

Why Outsource your Accounts Receivables

Understanding what benefits that outsourcing will provide a hospital is the first step. What will outsourcing allow the current staff to do that can increase cash flow?

The basic benefit of outsourcing allows the hospital staff to focus on generating revenues in other areas. For example, you can outsource all of your self-pay accounts and allow the staff to focus their efforts on taking care of your insurance backlog, which typically will result in more of a return for a hospital.

Choosing the right accounts receivable management vendor will help you reduce your operation expenses while increasing cash flow. They will be a business partner with the hospital.

The first step is to develop information about the vendor to see they will be a good fit with your facility. This can be done through a reference check of current clients as well as even a site visit. Other questions can be:

- Can they interface with your current A/R system?
- Do they record all patient calls?
- What guidelines do they have in place to ensure adherence to your protocol?
- Are they capable of handling the volume of business that you have?
- Will your accounts be handled by a special team of financial counselors that will be well versed on your protocol versus having your accounts handled by anyone in the call center?
- Will you be able to access the vendor's system to review your accounts?

Once you have selected a vendor, the key to the success of the project is having the vendor understand exactly how you want your accounts handled. Setup a protocol "in writing" that is signed by the hospital and the vendor outlining the specifics of how you want the accounts worked. This can include:

- Number of days before the first call
- How many statements are to be sent and the frequency
- What is your payment protocol
- What is the grace period for a past due payment
- Do you allow discounts
- Will the vendor pre-screen for charity care
- How are disputes handled

There are many other things to consider, but these are good examples to start.

Once the project begins, there will be opportunities on both sides to improve procedures and make changes that will benefit the process. Communication is the key to a successful partnership between the hospital and the A/R vendor.