

Simple Steps to  
Starting a Home Based Medical Billing Business



Step by Step Instructions written by some who has done it!

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ANTHONY MEDICAL SERVICES  
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## INTRODUCTION

Hi, Welcome to the world of medical billing .Did you ever feel like you have been pulled in 60 different Directions when you're at work? Did you ever feel like the lady on the front of this guide? Many of us do. Working 9 to 5, trying to manage home life around your work schedule, and visa versa. I know because I have been there. That's why I decided to start my own business. I found myself stuck in a job of being underpaid for the knowledge that I had. Not to mention, the unkindness shown to me if one of my children were sick. In today's fast paced world, most families barely have time to sit down and eat dinner.

I wanted to share what I have learned to make it easier for you to stay at home and get rewarded for your hard work. Unfortunately, when I started out, I didn't have a lot of help. It took me a lot of research and I wasted money on books that didn't help. I wrote this guide to help you increase your efforts of succeeding with their own business. Everyone deserves the chance to have financial and personal freedom.

With that being said, Let's get started on what could be the best decision you made in order to accomplish your dreams!

## Checklist to get Ready

Buy a journal

Organize your thoughts

Write down your goals

Write a business plan

Get help from family and friends

Contact the SBA {Small Business Administration}

Check your finances

Dedicate a certain block of time just for your business

Talk to other business owners

Be a guest at a networking group

Check out other Billing Services

Call the local Chamber of Commerce

Make a list of doctors in your area

These are just a few suggestions you should pursue if you are serious about having a successful business!

## WHERE TO START

After writing and reviewing the checklist above, decide on what kind of services you would like to offer and what kind of business you would like to have. For example, you might want to have a partner or you might want to start out by yourself. You might want to offer just medical billing services or you want to offer a variety of services such as Account Receivable Recovery, Temporary Services, etc. Decide who and what type of billing you would like to do. Billing for a doctor's office is a lot easier than doing billing for a hospital or other facility.

Picking a name for your business is also a very important part to being successful. You want to pick a name that is easy to remember but also tells your perspective clients something about what your company does.

For example, if you want to do just medical billing services, you might want your business name to be ABC Billing Services. If you think you might want to expand your services in the future, you might use ABC Medical Solutions.

Using your initials or your name is the fastest way to get a Tax ID# for your business. Using a fictitious name will delay this process. If you really want to use a fictitious name and you feel the business name really will enhance your business. Then I would certainly use it.

It is easy to get a Tax ID# thru the IRS by just a phone call or by filling out their form. I have included the phone# and form later on in the book. {Everyone needs a Tax ID# for their business and this service is free}

After setting up and obtaining you Tax ID#, it is very important to check with the county or your state office to see if you're required to have a business license. Each state is different. Some states require this in addition to having your Tax ID#.

You have just taken the first steps into starting your own business and doesn't it feel great? I know you thought this was going to be a hard process but following this simple guide will take the guesswork out what to do and how to do it.

## CREATING IDEAS

Every successful business has to have an organized plan. Being creative when it comes to your company name, logo, and slogan could make a big difference in getting new clients. You want them to remember your name or something about your company.

Your business card will be your most valuable asset. Try and make it unique but to the point by using different colors, themes, and sayings. Being different really helps your company stand out above the rest. So don't worry if you think it's a little over the top.

How many times did you remember a song or catch-phrase for a product? Then you find yourself singing that catchy jingle or repeating that saying to your friends because of how outrageous it was. It's because it was different from the rest of the commercials for the same product. It's the same when you want your business to stand out from the rest.

This holds true when it comes to your brochure and website as these items will give your clients more information about your company. Your brochure should contain brief information about the company and the services you offer. Making this too lengthy will not make prospective clients anymore willing to do business with you. Most clients want brief and to the point and do not want to take up a lot of time reading a bunch of material.

Your website should also follow suit by making each page direct and to the point. Clients want to know about you, your services, cost and how to get in touch with you. As your business grows, you can get more elaborate on your website but still keep the basics intact.

Make sure it easy to get around on your website. From my experience, doctors don't want to navigate past a musical introduction or fancy graphics. This could cost you a potential client because they may become frustrated by visiting your website.

I would recommend writing down some ideas starting with your business card by doing a rough draft. Start with the name of your business, then logo, slogan, and of course your name, phone, email, and website. You can get some great examples online if you search on Google under Medical Billing Business Cards under images.

Your brochure should be an extension of your business card. You should keep the colors and theme the same. Keep all the information brief and to the point. I would recommend a two-part brochure rather than a 3 part. Just remember, less is more.

Your website will also be a valuable asset to your business as most of us know. More and more people are checking out businesses on the web and the first place they go is to your website. Having a website not only makes you look bigger but also gives your credibility. Your website is reflection of who you are and what kind of company you have. That's why it is really important to make it look professional.

If you have never built a website, it's better to consult with someone who has. I found it was better to hire someone else to build my website initially and then I learned how to update it on my own. It really saves you a lot of time since there are so many other things that need to be done when starting a new business.

I am going to share with you my website, my business card, and brochure at the end of the book so you can use them as examples. I would still encourage you to check out others online.

## FINDING SUPPLIES

I bet you're thinking about the costs of getting started. I was worried about that as well. I had no idea what supplies I would need or even the cost to purchase them. I didn't want to spend a lot of money up front not knowing if my business would succeed. So I started shopping around after I made list of the major supplies I would need.

The most expensive items needed to start this type of business are a computer and billing software. Most of us already own a computer. Any computer can usually run billing software as long as your computer is good working order.

The medical billing software will be your next biggest expense. The average program can cost anywhere from 2,000 and up. Software is sold per user. This means, the more employees you have the more expensive the software. If you are the only one who will be doing the billing, then I suggest the single user software, which will be the least expensive. I started out that way and then worked up from there.

Most companies will let you download a demo of their software to give you an idea on how it works. I never tell anyone to buy the software I use because everyone has a different opinion on which software is the easiest to use. That's why I suggest the Demo download. I will however give you a few choices at the end of the book.

Check out a medical billing forum which will give you feedback about the different software's as well as the feedback about the tech support of these products.

Note: Tech Support to me is just as important as the product itself.

Purchasing a software can be very confusing. The two biggest companies that most people use are Lytec and Medisoft. This is not to say that there are software's out there that are just as good.

We have found that some companies let you use their billing software and you pay a monthly fee to use it. That way if anything goes wrong, the company is responsible with no expense to you at all.

Whichever software you decide to purchase, investigate it first before you purchase it. I can only tell you that the Lytec program we use has been a great asset to our company. We have found it to be user friendly, they have a great training CD and the price was comparable to other programs.

Other supplies to consider should be a printer, fax, and a phone dedicated to your business. Some printers are combination, fax, copiers, and scanners. This is a real money saver. Consider also sharing your phone and your fax line until you get established. That way you aren't paying for the cost for a separate fax line. I wouldn't buy the most expensive fax or printer. Somewhere in the middle will be fine.

Another option is the use the fax built in to your computer to send and receive faxes. This can be a great money saver because all faxes are received as files. Any computer person can help you set this up and there are instructions on the internet as well.

Computer faxing and receiving has the following benefits

- \*No jammed faxes or non-readable faxes because of low ink
- \*Can receive large faxes in a short amount of time
- \*Faxes can be stored on the computer and saves storage space
- \*Saves money on paper and ink

As you can see, there are many ways to save money with technology that you have to purchase anyhow. Most computers support this type of faxing. If your computer does not, there are companies on the internet that will do the faxing for you for a monthly or yearly fee.

This could also save you money if you have a lot of faxes going and coming. Just something to consider.

Make sure you have the new CMS 1850 forms on hand. Even though most insurances don't accept paper claims, there are times when you need to send them on paper. For example, Workman's Comp, Auto or secondary insurances. The new forms contain fields for the new NPI numbers. All claims sent via the old format after May 23, 2008 will be rejected. These can be purchased by many companies on the web so make sure to shop around. Some companies will let you buy a lot of 250-500 rather than a lot of 1000 or more. I will give you a couple of websites at the end of the book.

Make sure you have plenty of ink and paper for your printer, calendar, sticky notes {big supporter of sticky notes}, paper clips, telephone call back log, rolodex. Most of these items can be purchased at your local dollar store or discount stores. I even check garage sales and flea markets. {Great finds at these places}

Back up CD's and Back Up Tapes are essential. You need to back up your computer files everyday. You can even hire a company on line to do this for you in addition to your back up. Trust me, when my computer crashed, it was a life saver.

Creating your office space and getting your supplies can be an exciting time when starting up your business. Make your office space bright and cherry. Add a few funny pictures &quotations around for those days when everything seem to go wrong.

The great thing about having a home office and your own business is being your own boss, no punching the clock, saving gas, working your own hours around family.

You have a lot of things to investigate and purchase so you better start making your list and get out there.

## SAVING MONEY

I have mentioned some ways to save money on the things that you will need but this chapter is dedicated to a lot more ways to save money.

Having a list of everything you will need to create a budget. Be sure to list your items in the order of the most expensive. Then beside those items, list whether or not these are items you definitely have to have or items that can be purchased at a later time.

Your computer and software will be your most expensive items. Most of us already have a computer, which will save you on the start up costs.

If you don't have a computer, you can purchase a rebuilt one from most computer companies like Dell and HP. You save a lot of money and the computers run just like new ones.

Don't hesitate to call an IT Company/Computer Guy in your local paper and see if they have any used computers for sale or if they could direct you to someone who does fix and sell them. We actually obtained a computer for \$50 by doing this when we expanded.

Most companies like Dell and HP let you build your own computer but if you are just going to be using it for Medical Billing, then the standard packages they offer which usually runs around \$500 will be more than enough do get the job done. Most packages come with free upgrades, printers, and monitors.

The other thing I mentioned is the billing software. There are a lot of different options out there and it is confusing when you contact these companies because they want to sell you the latest software. Buying a software that is year older can save you a thousand dollars. If a company tells you that is not available and it is cheaper to purchase the newest software, look elsewhere.

I would download a demo and if they don't have one, call and ask for one. You don't want to invest the money, only to find that it isn't usually friendly.

I will list the company that I purchased my software from at the end of the book. They sell both Lytec and SuiteMed. They also have demo's of both programs if you would like to try them out. Their tech support is great and they try to work with you to come up with the best options for what you need.

There are also software's you can rent. They let you use their software to do all your billing for a monthly fee. They manage the software, keep it up to date, and the tech support is free no matter how many times you call them.

This works out great if you are not ready to make a full commitment into this business and upgrading software once you own it, gets expensive. Plus it may be cheaper in paying a fee once a month verses paying a bulk fee up front.

You have to decide which avenue is right for you financially. Investigate all your options before you buy. Do a comparison chart of buying VS renting. This will give you a better idea on what is the right decision.

This is just my opinion, you may find others who use other software that they find very easy to use and may be cheaper. Ask your doctors office or call some medical offices and find out what they use and ask the billing staff how they like it. Software can run between \$2,600 and \$6,000 depending on what one you purchase. That's why it's important to shop around.

On a final note of computers and software, ask if they have any types of rebates. Some have mail-in and some have instant ones. If they don't have any, ask anyhow they may cut you a break to make a sale.

{ Just remember, if it is a mail in rebate make sure to send it in as soon as you get your purchase }

Many people wait and forget about it and the company just made another \$100 off of your sale. They bank that most people won't send it in and they are right. Be proactive when starting out and even when you company is up and running.

Getting a phone is another important part of your business. Using a cell phone or home phone will not cut it. You need to have a separate business line to make and receive calls. Nothing will turn a client away faster than a funny answering machine message or they can't get a hold of you because your cell phone is dead.

Make sure you invest in a phone that has multiple features such as a hold or mute button. Either invest a phone that has an answering machine built in or one that doesn't but has voice mail. You can have your phone carrier offer voice mail services either for all your calls or if you are on the line and calls will be forwarded to voice mail. That way you don't miss any calls. A speakerphone is always nice if you have to be hold with an insurance company for any length of time and want to get work done while you are waiting.

A good business phone costs around \$100 but keep in mind, you can always find one used that is great condition. We found one at a local swap meet for \$3.00. Yes I said \$3.00 and it works great.

People shut down businesses all the time and want to get rid of their office supplies, furniture, desks, filing cabinets, etc. In turn this benefits you.

When starting out, our first thought is to go to places like Office Maxx, Staples, Office Depot for anything to do with starting up.

This is fine if no one else has what you need and you can't get anywhere else. Sometimes you don't have a choice but to pay full price on some items you need. The good news is you can save money elsewhere which will make up for the extra cost.

Keep in mind, these places sometimes offers discounts if you buy these same items online verses in the store. You will see special is for online purchases only.

As far as pens, paper, sticky notes, notebooks, and all those other supplies, try and buy them at your local dollar store. This can save you quite a bit in the beginning.

As you can see, I have found ways for you to save money and still make your business more successful. Spend only the money you need to pay your monthly expenses and supplies, as you need them. Once your established, you can always upgrade the things you want. That way you don't get in over your head. If you have more questions regarding your business expenses I would consult your local IRS office. They give out free advice to small business owners.

You will be investing more time to save you money but in the long run it is worth it. You could end up saving a \$1,000 by using some of the guidelines I've listed for you. I still continue to save by money by following the same things I have listed for you.

I didn't have a lot of money up front to get started. I found ways to get what I needed without creating a huge debt. I also didn't want to invest a lot of money up front in case my business didn't succeed.

I found it exciting to design my own workspace thru things I already had and things I purchased.

Remember to always keep all your receipts for all your purchases relating to your business. Even if it is a business lunch, gas purchase to meet with a potential clients, or mileage for your car.

Let you accountant figure out if you can claim these things or not. It is never a good idea to claims things you can't prove. The IRS does do audits on a random basis and you don't want to be caught doing illegal things with your business.

Excuses don't work with them because they have heard them all. If you are always honest and play by the rules, then you will have a great reputation and a thriving business.

## SOFTWARE OPTIONS & CLAIM SUBMISSION

The first thing I would like to discuss is your billing software. Although, there are many different software's out there. I would recommend only two.

The first one is Suitemed. It is very user friendly, easy to learn, has many options built in, and the cost is lower than most.

The second one is Lytec. It is also very user friendly, easy to learn but it costs more and updates sometimes are not available and you have to upgrade to a new version.

You can shop around for cheaper software but beware of vendors who are trying to get rid of old, outdated software with no support.

I recommend these two not only for those reasons listed above but that I actually use Lytec and the company I listed at the end of my book has used Lytec and is currently using Suitemed. These are two proven software's that really work within this business. If you would like to compare, ask the company I recommended for a demonstration of each product and compare. You may find you like one better than the other.

If you don't like either one, one other viable option is to look around at possibly renting a software product to send claims. Some companies charge a monthly fee for this service but I understand entering claims is very time consuming.

I don't think the extra savings is worth all the time invested. The only advice I would give, is do what you can afford in the beginning.

## Claim Submission

There are several different ways to submit claims electronically which I'm about to cover in this section.

If you do purchase your software and create your own claims you will have to use a clearinghouse to sort and send all your claims.

You ask what is a clearinghouse? A clearinghouse is a place that has connections to all different insurance companies. They have the ability to sort all your claims in seconds and upload them to each insurance company. Clearinghouses will charge per doctor a flat rate per month or some will charge a fee per claim sent. I prefer to use the flat rate because I find it easier to fit into my budget. The clearinghouse edits your claims in addition to sending you reports that your claims were accepted or rejected by the insurance.

Another option is send claims thru software from the insurance company themselves. The drawback to doing it this way, you can only send to that carrier. This means you would have to do it for each and every insurance. This would be very time consuming and confusing to keep track of your claim. Only if you had a few carriers or claims would I choose this option.

Again the other option would be to rent the software and use whatever means to send your claims electronically. I don't know if you sending your claims would be included with the rental or it would be an additional charge. Please check in to that before you sign up.

If you're familiar with billing you understand that you post the charges on a daily basis. When you use you software to submit to a clearinghouse, you create what they call a claim batch.

That means that you have a file that has all your claims posted for that day in an electronic file.

This file and then uploaded to your clearinghouse. The clearinghouse sorts all your claims, determines if they are okay, let's your correct ones that are wrong, and then sends them to the insurance companies. When you send your next batch, you receive a report back stating if the insurance has accepted them as well. If they didn't, they will tell you why. There are a lot of pro's to using a clearinghouse. I think it's the best option when starting out for many reasons.

Even if you're new at this, it is a helpful tool in determining what mistakes on being made on the claims before they process to the insurance.

Most insurance will accept claims electronically but there are still insurances out there that want the claims on paper. For instance Workman Comp. Unless you can import the documents required for these claim to be sent electronically you have to print them to paper and send them with documentation to paid. For other claims that have to go to paper, the clearinghouse will charge you a small fee to do this for you. You can print them yourself and send them if you want, this is strictly up to you.

As you can see there are many decisions to made in what is right for you starting out. I can only recommend to you what I know works. When deciding on these two important factors, remember the tech support is just as an important as the software or the clearinghouse you decide to use. Investing this is just as important as investing the product or service you will be using.

Don't be afraid to ask questions and remember if you don't get the answers you should, you should not deal with that company.

I've spent many hours investing these things and I can honestly say that I am happy I spent the time doing so. I still buy my software from the company listed in this book, and still use the same clearinghouse I had since day 1.

It's always good advice to stay with what works. Change is sometimes good but it can also cause many problems. Stick with what is working best for you even if it costs you a little more.

## BROCHURES & BUSINESS CARDS

I found the easiest way to get started on both these projects is to use a program that came with your computer.

Microsoft word, works, and office usually have a simple program for these items. If you don't have such a program, you can use a program called Print Master which costs around 10-20 dollars. It will let you customized already designed brochures and business cards or you create your own. This is a good way to design your own brochures and cards to save money in the beginning. You can also customize your designs and then give the design to a place like Vista Print online to print your actual cards and brochures.

When creating a business card, it is important that is direct and to the point. With too much information, your card may be put aside. You want it to contain your companies name, your name, company logo, phone, fax, email, and website information.

Make it professional looking but do not do a basic design or logo. Do something that will stand out. On my card, I have blue and pink. Most cards are beige, black, white, and your standard business colors. Maybe try raised letters and a slogan that a client will remember.

Have fun creating it and make it your own. You can look up examples on Google by searching under Business Card Sample Medical Billing and select Images.

See what others are doing to get specific ideas that have worked for other medical billing companies.

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## Brochures

Your brochure should be an extension of your business card. The colors and concept should match and the message should be a more complete listing of your services. My list of what things an office experiences and how we can help them. Then we have a list of our services and contact information.

You can pick from a 2 fold or 3 fold. This means 2 fold will contain less information and 3 contains more. Of course if you get these printed, it will cost you more for the 3 fold. Keep your information brief but informative. Physicians do not want to take a lot of time to seek out the services they need. Most you will find will call when they are in a pinch. This could mean the difference between them calling you or someone else.

This is a good marketing tool when you attend seminars or if you are going to attend functions thru your local chamber of commerce. This gives people an understanding of who you are and your services.

There really isn't a right or wrong way to create a business card or brochure. To me, making it unique is going to make you and your business stand out. How many times have you seen a really bad commercial, only to realize that you remembered everything about it.

Think in terms on what you would remember about a person by their business card and brochure. This should help you get started. I have learned by putting yourself in the position of your perspective client, you have a better chance of be remembered. This could mean a client now or maybe later.

## Sample Contract

This agreement between AMS\_ and \_John Smith MD on \_\_\_1st day of May, 2009 mutually agrees, intending to be legally bound hereby as follows.

1. Ams will provide billing services for the provider for all insurers and all patients of the Provider. This will not apply to patient who are self pay. AMS will account for and post all payments of all types received for the Provider.

2. Provider will be responsible for CPT Coding and ICD-9 coding of all bills. In the event the Provider makes any mistakes or errors with the respect to the Super Bills, AMS will have no responsibility or liability regarding said mistake or error, and Provider agrees to indemnify and hold harmless AMS.

3. AMS standard one-time set up fee is \_\_\_\_\_dollars and will be charged for said Provider. The set up fee covers the cost of transferring patient information, entering physician information, updating of fees, and processing all paperwork for electronic submission.

AMS shall be \_\_\_\_%of all receipts by provider from insurers except Co-pays. This rate will be locked in for a period of \_\_\_\_\_year or years at which time a new contract will be issued with any changes. AMS will be paid a consulting fee of \_\_\_\_\_per hour for additional services required outside the guidelines for billing practices. AMS will notify Provider before consulting work is done

4. AMS will charge 1.00 per patient statement to cover the cost of postage, paper, printing, and mailing of statements.

5. All money collected as a result of patient statements will not be included in the receipts upon which AMS is paid.

6. AMS will post all personal payments received and all payments are to be directed to the office. A copy of payment will be sent to AMS to post in the system. All billing inquires will be handled by AMS as well.

7. All superbills, patient demographics and insurance information will be faxed to AMS. AMS is not responsible for incorrect information given by the office and it not responsible for lose of income as a result of this. AMS will make every effort to work with the office to correct the situation and reprocess claims.

8. An invoice will be generated to the Provider on a monthly basis along with a report to show the practice income. Payment is due upon receipt. If payment is not received upon receipt, billing will cease until payment is received.

9. Termination of service will only be accepted in writing 6 months prior to end date of contract. Only will immediate termination be done if there is a breach in this contract by either party. At which time either party has 10 days to rectify the breach.

10. Provider agrees to keep all information regarding AMS and claims processing services confidential and agrees that it will not disclose such information to any person or third party. AMS agrees to keep said PROVIDER information confidential according to HIPAA guidelines

Provider

Billing Service

Date

Form **SS-4**

### Application for Employer Identification Number

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, certain individuals, and others. See instructions.)

Rev. April 2000  
Department of the Treasury  
Internal Revenue Service

OMB

OMB No. 1545-0002

Keep a copy for your records.

**1** Name of applicant (legal name) (see instructions)

**2** Trade name of business (if different from name on line 1)

**3** Executor, trustee, "care of" name

**4a** Mailing address (street address) (room, apt., or suite no.)

**5a** Business address (if different from address on lines 4a and 4b)

**4b** City, state, and ZIP code

**5b** City, state, and ZIP code

**6** County and state where principal business is located

**7** Name of principal officer, general partner, grantor, owner, or trustee—SSN or ITIN may be required (see instructions) ▶

**8a** Type of entity (Check only one box.) (see instructions)  
**Caution:** If applicant is a limited liability company, see the instructions for line 8a.

Sole proprietor (SSN) \_\_\_\_\_  Estate (SSN of decedent) \_\_\_\_\_

Partnership  Personal service corp. \_\_\_\_\_  Plan administrator (SSN) \_\_\_\_\_

REMIC  National Guard  Other corporation (specify) ▶ \_\_\_\_\_

State/local government  Farmers' cooperative  Trust \_\_\_\_\_

Church or church-controlled organization  Federal government/military \_\_\_\_\_

Other nonprofit organization (specify) ▶ \_\_\_\_\_ (enter EIN if applicable) \_\_\_\_\_

Other (specify) ▶ \_\_\_\_\_

**8b** If a corporation, name the state or foreign country (if applicable) where incorporated State \_\_\_\_\_ Foreign country \_\_\_\_\_

**9** Reason for applying (Check only one box.) (see instructions)

Started new business (specify type) ▶ \_\_\_\_\_  Banking purpose (specify purpose) ▶ \_\_\_\_\_

Hired employees (Check the box and see line 12.)  Changed type of organization (specify new type) ▶ \_\_\_\_\_

Created a pension plan (specify type) ▶ \_\_\_\_\_  Purchased going business \_\_\_\_\_

Created a trust (specify type) ▶ \_\_\_\_\_  Other (specify) ▶ \_\_\_\_\_

**10** Date business started or acquired (month, day, year) (see instructions) \_\_\_\_\_ **11** Closing month of accounting year (see instructions) \_\_\_\_\_

**12** First date wages or annuities were paid or will be paid (month, day, year). **Note:** If applicant is a withholding agent, enter date income will first be paid to nonresident alien. (month, day, year) \_\_\_\_\_ ▶

**13** Highest number of employees expected in the next 12 months. **Note:** If the applicant does not expect to have any employees during the period, enter -0-. (see instructions) \_\_\_\_\_ ▶

Nonagricultural \_\_\_\_\_ Agricultural \_\_\_\_\_ Household \_\_\_\_\_

**14** Principal activity (see instructions) ▶ \_\_\_\_\_

**15** Is the principal business activity manufacturing? \_\_\_\_\_  Yes  No  
 If "Yes," principal product and raw material used ▶ \_\_\_\_\_

**16** To whom are most of the products or services sold? Please check one box.  Business (wholesaler)

Public (retail)  Other (specify) ▶ \_\_\_\_\_  N/A

**17a** Has the applicant ever applied for an employer identification number for this or any other business? \_\_\_\_\_  Yes  No  
**Note:** If "Yes," please complete lines 17b and 17c.

**17b** If you checked "Yes" on line 17a, give applicant's legal name and trade name shown on prior application, if different from line 1 or 2 above.  
 Legal name ▶ \_\_\_\_\_ Trade name ▶ \_\_\_\_\_

**17c** Approximate date when and city and state where the application was filed. Enter previous employer identification number if known.  
 Approximate date when filed (mo., day, year) \_\_\_\_\_ City and state where filed \_\_\_\_\_ Previous EIN \_\_\_\_\_

Under penalty of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.

Name and title (Please type or print clearly) ▶ \_\_\_\_\_

Business telephone number (include area code) \_\_\_\_\_  
 Fax telephone number (include area code) \_\_\_\_\_

Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

**Note:** Do not write below this line. For official use only.

Please leave blank ▶	Off.	Inc.	Class.	Size	Reason for applying
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## Cost Analysis Survey

Practice Name \_\_\_\_\_

Practice Specialty \_\_\_\_\_

Physician Phone # \_\_\_\_\_

Office Managers Name \_\_\_\_\_

Approximately how many patients do you see per month? \_\_\_\_\_

What is the biggest problems your are having getting your claims paid? \_\_\_\_\_

\_\_\_\_\_

Do have a lot of unpaid, rejected and denied claims? \_\_\_\_\_

If Yes, How many? \_\_\_\_\_

How does your office process your claims? Paper or Electronic

Who does your billing currently? \_\_\_\_\_

Are you satisfied with your billing staff or your billing service? \_\_\_\_\_

Please

Explain \_\_\_\_\_

Thank you for your time and please return this to us so we can come up with a plan to resolve your billing issues.

The above forms are to be used as a guide as we shorten some of them so you at least get an idea of what is required. We encourage you to customize every form and to download the newest Obtaining a Tax ID# form from the IRS website. Use these as a base and as your business grows, you will have to customize them even further.

Compare what other billing companies are doing as well. Don't be afraid to call a company out of your area and ask for some advice. Many people are willing to share information with you about what worked and what didn't. I did this quite a few times, which helped me as well.

Keep in mind to use resources from the library, Small Business Administration, and Score to get free advice as well. I have also used these resources to get my business on the right track and didn't cost me a thing but my time. Some sites even offer generic small business forms.

As with anything you do in this business, there is not an exact right and wrong way to do a contract, cost analysis, etc. The only thing that has to be done right, is the form for the IRS and your taxes.

Many things will change about your business which will change the way you do things, how your contract reads, how you deal with clients, etc. You will also find a better way to benefit your business as you go.

That's why I stressed that some of these forms should be used as a guide only. In business different states have different laws and regulations you will have to follow. If you want to incorporate those into your contract, you need to know what they are and how they are used if a client would happen to sue you.

## Why you should outsource

Is your billing staff up to date on all the compliance laws?

Do they have extensive knowledge of insurance rules and regulations?

Are the proper codes being used for the services rendered?

Do they compare your reimbursements to the maximum allowances?

Is there extensive monthly follow-up being done on unpaid services?

I know when my contract went from 1-5 pages, it actually scared some clients off. But being burned by past clients by not having certain things in my contract, brought me to that point. Everyone at sometime or another will find a loop hole.

Just be careful and get everything in writing even if you think it is trivial. Everything in writing up front, can protect later if you need it!

I like to include a sheet to give to the physicians on why it is beneficial to outsource their billing versus a billing staff. We have found that when you do a comparison, like the examples above, it gives the physicians something to reference and think about it.

Think of your company as a specialist in the field of claims processing. Your goal is to maximize collections and ensure the doctor is getting paid for their services. Let them know that you have many more resources than a regular billing staff.

## FINDING CLIENTS

My first suggestion is start telling everyone you know about your business. Ask them to tell everyone you they know. Some one always knows someone in the medical field. This could be where your first account comes from.

Another avenue to pursue is asking family and friends to hand out your business cards when they are visiting their doctors. If you or your children have an appointment as well, it's a great time to mention it the physician. You never know what situation they're in at the time.

Ask to post flyers introducing yourself and your business around the local community. This would be your bank, post office, or library to mention a few.

Once your first client contacts you, try and set up a meeting face to face to determine what they need help with. Too many times I spoke to them over the phone, only for them to get information from me on how to fix their situation and then I never heard from them again.

If you do happen to schedule a time to meet, take the time in the meeting to ask questions about the problems, number of patients they see per month, how much was their insurance income last year, how many unpaid claims they have. If they ask for a price, tell them you need to factor in all these answers, then you can give them a fair price.

If you even give them a ball park, they try and make you stick with that and you may find down the road, you actually did yourself a disservice by quoting up front. I warn you of this because I have done it. You want to make money doing this business not break even.

Follow up is very important when contacting these office because you never know when they may need help. When you don't follow up a regular basis, you may miss an opportunity. This has also happened to me in the past. Office situations change often, people get married, have babies or just move. We have obtained clients just for some of these reasons. You just have to stay on top on it.

In meeting with your clients, keep in mind, a maybe is usually a "no" I learned this at a sales seminar. Make them give you a yes or no right then and there. If they can't then you know you shouldn't waste any more time on that client. If they tell you no, ask them why and see if there is something else you do to turn it to or yes.

Another thing is to ask them what it would take for you say yes. You have to be in control and tap in to the areas they need help. Otherwise they are just fishing for free information. If you give the information they want they will take it back to the billing person or billing service and chances are you will never hear from them again. Always be one step ahead of them is your best bet.

## HOW TO CHARGE FOR SERVICES

You're probably wondering how to charge for your services. There are a few different guidelines that I use but you can decide which way would be best for your business.

One time setup Fee 500-1,000. This covers your time entering demographics, updating fee schedules, entering the provider information, processing paperwork to send claims electronically for the provider.

**NOTE:** Do not transfer any old billing to your service. This information is probably outdated and has many problems. You don't want to start out with bad information from the beginning. We try and have someone in the office handle that part or the billing service to continue to work on the old stuff while we are setting up to start new.

When starting out, I would recommend you set up fee at a lower rate. This will give you a good chance of getting the account. If the physician is getting a good deal out of the gate, they will consider you even if you are new. As you get more clients and experience you can change the amount you charge.

The second fee to charge for percentage amount they will pay you for processing their claims and getting them paid. The average range can be from 3% to 12% depending on the specialty and the size of the practice. Other businesses charge a flat fee of 3-5 dollars per claims. I prefer to charge by percentage. The more the doctors make, the more I make.

The rule of thumb for the percentage is the smaller the return on the insurance payments, the higher percentage. The higher return the smaller percentage will work. I know that sounds strange but you will find in a Primary

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care office, they see many patients but the return is small. You are doing a lot of work for not a lot of money. That's where the percentage offsets that. When you have a specialty practice, your claims are fewer but the returns are higher so you can charge a lesser amount.

When charging a flat fee you may be losing money on the time you are spending to get a claim paid. Especially if you run into some problem accounts which you will encounter.

The third fee is for patient statements. If you print and send these for the physicians, I would charge them a fee of 2.00 per statement. This is to cover the costs of printing, supplies, postage, etc.

The fourth and final thing is a consulting fee. Many physicians will ask you for additional things once you have the account. You have to be careful here. They will take advantage of your knowledge and may ask you to help train their staff so they can better help you with the billing being sent over. This is okay but it goes above and beyond then you need to politely explain, that this is getting in to your consulting fees. You can make them whatever you want per hour but it should be charged if you are being asked to do things outside the billing procedures.

Just remember, doctors expect to be paid for their consultations, why shouldn't you.

The way we charge a percentage to the doctor is to do a monthly report of what the insurance has paid. We then take our percentage of that amount and create an invoice to reflect that information. We expect payment upon receipt as well.

If you charge per claim, you have to keep track of how many claims you sent for the month and times that by your flat fee. I think this harder to keep track of especially if you have to resubmit claims.

If an office just wants you to clean up unpaid and denied claims. I would charge them a flat fee of at least 20 an hour. This is service we offer by itself. If you can prove to them you can fix these claims and get them paid, they may consider using you for billing.

These will be the basic charges you need to figure out when meeting with a perspective client. All clients want rock bottom prices but you have to make sure you are taking care of yourself as well. Don't become so desperate for clients that you are working for nothing. Most of my clients didn't come from my current clients.

I know they say it's word of mouth but I am finding out, that my persistent with getting new clients is what has paid off.

As you get established, you can charge more for all your services. Just keep in mind you are worth your experience. Most of us forget that when we want our business to be successful. You have to convince your clients, that you and your services are worth what they are paying.

Don't be afraid to go in a little higher because chances are they will want you to reduce your price anyhow. This will give you a little room to make them feel they are getting a good deal.

Another thing to do is up your percentage and tell them that will include all the patient statements. Reduce the rate and they have to pay for the statements. Give them incentive to stay with you by giving them the same percentage if they sign a 2 year contract instead of 1.

You have to make them believe they are getting something for nothing because most doctors don't realize how much is involved with the billing process. They really don't see the value because they don't understand the process.

## FINALIZING YOUR SERVICES

This is the moment you've been waiting for. The signing of your contract. You have worked hard for this moment and should be proud of your accomplishments. Although a little scary, you have just succeeded in taking the first steps to running your own business.

When getting the contract signed, make sure to have two copies signed. One for your records and one for theirs. Make sure whoever is signing the contract has read it completely and agrees to all the terms.

Once the contract is signed and it's now up to you to establish a person within the office that will be your go to person. You have to make sure they understand how the process will work with getting the charge slips to you as well as the payments.

Create a checklist for the physician of what is needed from him and staff so they have a reference to go by.

This will make things easier as you about start billing for the office. Make sure you have everything in order in your office and your clearinghouse is ready to accept your claims.

Make sure to create some real claims for your clearinghouse to send thru. You need to do this to make sure that all the fields you are populating are what the insurances are requiring on the claims. These are called test claims.

The clearinghouse support will walk you thru this process and help you correct whatever if wrong. The clearinghouse I use provider free technical support, which is an added bonus.

## BILLING FROM HOME

If you're interested in billing from home, then this section is for you. There is a way to convince a physician to let you work from home. To begin the process, you need to find all the medical billing jobs in the paper.

When you read the ad, figure out what seems to be the urgent need. Whether it is collections, A/R or just billing. When applying for these jobs, make sure to have these areas stand out on your resume. In a cover letter, specify the skills you have that can help them in these areas. When you tap in to the needs of an office, you have a better chance of convincing them you can handle the job.

When you do get a call for a job, schedule the interview. If they seem interested, remind them that you have the skills to resolve their situation. Make them feel you are the person that can make it happen. Once you feel you convinced them, it is time to ask about the work from home option. Notice I said option. If the manager or doctor tells you no right away, politely ask why.

Explain to them all the advantages to you working from home for them to counter their concerns. Some of the things you can say are as follows:

Working from home allows me to fully focus on the problems your office is having without interruption.

Working from home saves you paying benefits

Working from home saves money on computer and work space for another employee.

Explain that you are an independent contractor not an employee to eliminate any jealousy within the office.

No need to worry about vacation time or sick time

As you can see there are many benefits to hire someone like me to do this job.

Ask if they have any questions, you may still hear a no but still ask one more time if there is any one thing you can do from home in combination to someone in the office.

Don't get discourage because more and more offices are allowing people to work from home and have flexible schedules. They are finding it harder to keep the staff they have and find competent people to hire.

If you get the okay, you will have to find an IT Guy who knows how to get you connected to the office computers and software. Most offices have one of their own and that is the person you should speak with to get this done.

If they don't have one, you will need to contract one to perform this service for you.

Make sure you have a contract just for these services since you are not going to paid as an employee.

Other places to consider getting work from home is the bigger insurance companies. Some insurance companies now are giving their extra workload to people who work from home. Don't be afraid to call and ask.

Having a home office really has its advantages. If a prospective client asks the question about your office just explain that you do have a home office. You would think that this would be a deterrent for a client to work with your company. In fact, this is actually a bonus. You are saving your clients money but not charging them a higher rate because you don't have to rent office space. I tell clients all the time, if I had an office building or space, I would have to raise their rates. No one wants to hear that.

As long as your office has a secure location and patient information is protected, then this should be a great selling point to some clients. Working from home is becoming more accepted as both parents have to work.

I would also schedule time when you are working from home just like you would if you went to work. It is easy to get distracted when you work from home. You have to maintain a certain amount of discipline to get the work done right and on time. If you don't get the work done now, you have to do it later. I always try and do my work when everyone is not here. Less interruptions. If you do have children that are home all the time, then designate times to work when they are sleeping, playing or eating.

You do have flexibility doing this kind of business as you can process and send claims 7 days a week, 24 hours a day. That's where working from home has its advantages. You can pick up where you left off. Just make it a point not to get too far behind because then you will be affecting the cash flow of the office as well as your own.

## ON YOUR WAY

Now you are on your way to processing the claims and waiting for the payments. This is most exciting time for you as you have accomplished getting started and actually doing the work.

Once you receive your first check from your client, you should take a moment to reflect back on all the hard work you put in to getting to this point. I actually kept a copy of the first check I received from my first client. Just a reminder of how much I have accomplished.

This has started you on your way to personal happiness, freedom to have a flexible schedule, and getting paid for your experience. You should be proud that you have done such a good job to reach your goals. I hope this guide helped you to get there. I know I can't possibly tell you everything you need to know but you will learn a long the way, like I did. I am still learning something new everyday.

I hope you find this to be an exciting time in your life. That it can help change your situation so you have more time to focus on your family, kids or just yourself. I can't guarantee that your business will be successful but at least I can give you some things to help you get there. Keep positive thoughts and stay focused.

Thank you again for the purchase of my medical billing guide and I wish you the best of luck with your new business. You deserve it!

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Please check out the websites and phone numbers I have listed for you on the next page. Please e-mail at [antmedserv@msn.com](mailto:antmedserv@msn.com). If you have any questions regarding this book. Visit my website at [www.anthonymedicalservices.com](http://www.anthonymedicalservices.com)

## WEBSITE INFORMATION

[www.highmarkbcbs.com](http://www.highmarkbcbs.com)

Blue Cross Blue Shield Information

[www.navinetclaims.com](http://www.navinetclaims.com)

Clearinghouse for claims transmission

[www.mbssi.net](http://www.mbssi.net)

Please tell them Anthony Medical Services referred you  
Seller for Billing Software and Electronic Medical Records

[www.navimedix.com](http://www.navimedix.com)

Claim and Eligibility inquires for Blue Shield, Aetna, United  
Healthcare and Cigna  
Free to sign up

[www.cms.hhs.gov](http://www.cms.hhs.gov)

Universal site for information regarding Medicare and Medicaid

[www.billing-coding.com](http://www.billing-coding.com)

Medical Billing Information, forums and business information

[www.sba.gov](http://www.sba.gov)

Small Business Administration  
Free help to business owners

[www.score.org](http://www.score.org)

Free business resources and free help with every aspect of your  
business

[www.irs.gov](http://www.irs.gov)

Federal government site regarding TAX ID information, business  
information, and tax resources- Phone-1-866-816-2065

[www.barringtonequipment.com](http://www.barringtonequipment.com)

HFCA Forms

[www.vistaprint.com](http://www.vistaprint.com)

Business Cards/Brochures

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