

# Pick and choose

## Selecting billing and scheduling software

### reader take-away

- Learn how to choose the right billing and scheduling software for your practice
- Learn the software features available
- Figure the time involved in selecting a new system
- Make use of the checklists to zero in on your organization's software needs

**M**any medical practices need to upgrade billing software due to requirements of the Health Insurance Portability and Accountability Act (HIPAA) of 1996. They are evaluating their software and are asking questions such as:

- What new software will we integrate within the next three years? Is our current software compatible with new products on the market?
- Can we compile the reports we need?
- Does our vendor hold our data captive, making us pay for customized reports?
- To get graphs in reports, do we have to re-enter data into a spreadsheet?
- Are employees pleased with the software?
- Has our vendor stayed current with software innovations?
- Do we receive good service?

### Finding a potential new vendor: Do your homework

If answers indicate a change of vendor — or at least a comparison of your billing software to other products on the market — start by documenting product features important to the practice. Interview employees to learn the positive and negative aspects of the current software. Keep in mind that a change in a billing package may warrant a change in scheduling software because of the integration.

Ask employees to demonstrate tasks, such as data entry and retrieval. Note the number of steps required to accomplish everyday tasks. When reviewing other software packages, you may discover that even though programs accomplish the same result, ease in getting there can vary considerably.

Find out if management staff members can easily extract data to run reports. Can they retrieve information without going through the vendor and having special reports programmed? Can the employees responsible for collections easily obtain account information to follow up on late payments?

Ask for opinions, options and recommendations during your interviewing. A biller may tell you that it can reduce or eliminate many reasons for write-offs with a rules-based, data-entry verifier. It may recommend having data scanned, such as insurance cards and explanations of benefits, saving time and increasing efficiency.

### Consider scheduling features

Schedulers may find it necessary to double-book appointments and prefer viewing both appointments side-by-side on the screen. You may discover that the current system lacks the capability to handle a waiting list, making schedulers keep a paper list or, even worse, telling patients to call to check for cancellations.

Schedulers value good “jumping” capabilities and the ability to carry data for multiple

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# Billing and scheduling software checklist

## Company questions

- How long has the company been in business?
- Is the company cash-positive?
- Are company financial data available for review?
- What is the company's experience with "history" conversions?
- Will the company provide references and arrange site visits?
- What is the usual timeframe from contract date to "live"?
- Has the company received any industry awards or recognition?
- Does the company hold any certification?
- Can the system handle multiple physicians, specialists and locations?
- Does the company have complementary software, such as electronic medical records? If not, what software is compatible on the market?
- How many practices (in your state) use the program?
- How many practices (in your specialty) use the program?

## Appointment scheduling questions

- Are you able to view schedules for multiple doctors and/or multiple locations?
- Can you customize time schedules incrementally, such as every 15, 20 or 30 minutes?
- Can you easily restrict time slots and color-code the scheduling for quick reference?
- Can the program search and schedule same-day multivisits, such as exam room, labs and special equipment?
- When booking appointments, can you search for appointments by next available, by increments of time – days, weeks or months – or by groups of related appointments, such as exam room and special equipment?
- Can you schedule recurring appointments?
- Can data be crossed over for recurring and future appointments?
- Can you obtain appointment history of current and future appointments?
- Can you set up a patient waiting list?
- Can you access the patient's history of canceled appointments and reasons for the cancellations such as a no-show or a reschedule?
- Does the system track referrals?
- Does the system provide warnings when booking appointments, such as expired referrals, accounts receivable (A/R) and patient alerts?
- Can you track workers' compensation and other personal injury situations?
- Can you track no-charge appointments?
- Does the program provide a patient check-in tracking system?
- Does the program provide referral tracking, such as exceeded and expired?
- Can you easily locate appointments for rescheduling purposes?
- Can you void or clone entire visits?

- Is the scheduling integrated with the demographics and A/R modules?
- Will the program allow double booking?
- Does the program offer rules-based scheduling?

## Patient data and tracking questions

- Are patient demographics easy to enter?
- Can you update patient demographics in real time?
- Is there a rules-based and data-entry verifier?
- Can the program track medical record numbers?
- Can you track e-mail addresses?
- Can the system track multiple contact information?
- Does the program provide the capability to add notes, such as appointment, billing and general?
- How many diagnoses can be tracked per visit?
- Does the system provide primary and referring physicians' history?
- Can you provide statement information, such as anticipated level of insurance coverage and patient's responsibility?
- Can you identify guarantor and/or insured party(ies) for each patient?
- How many insurance carriers/insured parties can the system track per patient?
- Can you attach scanned images to patient files?
- Are you able to provide automated recall and reminder notices?
- Can you search for and locate visits by patient or guarantor name?
- Can you attach transcription notes to each visit?

## Claims questions

- Does the program provide a rules-based billing system so it can warn of possible coding violations?
- Electronic data interchange (EDI)?
- Are claim remittances handled electronically?
- Does the software track accurate file transmissions and check automatic remittance downloads?
- Can the program provide electronic eligibility verification?
- Can statements be sent electronically?
- Can the system provide insurance paper claims (HCFA-1500 and UB-92)?
- Does the program provide an efficient tracking system for filing claims and carrier units?
- Can claims be filed selectively (all claims or a specific claim)?
- Can secondary claims be submitted electronically?
- Can insurance claims be transmitted via the Internet or modem?
- Can you view the claims activity for a specific visit?
- Is there an automatic tracing of visit status until paid?
- Can the program maintain a payment schedule for each insurance plan?

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**Pick** *from page 50*

*Selecting a new billing software program is a lengthy and complicated project but may be necessary to improve the efficiency of your practice and conform to HIPAA standards.*

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appointments. You may find that patients have multiple appointments booked in error because the system cannot check conflicting appointments or show appointment histories. Other important features for your practice could include:

- Availability of multiple calendar years;
- Ability to see a full-day view screen rather than separate morning and afternoon views; and
- Easy-to-restructure appointment templates.

If the information you gather from your employees indicates that your practice needs new software, estimate your technology needs three to five years ahead. If you are considering add-ons, such as clinical, management and electronic medical records programs, compare the pros and cons of a long-range commitment to one vendor that

has proprietary integration programs vs. a vendor with software capable of integrating a wide range of applications.

Once you have narrowed your search to two or three vendors, check references and industry evaluations. If possible, schedule site visits to practices using the software. Many vendors will allow you to look at their financials — confirm that companies are cash-positive and ask if they might be sold.

Software capabilities are important for day-to-day business and management reporting activities. Also consider:

- Data conversion;
- Hardware specifications;
- Compatibility of other current software;
- Training;
- Technical support;
- Maintenance; and
- Upgrades.

**How much data? How much time?**


If your data are not open architecture — with specifications open to the public — access to them is likely to require the former software company’s assistance. A full conversion can be time-consuming and frustrating.

**Take your time**

Task	Time
Interviewing employees	10-15 minutes per employee
Research/preparation	8-10 hours, depending on the number of programs reviewed and the means of research used, such as requesting and reviewing vendor material, viewing Web sites, researching and reading published articles, conducting a survey, forming a committee and scheduling appointments
Software demonstrations	2 hours per vendor for a full demonstration, 30 minutes for a general overview
Interviewing/reference check-in	30-45 minutes for each practice manager you interview to gather information on his/her experience with the software and vendor; check references; document information
Committee demonstrations	4-6 hours (each member)
Site visits	4 hours per site, plus travel time (each person)
Administrative	15-25 hours for checking software and hardware compatibility and investigating upgrading; report writing and data documentation; attending committee meetings; holding discussions regarding data conversion; reviewing proposals
Contract signing to “live”	90-120 days for coordinating with the project manager regarding hardware, phone lines, cabling and supplies; arranging site and electronic data interchange evaluations, installing software; conducting administrative set-up; training

When discussing conversions, vendors may strongly suggest that you transfer only patient demographics to the new system. However, you may believe that the years of data are too valuable to lose. What trade-offs are you willing to make?

Selecting a new billing software program is a lengthy and complicated project but

may be necessary to improve the efficiency of your practice and conform to HIPAA standards. Allow approximately six months to complete the project (see table page 52). Use the checklist (pages 51, 53 and 54) for assistance in comparing software. 

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## Billing and scheduling software checklist, cont'd

### Posting questions

- Does the system allow for automatic remittance downloads?
- Are you able to apply deposits to a visit/line-item posting?
- Can the program automatically distribute payments?
- Can the program post zero-dollar payments?
- Can the program handle capitation payments?
- Does the system automatically calculate alloweds and withholds?
- Can money be easily transferred between insurer and patient?
- Can the program post payments, adjustments and transfers at the same time?
- Are you able to set up a system that mimics the explanation of benefits (EOB)?
- Can you automatically attach predefined notes to payments, adjustments and transfers?
- Are you able to print receipts at the time of each visit?
- Can you attach scanned images of EOBs to payments?
- Does the system follow rules-based posting?

### Accounts receivable and collections questions

- Does the system track amounts charged, expected payment, amounts paid, adjusted or refunded, and balances due?
- Can you easily obtain information on unpaid visits, overpaid visits and/or nonsufficient funds payments?
- Can you view a summary of all outstanding receivables and line-item details such as payments and adjustments?
- Can you easily transfer unpaid visits into collections?
- Can you make notes for tracking contact dates?
- Can you include collection notes/reminders on statements?
- Can the system group insurance carriers for collections follow-up?

### Reports questions

- Does the report writer have access to all data? Is it open-system architecture?
- On average, how long does it take to compile monthly financial reports?
- Can statements and claim forms be printed on demand?
- Can you obtain a report showing the number of active patients?
- Can you obtain a report on patients by ZIP codes?
- Can you obtain a report by patient, diagnosis and procedure?

- Can you obtain a gross collections report: collections/gross charges?
- Can you obtain a contractual percentages report: contractual adjustments/gross charges?
- Can you obtain net collection percentages: collections/charges minus contractual adjustments?
- Can you obtain aged reports by date of service and date of billing?
- Can you obtain a report showing the reason for a write-off sorted by doctor, technician, etc.?
- Can you obtain a monthly balance or financial analysis during the month?
- Can you print reports one at a time – in addition to tagging and printing in a batch?
- Can you use filters to limit report printing based on various criteria?
- Does the system provide on-screen previewing?
- Does the system allow custom report capabilities with other applications, such as those for word processing, database management and spreadsheets?
- Can you run a report showing the patient's name, insurance payment and adjustment for dates of service for one month and/or one year and year-to-date?
- Can the system track and report on incurred but not reported (IBNR) amounts (for primary care physicians) responsible for paying specialists?
- Can you customize statements and reports without the assistance of the vendor's technical staff?

### Administrative questions

- Can the system provide contract listings and profiles?
- Can you maintain a payment schedule for each insurance plan?
- Are CPT, ICD-9 and HCPCS\* codes included with the software?
- Are insurance carriers' names, addresses and phone numbers preprogrammed in the software?
- Does the system have the ability to handle different copays on a per-procedure basis?
- Can the system create fee schedules?
- Does the system track effective and expiration dates for all fee schedules, procedures and diagnostic codes?
- Does the software provide an audit trail?
- Can the system scan insurance cards and EOBs?
- Can the system track relative value units?
- When are data purged?

Checklist continued on page 54

**Pick** from page 53

## Billing and scheduling software checklist, cont'd

### Security questions

- Does the system date- and time-stamp entries for security and accountability?
- Can you assign functional security levels using passwords?
- Is the system HIPAA-compliant?
- When was the last software update, and when is the next one expected?
- Are updates done by disk or through the Internet?
- What is the cost of codes and system updates?
- What are maintenance costs?
- Are data stored in-house or on the Web?

### Hardware/software questions

- What is the networking/operating system?
- Is the system turn-key or application service provider?
- In what language is the program written? (applications written in C or C++ will generally run faster)
- Do data reside within ANSI (American National Standards Institute)? SQL (standard query language)? ANSI is recommended.
- Does the program have a Windows platform?
- Is the database system 32-bit multi-threaded in nature, considered more "fault-tolerant"?
- Does the system comply with "plug-and-play" operability?
- Is the current hardware sufficient?
- Does the software coexist with current hardware, software and network technology?

### Training questions

- Where does training take place? In what venue?
- What is the training style? (User training or "train the trainer"?)
- Is advance training available?
- Is online help available?
- Does the software provide a "help by topic" feature?
- Is computer-based training available?
- If training is classroom style, how often is training provided?
- Is follow-up training available?

\*CPT, ICD-9 and HCPCS — Common procedural terminology, International Classification of Diseases — 9th Revision, HCFA common procedure coding system

Reference: Millbrook Practice Manager 2000 — Registered trademark of Millbrook Corp.