To: Khatsahlano Medical Clinic

From: Kevin Lapeyre

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Subject: *Proposal to Determine the Feasibility of Introducing New Physician Resources for Billing Medical Services*

**Introduction**

Physicians encounter billing for medical services on a daily basis. Each visit with a patient requires some form of bill, either to the government or to the patient directly. On average, physicians tend to bill somewhere between $90 and $100 per hour (some more, some less, depending on their speed). Yet even after taking overhead fees into account, a number of physicians feel that their net pay is less than expected. At the same time, medical offices employing the physicians also take a cut of the total billings (referred to previously as overhead fees). While overhead is generally enough to sustain business and achieve a net profit, they are still faced with a growing account of receivables that has yet to be collected, due to either billing errors or inefficient billing practices.

**Statement of Problem**

There are two inherent problems with the medical services billing system in British Columbia. First, the system is cumbersome and inundated with rules and procedures (e.g. when to bill one item, when to not bill at full price etc.). The way the system has been built, physicians, for the most part, are prone to making billing errors. Second, physicians are not properly introduced to the billing system upon graduation, but instead are tossed into the fray and rely on colleagues or government websites to obtain a full understanding. In addition, the latter problem is also true for physicians new to British Columbia, as billing systems differ across Canadian provinces. Finally, as medical systems become more electronic-based, physicians will have a larger responsibility for front-line billing while administrative staff will have less.

**Proposed Solution**

Changing the medical services billing system province-wide is an unattainable goal. Instead, one possible solution would be to better educate and prepare all physicians. That includes new graduates, new physicians to British Columbia, and any current physicians that feel their billing knowledge to be inadequate. This can be done in the form of online or print resources that outline common billing practices that lead to frequent billing mistakes. They can also provide guidelines to improve overall billing practices, which could potentially lead to greater physician revenue (as well as medical office revenue). These would complement, but not replace, current online resources provided by the Ministry of Health of British Columbia. The idea would be to succinctly summarize key aspects without losing physicians in hundreds of pages of explanations and rules.

**The Scope**

To assess how feasible it would be to produce and market these proposed resources, as well as assess their efficiency in improving overall billing practices, I intend to address the following questions:

1. How prepared did current physicians feel upon first starting their practices and billing for the first time?
2. Do physicians feel there are adequate resources provided by the Ministry of Health on billing guidelines? Are these resources easy to follow?
3. What are the top ten most common billing errors, and how can they be avoided?
4. What are the best ways to improve overall billing to provide better revenue?
5. Are there additional ways to improve billing, besides targeting physicians (eg. Administrative staff, billing systems)?

**Methods**

To start these inquires, I will be investigating current billing practices in more depth at my own office of employment, Khatsahlano Medical. Surveys will be provided to all physicians that wish to participate in the research in order to better understand their knowledge of the billing systems in British Columbia. Individual interviews with senior physicians and newer graduates will help me understand how wide the knowledge gap is in terms of billing practices. In addition, I will conduct interviews with both administrative staff and the owner of the business. Lastly, I will review the current resources offered by the Ministry of Health both online and in print. Being employed by Khatsahlano Medical will allow easy access to all of these resources and individuals.

**My Qualifications**

As previously stated, my position as Office Manager at Khatsahlano Medical for the past 7 years provides me with a breadth of knowledge, including many of the aspects that compose the medical services billing systems in British Columbia. Using my connections at Khatsahlano may provide me with the necessary tools to provide proper resources for physicians who lack the expertise in medical billings, and if successful, possibly expand these resources across the province.

**Conclusion**

I believe there is significant room for improvement in billing practices for physicians in British Columbia. There are two main areas to focus on: common and avoidable billing errors, and billing practice improvements. I suspect one would find it difficult to find a physician that would not appreciate an increase in take home revenue. Medical office managers such as myself will also likely sleep better at night knowing that the number of billing errors and owed payments are decreasing as physicians improve their billing knowledge.