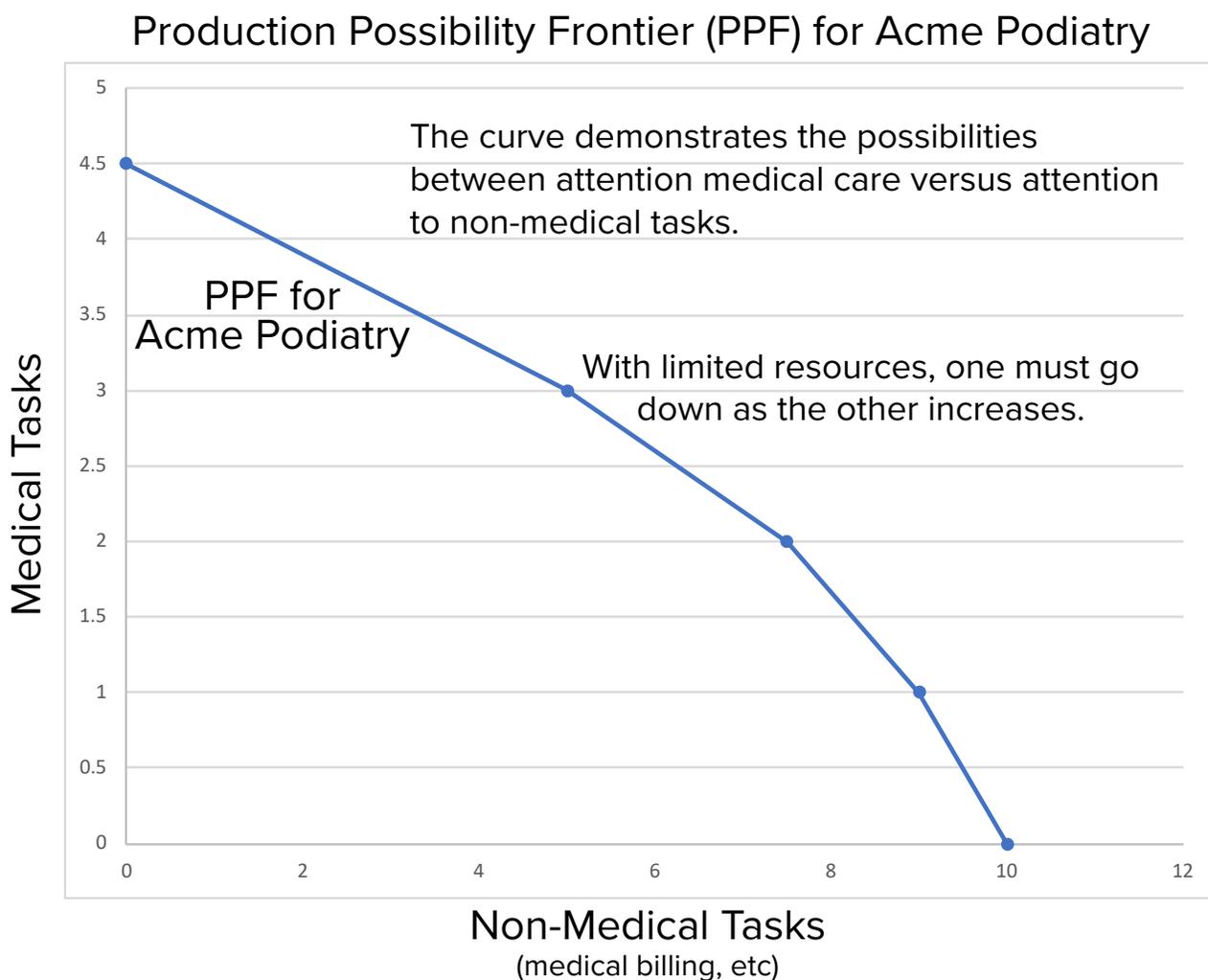


As economic pressures gain a grip on medical practices and stress their resources, addressing the concept of “Opportunity Cost” becomes instrumental. In microeconomic terms, an opportunity cost is the cost of an alternative that must be forgone in order to pursue a certain action. Put another way, the benefits you could have received by taking an alternative action.

Medicine is rapidly becoming a hybrid of medical care (patient care) and non medical care (business management, billing, etc). Unfortunately, unless resources are unlimited, we cannot devote time to one without sacrificing time devoted to another. That is the applicable opportunity cost. Economists use what’s known as a Production Possibility Frontier (PPF) curve to explore where maximum growth potentials exist.





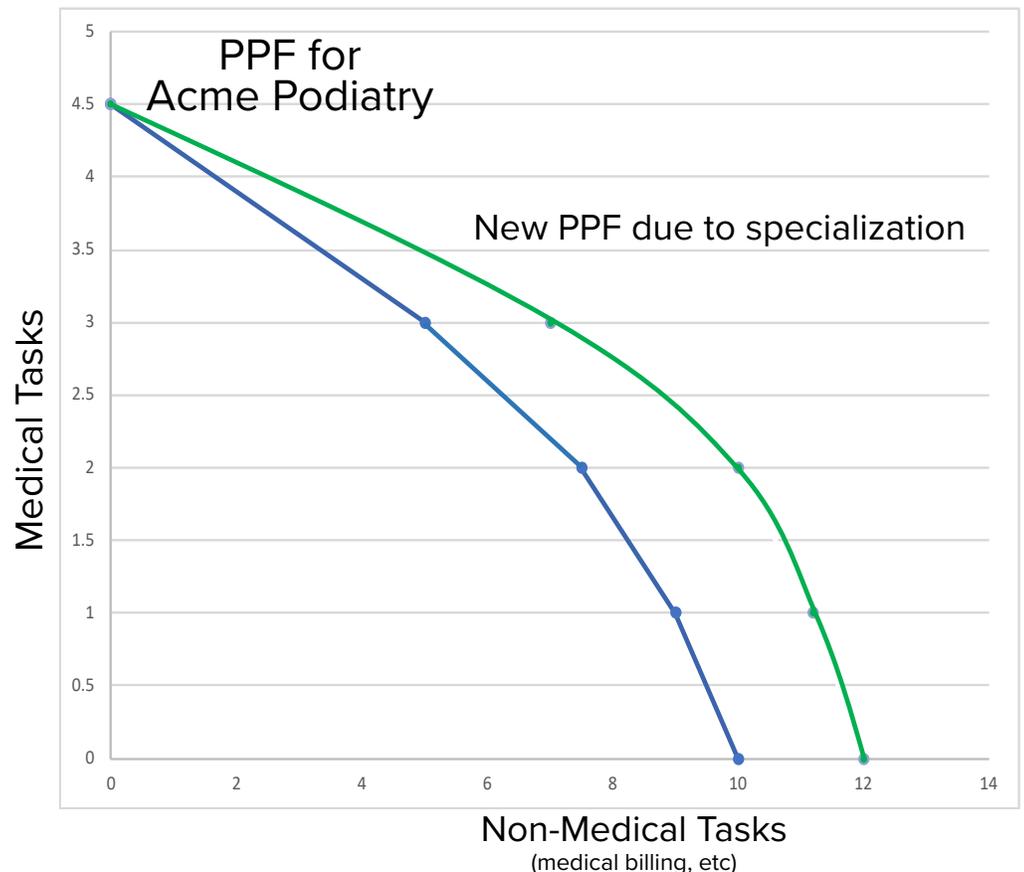
Now let's consider the true costs associated with the billing process of a practice. According to national averages, a full time biller costs approximately \$35,000 per year (salary, taxes, benefits) and for each \$600,000 in collections, a full time biller is required. So a practice doing \$1.2M in collections would typically require 2 full time billers. Using these national averages the costs of the billers related to collections would be 5.8%. But that accounts for only human resource cost. We have to also consider the cost of technology, training, office space, etc. Just as the PPF curve explains the opportunity cost associated with medical care versus non medical care, there are opportunity costs associated with all of the additional biller expenses just noted. The total cost of each biller could easily climb to over 8%.

What if the billers were not specialized or he/she also handles other tasks within the practice?



What if he/she was not trained enough to work as accurately and as fast as possible?

The real objective to maximizing growth is NOT to "move along" a PPF curve and give up something to gain another. The real growth comes from "shifting" the PPF curve outward through "specialization", which requires outsourcing.





## What does it really cost you to perform billing?

- \$ \_\_\_\_\_ Human Resources (salary, benefits, taxes)
- \$ \_\_\_\_\_ Technology (computers and equipment)
- \$ \_\_\_\_\_ Postage
- \$ \_\_\_\_\_ Physical Opportunity Cost  
(office space in sq feet x cost per sq feet)
- \$ \_\_\_\_\_ Human Opportunity Cost  
(losses on time spent on non-medical care)
- \$ \_\_\_\_\_ Human Error/Claim Rejections Associated with  
Non-specialization

Considering ALL of these tangible and intangible costs, the billing process of a typical medical practice can approach 9-10% of collections.

Why choose NEMO Health?	NEMOHealth medical billing	Other medical billers
Real-time Account Access and Information Flow	✓	✗
Podiatry Specific Billers and Consulting Team	✓	?
Claim Scrubbing, Submission, and Posting	✓	?
Appeals	✓	?
Billing Profit Analysis Performed	✓	?
Comprehensive Monthly Reporting	✓	?

# NEMOHealth

medical billing

NEMO Health medical billing services provides an end-to-end revenue cycle management solution. Our expert team will handle your medical billing operations with fast submissions, aggressive follow up, denial management and payment posting - to get you paid more, faster.

