

Accounting for Success: Outsourced Services Reduce Staff and Improve Quality



By Tom Joseph

There was a time when the only bookkeeping option for medical practices was to hire a bookkeeper. But advances in technology have made outsourcing a viable alternative for many practices that have traditionally hired their own staff. Successful experience with medical billing services has made practice managers comfortable with outsourcing in general.

Many practices have found that outsourcing leads to smoother financial management, while saving time and money.

Bookkeeping problems can be acute for small to mid-sized practices. Often they have more activity than can be supported by their CPA firm, but not enough to justify hiring full-time staff. There are often quality problems when part-time bookkeeping duties are assigned to a full-time administrative staff person lacking an accounting background. Even those who would like to hire a full-time accountant are finding a shortage of available talent in the market. This shortage has led to an escalation in salaries, as well as an increase in turnover as organizations find it increasingly difficult to retain skilled bookkeepers and accountants.

As a result of these conditions, the benefits of outsourcing can be many. In addition to cost savings, the practice can reduce exposure to the risks associated with poor quality and turnover. Practices also benefit by having access to a deeper pool of resources, improved financial controls, and best operating practices.

“Outsourcing is much more like having your own personal accountant than I expected. Our service provider knows what needs to be done before I do!” says Maureen

Frank, Office Manager of Dr. Kimberly Rau’s office. Before outsourcing, her office struggled to hire and retain support staff, and bookkeeper turnover caused a myriad of headaches.

John McMurtry CPA, a partner with the public accounting firm KFMR, specializes in medical practices and health care. “We’ve found numerous benefits to the outsourcing of bookkeeping and billing functions. Most practices don’t have the expertise to manage accounting staff or the associated technology. And time that doctors spend on bookkeeping does not contribute to their bottom line.”

Instead of charging by the hour, outsourcing firms ideally bill by the transaction. This means that practices don’t have to manage the time spent on bookkeeping or billing activities, which in itself can be a big time saver. The service providers have an incentive to be as efficient as possible since they are compensated the same regardless of how long it takes to complete the job.

“Our outsourced service provider understands the needs of our practice and I would highly recommend this type of service” Patty Quillen, Office Manager for Dr. Howard Pittle, Family Practice Physician. “I appreciate how efficiently the communication works. I get a report each week that allows me to easily keep the doctor completely up-to-date on his financial status.”

As practices are stretched to make the most of every dollar they spend, outsourcing can help them remain competitive without having any impact on patient care. †

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