

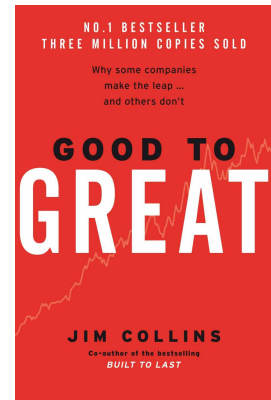
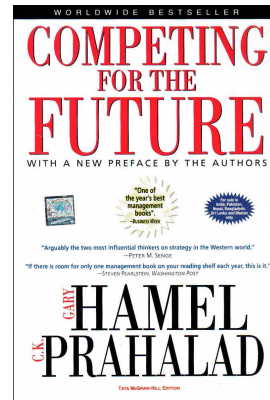


# Creating a Positive Spiral in Your Business: A Case For Outsourcing

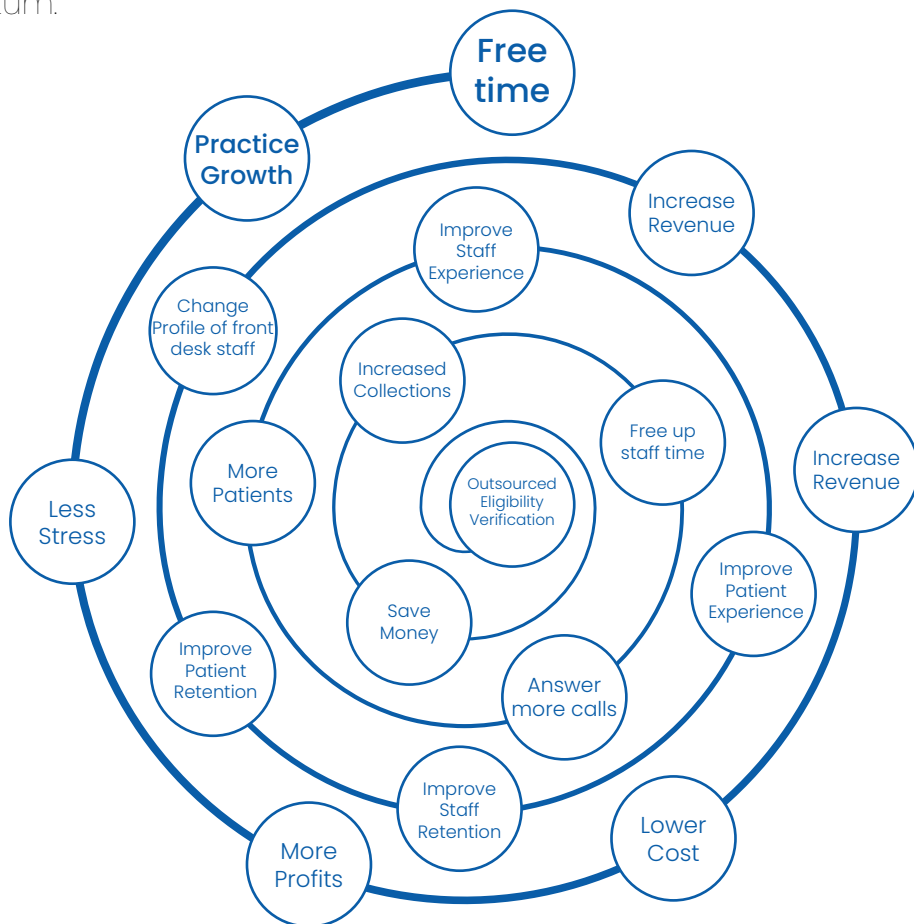
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Today, many business people are familiar with the concept of creating a positive spiral or a flywheel. The theory which is included in two excellent books, *Competing for the Future* by C. K. Prahalad and Gary Hamel and *Good to Great* by James C. Collins, has gained tremendous popularity over the last two decades.



The essential idea is that certain changes start a chain of positive, self-reinforcing reactions. So, the question becomes "How do I build this flywheel or create this positive spiral?" In the world of dentistry, it starts with the front desk and more specifically, it starts with eligibility verification. This may seem like an unlikely place to begin a business transformation; however, it is a great example of how a small snowball can become something larger as it builds momentum.



### Why eligibility verification?

First, it really isn't much fun and it often falls through the cracks. While everyone knows that eligibility must be checked for every office visit, are you sure that it really is happening? And even if it is, what is the opportunity cost? If your front desk staff is on hold, waiting for an answer to an eligibility question or for a preauthorization, they are not answering incoming calls from new patients and

are not providing great service to the patients currently in your office. With increased social distancing and other safety protocols associated with the coronavirus outbreak, this problem has only been exacerbated as front desk staff struggles to keep up.



In our experience outsourcing medical billing and particular, the implementation of outsourced eligibility verification almost always exceeds client expectations. Let's look at what happens. The first impact is by using a more efficient staff and processes, the practice lowers its costs. This is the somewhat obvious, often marketed and expected impact. However, what proves even more valuable is increasing to 100% eligibility verification. The fact is, the offices are busy and place a high value on customer service. It is all too easy for eligibility verification to drop as a priority for the over-worked, multitasking front desk staff.



Moving to 100% eligibility verification reduces the number of services provided for patients with no insurance. We like to say that it is the patient's insurance, not the practice's insurance and if there is no insurance coverage, the patient is still responsible. In reality, the office staff is asked to call a patient and explain there is no insurance coverage. This makes for a terrible experience for both, the staff member and the patient. Furthermore, the patient is unlikely to return to the practice and the practice is unlikely to collect from the patient. If this phenomenon is scaled or repeated at all, it can very quickly start to have a material negative financial impact on the practice.

So, practices reduce their labor rate through outsourcing and then increase their collections by reducing services provided to patients without insurance. This improves staff retention because they have a more positive working experience, no longer have to call patients to tell them services are not covered.



The staff also no longer has to spend time doing eligibility verification tasks, which they frequently dislike. Overall patient experience and patient retention improves because the practice is no longer losing patients who found a convenient way to avoid unexpected payments.

This is already a great example of a positive spiral, but as time went on, we realized it went even further. By removing almost everything associated with billing and collections from our front office staff, it changed the nature of the job and the profile of an ideal candidate. We no longer had to do the impossible – or extremely difficult – and find employees capable of providing great customer service, support dentistry sales and at the same time have the accountant-like attributes necessary to excel at dental billing and collections. Now, we just needed to find someone with great customer service skills. By saving money on the dental billing tasks, we also were able to pay more to the front desk staff and the entire office in general. This helped even further with employee retention.



The great thing about a positive spiral is that it keeps building upon itself. Having a front desk staff that is more highly paid, not spending their time on accounting-like billing work, answering more phone calls and building stronger relationships with patients, creates its own positive spiral in terms of revenue growth and practice health.

Money may not buy happiness, but happier staff, lower turnover, happier patients, more collections, and more profit is all pretty fantastic. So, the next time someone talks about eligibility verification or outsourced billing, realize it is not something mundane or unimportant. Rather, it's a great first step in creating a positive spiral to improve the health of your practice and your quality of life.