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## **Study suggests standardized billing systems could save doctors \$7 billion annually**

*by Richard Quinn*

A new study that shows time and money could be saved by standardizing billing practices will likely find a supportive audience from HM groups and their business staffs, one hospitalist program executive says.

**James Kodjababian, chief revenue officer and vice president of management services for Sound Physicians in Tacoma, Wash., says his firm is large enough that it has put in place systems and information technology (IT) to navigate the complex billing infrastructure that varies from carrier to carrier. But he thinks smaller hospital medicine groups likely struggle to deal with the labyrinthine codes and regulations that different insurance companies use.**

“It’s like translating 43 different languages to consolidate it and manage it,” he says.

His sentiment is buttressed by [“Saving Billions of Dollars—and Physician’s Time—By Streamlining Billing Practices,”](#) which reported that standardized payment rules and claim forms “would translate into \$7 billion of savings annually in physician and clinical services” (doi:10.1377/hlthaff.2009.0075). The study in *Health Affairs* also reported that four hours of physician time and five of support staff time could be saved each week.

Kodjababian acknowledges that to achieve such industry-wide standardization, insurance companies would have to invest funding and man-hours. However, he says, the data that could be culled from an improved system would prove beneficial both to carriers and physicians.

“It’s time and money, but at the end of the day, you create a much better information set for people to benefit from,” Kodjababian says. “Right now, it’s very difficult to compare notes. If everybody is processing the same way, you can start to run statistics. You can start to see in a more macro perspective what things we should be doing.”