

## If I Were To Do It Over Again...

### BILLING-BUSINESS LESSONS LEARNED IN THE TRENCHES

By Holly Louie, RN, CHBME

**G**rowing your business by adding new specialties and services is an exciting and challenging experience. But how do you predict when an opportunity will ultimately result in a costly loss of both business and client relationships? In working with members who had the misfortune of losing their biggest client, best client, oldest client, and/or most profitable client, some common threads emerge. Examining these threads as predictors of potential problems can help us avoid some costly mistakes. Here are some of the "thoughts" that sound good up front but can lead to disaster in the long run:

- *I can learn this specialty.* Vertical learning is a slow process. Trial and error, depending upon denials for education, and relying on colleagues in other states with other payor policies as your authoritative sources

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almost always result in excessive errors and delays or decreases in collections. Learn the specialty before you add the service so your ramp up is smooth and only fine-tuning is necessary.

- *The client begged us to....* Expanding or adding services when you are ill prepared and cannot meet client expectations is not the answer to the client's problem and will create problems for you. Base your decisions on what you can do well and when you can do it well. Know the is-

sues you will inherit from the previous company, set realistic timelines, consider interim remedies while you establish the required infrastructure, analyze the possibility of phasing the transfer of the client's billing, coding, accounts receivable, etc. You can't change the bad experience the client had, but you can manage your processes so you don't repeat it.

- *We have excellent coders so the new client will be no problem.* Coding is like the practice of medicine: there are generalists, specialists, and sub-specialists. Coding certification attests to a baseline general

knowledge of the guidelines and rules applicable to coding. Additional education, training, and practice are required to achieve true expertise in a given specialty and for specific payors. Whether coders are certified or not, a coder who is pro-

ficient in radiology may not be equally proficient in neurosurgery.

Objectively analyze your coders' expertise in the new specialty. A good methodology is to have them code a representative sample from the potential new specialty. Have their coding reviewed by an independent expert in the specialty to verify your ability to perform a quality coding service. Plan ahead for specialties you want to add so your coding staff has time to learn the required information.

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the gamut from high-net-worth individuals who made their first fortune in the tech boom, to deeply wealthy families, to classic venture capital teams, to European and Asian companies seeking to put money to work in the U.S., to offshore groups seeking to move back room processing jobs to their own countries. We bet there are scarcely any of you out there who haven't been contacted by a company offering "BPO" (business process outsourcing) services, right? If you haven't, just wait... you will.

Our perception is that we are at the very front edge of the second major wave of industry consolidation. There are myriad factors that are contributing to our conclusion: the forces exerted by HIPAA, the aging of the baby-boomers, the fact that here (18 or 19 years later) we have the next generation of owners thinking about cashing it all in, the increased risk that owners now face in this business, the fact that we hear, from owners every single day, that the business "isn't as fun as it used to be."

Any time vast sums of capital are seeking to gain an investment foothold in the industry YOU'RE a part of, it can only be seen as good news. If an industry is likened to an engine, then investment capital is its premium-grade gasoline, and the combination can only lead to higher, better, faster. For those who can't or don't choose to keep up, a well-funded exit is readily available. For those who still have the energy, drive, and competitive spirit, the coming years portend nothing less than opportunity galore. As we head into the next major bull market, we wish YOU only the very best! ◆

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- ***If I do or don't do \_\_\_\_, I'll lose the client.*** It's hard to negotiate when you are the hostage. When the client relationship is such that veiled or overt threats are the method of communication, it's time for a reality check. Why aren't you doing what the client demands? Is it a good business decision? Is it an attempt to force you to add, expand, modify, or delete services in a manner that conflicts with your compliance, business, or strategic plan(s)? Have you allowed one client to become such a significant percent of your volume that you must meet their demands or risk losing your company? Don't set a precedent of making decisions based on fear rather than prudent and best practice. While meeting the demand may result in a temporary reprieve, it will rarely result in a successful long-term relationship.

- ***I'll share the detailed information with my client.*** Honesty may be the best policy but promising to share every detail before you know the facts may prove to be a very unwise approach. For example, ongoing compliance reviews are designed to validate your processes but also to identify potential issues and areas that can be improved. These types of reviews are usually non-statistical and therefore cannot and should not be extrapolated. More importantly, it is not possible to calculate any financial effect. The purpose is to help you prioritize and evaluate your processes, not provide your clients "proof" you are doing it wrong.

Physicians link performance to their money. If you notify them of an issue they will assume it directly impacts their revenue. Focus on what you are really trying to convey. What is accurate, fair, and reasonable to share with the client? Could you say, "As a normal part of our quality assurance/improvement procedures, we'd like to address a specific coding scenario with you" rather than, "Our review showed we coded 10% of the charts wrong"? Draw a distinct line separating specific, verifiable, quantifiable problems that require an action the client must know about from general information that might be misinterpreted.

It is very difficult, if not impossible, to overcome a client's sense of distrust. Communicate regularly with the client that you have processes and procedures to assure you are both knowledgeable about pertinent issues and that you monitor and measure accuracy, timeliness, thorough follow-up, compliance, and effective collection measures.

While you may be successful with some or all of these scenarios, their common presence in unsuccessful outcomes suggests that careful and thoughtful attention should be given to your business decisions when you are faced with these issues. The difference between short-term gain and long-term gain just could be the color of your bottom line. ◆

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