

Ten Minutes with . . . PARC Medical Billing Service, Inc.

This month we had a chance to chat with Richard J. Schocken of PARC Medical Billing Service, Inc. located in Massapequa, NY. Before starting his medical billing business 1995, Richard worked in the information systems arena on Wall Street for sixteen years. He was responsible for developing application systems for traders, brokers, and back office operations support personnel. Prior to working in the information systems environment, he worked in the insurance industry for nine years. Richard was kind enough to take time out of his busy schedule to share with *NEBA News* readers his insight and experiences in starting and running his business.

NEBA News: How was it that you came to start your own medical billing service?

Richard Schocken: My formal education is based in both insurance and information systems. In addition, the various positions held by me over the last dozen years of my corporate career ranged from managerial to executive and exposed me to the nuances of running various teams, projects, departments, and even divisions. Given my educational and employment background, moving into the billing services environment seemed to be a logical extension of my acquired experiences. After all, a billing service is essentially the application of computer-based technology to communicate and resolve insurance related transactions and problems.

NN: What obstacles, if any, have you encountered as you pursued your goal of starting your own business?

RS: Of all the opportunities that besiege a small business, I personally have found marketing to be the biggest challenge. Having come from an operational business background, I had never been required to develop product distribution plans and sales presentations for customers. My billing business required me to focus my resources on marketing to attract interest from prospective clientele. In the early years I typically shied away from the marketing effort, choosing to remain focused on the operational matters before me. I sought to substantially supplement my marketing efforts through the use of independent customer recruitment contractors.

In 2001, after several costly and failed attempts in this venue, I went back to the basics. I developed a marketing program that highlighted my successes and achievements. Instead of pouring thousands of additional dollars into futile efforts by others to represent my billing service, I turned my energy towards personally selling our cost-effective, professional quality, and “no excuse” work ethic.

First, I developed brochures that highlighted the services and benefits of PARC Medical Billing Service. Next, I gathered testimonials from customers in various medical fields. In addition, I created a listing of readily available telephone references – customers who were comfortable enough with our business activities and who were willing to speak to seriously interested prospects. Next, I developed a new account referral awards program to encourage and reward customers who successfully enlisted friends or associates on their own merit. Then, I built a website to

refer interested prospects to for further information beyond the scope of the printed brochures. Finally, I developed a repetitive direct mailing marketing campaign over a targeted geographic area. Readers in this targeted area received numerous mailings from PARC Medical Billing Service, which focused not only on our company’s programs, but also on matters that affected their healthcare practices.

NN: How many clients of what specialties do you service and what services do you provide?

RS: Due to the overwhelmingly successful efforts of the self-formulated marketing campaign, my business has experienced a customer growth rate of 500% over the past fifteen months. The marketing program does experience fluctuation cycles, but the supply of interested prospects although variable seems continuous throughout these fluctuations. Our melting pot of clients include medical doctors, dentists, chiropractors, physical therapists, speech language pathologists, psychiatrists, psychologists, social workers, acupuncturists, message therapists, pharmacists, and ophthalmologists. Our customer base is concentrated in the Northeastern United States and ranges from Pennsylvania to Long Island and from Massachusetts to Florida.

Our services to our customers are as varied as the customers themselves. We offer customized solutions, which include: full practice management; electronic claims processing; software acquisition, installation, training, and on-going support; patient accounting and billing, and accounts receivable collection assistance. These solutions are available on an outsourcing and in-house basis depending on the specific needs of our customer. In conjunction with the arrival of the HIPAA standards and regulations, we have recently added compliance consultation and development to our menu of services.

NN: How do you juggle the demands of both running your own business and personal life?

RS: “If you can’t bring Mohammed to the mountain . . .” Adopting such an aggressive marketing plan in 2001 was by no means a one-person effort. Indeed many outside resources were consulted to help formulate our final plan of action. Mentors, customers, printers, clearinghouses, other billing services (yes, I mean the competition) were all contributors to this project. In more than many ways though, the biggest contributor to this successful effort was my wife, Diane. A silent partner no more, Diane stepped forward to lend a hand. She volunteered to take on tasks that were dominating my precious time. Time which was needed to develop software platforms and procedures to allow PARC Medical Billing Service to be in a position to migrate from a technical environment which was as diverse as it was dated to a state-of-the-art network which provided an internal platform HIPAA compliance and the seamless integration of healthcare providers from all walks of life. While it is not uncommon for us to share an early morning breakfast on a weekend over a few thousand direct mailers, it is common for either of us to remind the other of our all-important family matters. That is

probably the best way to juggle the competing demands of business and family.

NN: What do you feel is the biggest plus to running your own business? Biggest drawback?

RS: Being able to plan, perform, and assess your own business activities provides you with the opportunity to be creative. This creativity, which must be well developed to meet and exceed the needs of a customer, produces a mutually beneficial relationship, which provides both monetary and emotional gains. The feeling derived from a satisfied customer cannot be compared to any measure of profitability. To get and keep customers, PARC Medical Billing Service continuously assesses the initial and ever-changing needs of the customer and then provides the best possible service to meet and exceed the customer's needs. Our customers were "business associates" and "trading partners" long before HIPAA coined these phases.

Developing a strong relationship with our customers is not the only important objective. The support network which services PARC Medical Billing Service is essential to our having access to expertise, knowledge and where-with-all to make our services top notch. Having established strong ties within the network of the NEBA alliance has provided PARC Medical Billing Service with a vast amount of resources which are readily available for consultation. This aspect of the NEBA network has proven to be invaluable to our expansion into many of the allied healthcare fields recently added to our customer portfolio. In a very similar manner, our relationship with ET&T as our primary clearinghouse has provided an additional source of knowledge and experience which has assisted in the technical aspect of implementing our new providers. Having this type of networking capability is indeed a win-win relationship which has served us well.

NN: What do you feel is the most important quality that makes your company successful?

RS: For several years now PARC Medical Billing Service's mantra as published throughout our literature has been, "We guarantee your satisfaction of our services, or you pay nothing. Our business is the welfare of your business." Saying this is simple enough, but living up to this commitment requires constant attention and focus to the changing needs of the customer. The satisfaction derived from a customer expressing thanks for a job well done is the best measure of our success. If we do not hear how well we are doing then we ask the customer to give us feedback so we are sure where we stand. As is the case in any successful business relationship, open bilateral communication is the key.

NN: What do you feel is the biggest challenge you face in getting providers to outsource their billing to you?

RS: Perhaps the saddest component of this business is the seemingly perpetual story that is shared with me by a prospective client. All too often, I hear of the past unfortunate experiences healthcare providers have suffered which have soured them on the notion of ever considering outsourcing billing again. It is difficult at best to peel away the bad experiences of some wayward billing service. It is analogous to peeling an onion – it is not very pleasant and it likely could bring tears to your eyes! It is these prospects who need to be first assured of our commitment to high-quality professional services and "no excuse" performance. After the prospect has reached the point of holding PARC Medical Billing Service blameless for the sins of the past, we then look to our satisfied and supportive customers to help us allay the prospects fears. Even with the help of our most valuable asset – our customer – acquiring his type of prospect is by far the most challenging sale.

NN: How is your company dealing with the HIPAA security standards so far and what are your future plans for dealing with compliance?

RS: We have taken an approach to all of the HIPAA standards and regulations that is arguably excessive, but nonetheless makes sense. We view ourselves as a "covered entity." This perspective places us in an interesting and advantageous position with our clients. In as much as we offer HIPAA compliance consultation and development as a service to our customers (and non-customers as well) we have imposed and performed a complete self-compliance program. This allowed us to have a better understanding of the compliance issues that beset a healthcare provider firsthand. It is reasonable and advantageous to offer a compliance consultation and development program from the qualified viewpoint of experience, perhaps better expressed as "been there, done that." Our internal programs are compliant with the finalized Transactions and Code Sets Standards in effect now, and we are continuing our efforts to be compliant with the Privacy Protection Regulations and the Security and Confidentiality Standards as they become finalized and effective. Through our nurturing and assistance, I am pleased to say 100% of our customers have taken steps for the HIPAA Transactions and Code Sets Standards: 75% have issued compliance documents (many with our program) and 25% requested and received one-year extensions as permitted by law. Many of our customers have already engaged our compliance consultation and development service for the rapidly approaching deadline for HIPAA Privacy Protection Regulations.

NN: What are your goals for the growth of your business?

RS: After the phenomenal growth rate of 500% over the past fifteen months, many persons might suggest a cooling-off period would be in order. And I would respectfully disagree! With many interested prospects in the marketing pipeline, continuing direct mailing advertisement, and a major new marketing campaign to provide HIPAA consultation and compliance development, we do not believe a cooling-off period is in order. Our staffing compliment has grown commensurate to our business expansion. Several months ago, Diane assumed full responsibility for the direct mailing advertisement marketing effort. By year-end 2002, Diane will have completed the planning and scheduling aspects of this effort. At that point, our automated processing will be able to accommodate the direct mailing advertisement campaign without much further human involvement. In January 2003, Diane will resume her daily operational activities that are primarily centered on processing outsourced claims from PARC Medical Billing Service. On the contrary, PARC Medical Billing Service has aggressive plans to expand revenues by an additional 100% in 2003 and 50% again in 2004.

NN: Is there anything else you would like to share with NEBA News readers?

RS: While I generally refrain from getting involved with the details of a conversation between a customer acting in the capacity of a marketing reference and a prospective client, I recently asked several of our customers what aspect of PARC Medical Billing Service did they feel differentiated us from the other billing services. I was delighted to hear that accessibility, reliability, and trustworthiness were all mentioned as the qualities that distinguish PARC Medical Billing Service as a billing service. Remember our mantra? When customers define our billing service with these keywords, I believe we are meeting and exceeding our goals when we say, "We guarantee your satisfaction of our services or you pay nothing. Our business is the welfare of your business".