

Blog

# Q&A: Why data transparency and claims automation is critical for today's medical billing best practices.

December 18, 2023

This is part two of a two-part series. <u>In part 1</u>, we reviewed Encoda's history and how they developed into the leading claims and denial management platform we know today. In part two, we dive into the value Encoda offers by streamlining the claims management process to ensure transparency and accurate reimbursements.

### 8 More Questions for Bronson Cox, COO and Co-Founder of Encoda

Bronson Cox is the COO and Co-Founder of Encoda, a cloud-based, claims and denial management platform that bridges the workflow gaps between practice management systems, clearinghouses and payers. By focusing on powerful rules based on claims and denial management intelligence, Encoda's mission is to drive home the importance of understanding and better managing claims data pre-and post-adjudication, while allowing their clients to collect the most amount of money, in the shortest amount of time possible.

In part two of this Q&A, we wanted to know more about the value Encoda brings to its partners through its claims and denial management platform. We also discuss the importance and value of data transparency and potential risks practices face by not embracing billing analytics.

1. In part one of our Q&A, we heard about the different direction Encoda ventured into but then decided to scale back. Can you talk about how that shaped the Encoda we know today?

We realized we have a place in the middle. I've described it as we're the 'bucket brigade,' or the middle folks fighting the fires. We're taking the water out of the well and are the ones throwing it on the fire—those people are considered heroes. For us, being in the middle, we thought about that role and the need to monitor the process.

Essentially, we're a middleware product but we do our best to be good stewards of the information we're expected to manage and make available, which is one of the other ways the industry has changed. It's gone from every medical practice running their own computer system to the cloud, which is really paying someone else to run your computer.

### 2. Can you speak to some of the technical challenges that came with this evolution?

The PM vendors are trying to build brick walls around the data. They don't mean to do it, they just

can't help themselves. IT people are not the best when it comes to needing a business to be open and useful; we tend to control things because everyone holds us accountable.

Unfortunately, this has proliferated into cloud hosting vendors. They lock it down so you can only use the clearing house they've built a relationship with. But, that's the opposite of what the entire medical industry is about —we're supposed to have this open, interactive data flow between medical groups to better healthcare as a whole, but the opposite is happening, and no one is screaming, 'I want my data.' Instead, they're just letting it happen. That's the opposite of what should be happening in the industry. It's scary, because it takes away the ability for the medical practice to evaluate the vendor because they're not receiving a full, transparent look into their data.

### 3. Is it accurate to say people don't recognize the value of the information they have?

There certainly is a knowledge gap. You can become a medical biller with very little training, which is a problem in our industry; you can get a certificate in about six weeks, and that training doesn't include the technology piece. When you become a biller, you learn about procedure codes, diagnosis codes, how to get claims billed, etcetera, but it's more complex on the insurance side.

This is where continuing education should come into play for the medical billing teams. They're often seen as dispensable, but they're some of the most important people you can have in your practice long-term, and from a competency perspective.

# 4. That also echoes what you were saying about being a responsible steward of that information and Encoda acting as the "middle man." Can you speak about how Encoda is uniquely positioned to support the practices you serve?

The first thing that comes to mind is the fact that we care—it really does matter to us that people have access to their data, and they know what's going on. Our biggest challenge tends to be that most folks either don't want to know about their data, or they feel it's in their best interest not to know.

From a positioning perspective, Encoda takes claims data and insurance outcomes and connects it to practice management data in a way that's meaningful and allows you to identify trends. As machine learning becomes more pervasive and useful, understanding outcomes is going to become more and more powerful. With Encoda, we're able to look at data and really understand what's happening. But like I said, our biggest problem is not everyone wants to know.

That's why our positioning centers on looking at the industry from "the middle"—really seeing what's happening back and forth, addressing challenges, and getting people to listen.

### 5. We've also heard Encoda described as an intelligent workflow tool. Do you agree?

"Intelligent workflow tool" is a very broad term, and workflow is also undefined—it has different means depending on what angle you're approaching the problem from. If you're approaching it from the billing staff, workflow is simplifying all the transactions flying back and forth; it would be understanding all the pieces of the process. For the billing staff, their idea of workflow starts as early as possible since they ultimately want to shorten the cycle and get the maximum reimbursement with the least amount of work possible.

However, if you look at 'workflow' from a practice administrator's perspective, they're concerned about AR and how many billers that can afford to have. But from a workflow perspective, Encoda tackles the whole thing. It's where we live and where our main viewpoint is from—the back office.

## 6. Let's switch gears to challenges. When speaking to potential customers of Encoda, what are the pain points they're articulating?

Initially, everyone thinks they have the same problem—they can't keep quality staff on board, and they want to figure out how to operate their group with half the number of billers. We've seen throughout the industry that the budget for the back office keeps shrinking. Folks are looking for something to create a more streamline environment that's not just efficient but also accurate.

It's a three-legged stool mentality. The practice looks at how much it's going to cost to run their back office, how efficient their back office is, and how much will they get paid based on their investment in the other two. If you're trying to balance the three legs together, leaders naturally look toward software to solve the problem.

They also tend to be let down by their practice management vendors and still rely on sticky notes around a monitor to remember specific nuances of their billing procedures. But once they hear Encoda can write rules to automate those things, it becomes a big differentiator, especially if it's a multi-practice organization with multiple management systems. Lastly, when leaders understand they can pull their own data together as a warehouse and see their EDI workflow data in the same unified manner in their practice management system, it becomes a jaw dropper.

### 7. With that said, what are the dangers facing practices who are slow to adopt technology to streamline their billing cycles?

If they try to do it the same old, same old, they're going to continue to lose money. Practices look at AR, or accounts receivable, as the metric to follow, and it's mainly because they have risk associated with the current claims workflow. For instance, claims have to be properly formatted and submitted within 90 days. If a practice begins the process 45 days in and doesn't have insight into the analytics and workflow, they risk not collecting that money. Often, they'll try to remedy this with more staff, thinking "this should fix my problem," but they don't have that liaison or "middle man," as we discussed. So, it becomes less efficient, not more.

Additionally, they're not continuing education for their staff, which also leads to risk. They're stabbing in the dark and hoping they're correct. But if the industry continues to not invest in the people that bring their money in—all while treating them in a punitive manner—we're never getting out of this cycle. Billing teams need to be educated, and there needs to be an expectation of competency within that role.

### 8. How do you envision Encoda's reputation growing in the industry?

It comes back to being agnostic and changing how we interact with the clearinghouses—we make them a commodity instead of a necessary partner. And again, we're the middle 'bucketeers' in the brigade, which allows us to get out there in the industry and become someone who's solving a unified problem.

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