



## Beyond Compliance

### THE OPTION OF SELF-REGULATION

By Dennis Mock

**COMPLIANCE:** *The act or process of complying with a desire, demand, or proposal.*

HBMA has, during the course of its existence, devoted considerable time and energy to the mission of educating its membership as to the meaning and steps required for compliance with Federal and State laws and regulations.

However, my concern is all the things that haven't been collectively asked of us—those things that have resulted in a lack of a compliant standard for the industry.

Understand that I see our industry from a different perspective. It often disheartens me to see the “bad acts” of a third-party biller and the destruction those actions can bring to a healthcare provider. The things that you and I might assume to be a standard—such as balanced month-end reports, not losing receivables, and the ability to retrieve data—are part of a much longer list that your competitors don't always follow. Of more concern is that this growing list is part of a problem within some of those companies that sell and distribute software.

Therefore, from my vantage point, being compliant with all that HBMA teaches is fantastic but it is a long way from what the industry needs. More challenging is that the longer we avoid doing something, the harder it will be to come to an agreement on what the standard should be.

When members of HBMA undertook the task of writing *Best Practices* several years ago, I remember all too well the disagreements that came forth over what was permissible or not in terms of compliance. The range of those differences has grown and what was unacceptable ten years ago is now acceptable.

#### The Case for an SRO

No one wants additional rules to operate by, so perhaps we need to think about becoming a self-regulatory organization (SRO). The standard definition of an SRO is an organization that exercises some degree of regulatory authority over an industry or profession. The regulatory authority can be applied in addition to some form of government regulation, or it can fill the vacuum of an absence of government oversight and regulation.

The concept of a self-regulating organization is not new. The Federal Trade Commission has been supportive of this concept

for the industries it regulates. Although the FTC is not on our radar, the benefits that might be gained for the billing industry are worthwhile discussing.

I think the biggest challenge we have is that, when a dispute occurs, there is no third party to resolve it except the courts. I will share with you my first hand experience that the cost and results of litigation usually preclude the use of the legal system. When it is used, the lack of knowledge of the participants about accounts receivable management, more often than not, causes even more damage.

One of the benefits of an SRO would be to develop a third-party dispute-resolution program. Finding a partner for a program would not be easy, but it becomes a membership benefit for both the partner and for HBMA. Now granted, most members at this time don't need such a program, but in the last six months, I have seen two significant issues with two members who failed to renew or resigned just before an incident.

An SRO also gives HBMA members a significant marketing advantage. From the perspective of a healthcare provider, the benefits of an SRO create some real differences between an HBMA member and non-member.

SRO organizations gain greater respect because they are willing to promote and enforce good business. A billing company that is a member of an SRO can give its clients a greater level of comfort to know that there is a third-party dispute-resolution program available should there be a serious disagreement.

The downside is that to be effective and manageable, HBMA would have to create some standards in order to promote good business and to be able to enforce them. I also suspect a member might resign because he or she does not want to be subject to a SRO.

You may not believe this to be a reasonable solution, but what is reasonable when your competitors are destroying your image? ▲

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