

# How Outsourcing Your Billing Saves (Earns!) You Money

The Outsourcing decision normally boils down to one factor: cost. Consider a 2 doctor practice that collects \$1,000,000 a year in receipts:

<b>Costs</b>	<b>In-House</b>	<b>Outsourced</b>
Charges/Production	\$1,500,000	\$1,500,000
Billing Department Costs	\$37,000	\$4,000
% of Billings Collected	67%	72%
Collections (Receipts)	\$1,000,000	\$1,080,000
Collection Costs	\$37,000	\$34,240
<b>Collections, Net of Costs</b>	<b>\$963,000</b>	<b>\$1,045,760</b>
<b>Improvement to the bottom line = \$82,760</b>		

In this example, outsourcing improved collections by just 5%, which earns the practice \$82,760 in extra collections, net of collection costs, over in-house billing

## Other Considerations in Outsourcing

- Changes in the billing industry: ACA, ICD-10, Payer Rules...
- Staff turnover, illnesses, vacations
- Inefficient billing processes, staff training, & supervision



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