



5 Key Benefits of Outsourcing

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When most people think of outsourcing, they automatically think of a reduction in personnel costs as the key benefit. While a reduction in costs is often the driving force and is typically achieved, it frequently is not the most important benefit achieved through outsourcing. Here are 5 additional (and equally important) benefits to consider:

1. **Increased Expertise** – when you outsource with a company whose sole focus is in a key area (billing, transcription, marketing, IT), you will find that they are often more knowledgeable and have an increased level of expertise in that area. When you run a medical practice, the adage “jack of all trades; master of none” sometimes applies - and appropriately so. You have far too many responsibilities to be an expert in all of them. By outsourcing, you have a key resource to turn to for ideas/suggestions and questions.
2. **Competitive Advantage** – most small medical practices cannot afford to hire the same level of expertise in a given area as their larger counterparts. And in today’s competitive medical environment, that can hurt you. By outsourcing, you can improve your competitive advantage and give your small practice the same access to the same level of service, expertise and efficiency as your larger medical neighbors.
3. **Management Resources** – although you will still have managerial responsibility for whatever area you choose to outsource; you will reduce the amount of time, effort and energy you spend managing the process and managing your resources. For example, let’s say you currently have 5 clerks in your in-house billing department and you decide to outsource your billing. You will typically have one point of contact at the billing company and one person whom you hold accountable for performance standards. Instead of managing 5 people, you now manage one!
4. **Management Focus** – when you have someone else whose sole job it is to focus on a certain aspect of your practice (billing, transcription etc.), you will find that you are able to get more accomplished. Tasks related to that particular area that have been on your to-do list forever (review codes on fee slip; analyze denials; create templates for our most common encounters etc.) now can be assigned to your outsourcing partner while you now focus on other critical things on your list. Outsourcing allows you to get more important tasks done in a shorter period of time than ever before.

5. **Reduction in risk** – what happens to the overall operation of your medical practice if a key employee leaves; goes on medical leave; has a family situation that must be taken care of? Oftentimes, you, the office manager, end up filling in for this person or his/her work is reallocated until he/she returns. While you frequently don't have any other options, these solutions can put your practice at risk. Either the work doesn't get done at the same level as normal or other important work/tasks fall to the wayside as everyone takes on the additional workload. If this goes on for too long, you also run the risk of losing these over-worked employees. If you outsource, someone else steps in to assume this workload, and your practice continues to operate as usual.

Of course, picking the right outsourcing partner is critical to achieving the above benefits. In our next edition of *Efficiency in Practice*, we will tell you how to pick the right outsourcing organization.

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