Now, many claims organization are considering which parts of the business they should continue to focus on, and which administrative processes could be more efficiently and effectively handled outside of their organizations. The bill review process, for example, is complex and can add a significant administrative burden on claims organizations who are currently operating their bill review program in-house. If your goals include better managing costs, improving efficiency or helping your adjusters focus on their core tasks, you may want to consider outsourcing all or parts of your medical bill review program to a trusted partner.

Benefits of Outsourcing Medical Bill Review

Outsourcing can help you to better manage overhead costs while improving bill review results. A few of the main benefits of outsourcing include:

Reduce Administrative Burden and Improve Efficiency

Take repeatable, manual tasks off of your adjusters' desks by having a trusted partner manage your bill review, mailroom, data capture and other programs. This allows your team members to focus on higher-value tasks and frees up more time for your team to focus on the more complex aspects of claims administration.

Better Management of Operational Costs

Outsourcing can help you reduce costs related to manual labor, training, facility management, internal mailroom operations and more. A Deloitte study found that cost savings was the main driver for the majority (59%) of organizations that outsource parts of their operations.

Scalable Operations

A partner will be better prepared to scale operations up and down based on changes in bill volume or other factors, reducing the impact of business variability on your organization.

Improved Outcomes and Accuracy

Many claims organizations struggle to stay abreast of countless changes in bill review. By outsourcing to a company that has a core focus in bill review, you'll get a service that is up-to-speed with the latest regulatory requirements and cost-containment methods that will improve efficiency, claims outcomes and bill review accuracy.

Find Out If Outsourcing is Right for You

The next step in the process is for you to decide if outsourcing your bill review operation is, in fact, right for you. Here are a few questions to determine if outsourcing—and what level of outsourcing—is the right choice for your business.

How much is my current bill review operation really costing me?

In order to figure out what your internal bill review operations are costing you, consider the following factors:

- Hiring Bill Review Staff
- Training New Staff Members
- Managing and Responding to Calls From Providers
- Operating a Mailroom to Manage Medical Bill Intake
- Cost of Real Estate and Facility Management for Your Bill Review Operations
- Time Taken Away From Adjusters' Core Duties to Manage Administrative Tasks
- Fines and Penalties Associated With Inaccurate Bill Review

In addition to the hard costs associated with the items above, there are other soft costs that should be considered, such as the costs associated with bill review delays, inaccuracies, regulatory issues, provider friction or potential customer frustrations.

How much time are my adjusters spending on manual administrative tasks? Can any of those tasks be outsourced?

Find out how long your adjusters are spending keying bills, processing paper documents and handling other rote, repetitive tasks. Ask your teams what repetitive or purely administrative tasks they are doing that are taking them away from their more important, customer-focused tasks. Find out how much more productive they think they could be if they didn't have to, for example, manually key in medical bill information. Understanding your

adjusters' and bill reviewers' processes can help you decide what should and shouldn't be outsourced.

What are my current bill review turnaround times and quality metrics?

How is your bill review organization performing? Are you struggling with efficiency, accuracy or consistency? Outsourcing to a bill review vendor can take these challenges off of your plate. For a benchmark, Mitchell's Technology Enabled Services achieves the following metrics on average for its outsourced bill review clients:

- Mailroom Process Completed Within 24 Hours of Receipt
- Data Capture Completed in Two Days or Less
- End-to-End Bill Review Including: Mailroom, Document Management, Data Capture and Bill Review in Less Than Five Days

Compare these benchmarks to your organization's performance metrics to better understand the type of improvement outsourcing to a vendor could make for your bill review program.

Do you have a plan in place in case of an outage or emergency, or a plan to quickly scale as a result of increased bill volume?

How prepared is your bill review operation for change? It can be challenging for claims organizations to effectively and quickly scale operations when needed, or to keep things up and running in the case of an outage or process problems. Outsource partners are experts in managing disaster recovery, volume fluctuations and business continuity, and are specifically built to handle all of these situations. For example, Mitchell's Technology Enabled Services was prepared at the onset of the COVID-19 pandemic with robust plans to shift employees to work from home without disrupting service for our clients. If your current processes experience delays, outages or difficulties managing change—or don't have the structural elements in place for when they do happen—it may be a sign that you should consider outsourcing.

Which processes are you considering outsourcing first?

Whether you're ready to outsource your entire medical bill operation or start small with just outsourcing your data capture, your organization will see significant improvements. Here are a few processes to consider taking off of your plate:

- Mailroom Processing
- Nurse/Certified Code Review
- Data Capture
- Provider Call Center Support
- Document Management
- Provider Payments
- Medical Bill Review

Choosing the Right Partner

After deciding if and what you should be outsourcing, your next question naturally will be, “How do I select the right partner?” There are many companies in the market today that offer medical bill review outsourcing. Ask potential partners the questions below to determine who may be the right partner for you.

What is the company’s business expertise? Do they specialize in bill review? Do they have code and nurse review expertise specific to your industry?

You want a partner that is a bill review expert, with a track record of quickly and accurately processing medical bills. In order to find this partner, you should be looking for specific bill, code and nurse review expertise in workers’ compensation and/or auto casualty. How many years of experience does the company have in your industry? Do they employ an internal compliance team? Do they stay up to date with fee schedules? Do they have the expertise to manage and support calls coming in from providers so your adjusters don’t have to? Do they understand the complexities of the bill review process? What results are they delivering to other clients?

What bill review software does your potential partner use? Do they have the flexibility to customize and configure the software to yield better results for their clients?

Even if the organization you’re outsourcing to specializes in bill review specifically, for best results, your outsourcing partner should also be conducting their bill review using an industry-leading bill review technology platform. This assists them in their processes and improves overall bill review results. Find out which bill review system they’re using and how adept they are at using it—can they quickly react to changes? Can they influence configuration and development decisions? Do they automate tasks for you? Do they partner with you to continually improve program performance? Can they discover insights about your bill review program that may have been hidden to you and provide recommendations on how to address? You want to work with a partner that leverages a sophisticated, compliant bill review technology platform that can be customized and configured to meet your unique business needs.

What are your potential partner’s cost containment results? Will they provide multiple avenues to help you better manage costs?

A 2020 Mitchell survey of industry professionals found that containing costs is the second biggest challenge they face in their jobs, and many are looking to improve in this area. To make sure you are paying the fairest price for medical bills across your organization, you should make sure that the vendor you choose provides multiple services and solutions and will work with you to optimize them on a consistent basis. Does the vendor offer a strong network portfolio combined with robust modeling capabilities? Will they partner with you to review your provider network results and optimize your network hierarchy on a regular basis? Do they offer non-provider network cost-containment opportunities such as bill auditing, direct-to-provider negotiations and specialty bill review?

What are the company’s disaster recovery and business continuity plans? Is the company prepared to help you scale if you experience changes in volume?

If the COVID-19 pandemic has taught us anything, it’s the importance of business continuity planning. In today’s uncertain environment, you want to make sure your vendor is prepared for whatever comes your way—changes in bill volume, outages, security issues and more. Find out if the vendor you are considering operates in multiple geographical locations and has purposeful redundancies built with multiple partners so they can easily shift services and capacity to various locations as needed. Does the vendor have experience quickly scaling operations in the case of a change in volume and a flexible operating model allowing you to make changes on the fly? If you had a significant volume increase, would they be prepared to adjust while still meeting turnaround times and accuracy levels? Do they have a history of successfully assisting customers through

challenging events? Check that the partner you're working with has comprehensive business continuity plans and security protocols to make sure you're covered in the event of any changes—it's not a matter of, "if they will happen," but "when?".

Will the company deliver accurate and consistent results? What processes have they implemented to ensure quality?

As mentioned, you want to choose a partner that is a bill review expert. You need a partner who delivers consistent and accurate results, as poor quality can have a negative impact on your bottom line. Not only should you learn what your potential partners' accuracy metrics are, but you should also understand the quality assurance processes they employ to keep delivering these results consistently. Does the company have an existing program to measure quality in the first place? Do they employ programmatic mousetraps to identify potential data discrepancies for things like date-of- service being listed before date-of-loss, high-dollar amount bills and validity of procedure or diagnosis codes? Do they have a robust new-hire training program and a comprehensive new-reviewer audit program? Do they have a full-time quality assurance team that audits a random sample of each bill reviewer's work regularly? Do they have a record of passing quality audits performed by other customers, agencies and state governments? You most definitely should be looking for a partner that can answer yes to all of these questions.

Better, Faster, More Accurate

Whether you choose to keep your operations in house or outsource parts or all of your bill review program, asking yourself and your potential bill review partners the questions above can help you make progress toward a better, faster and more accurate bill review program.

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