EMR 104: Understanding Integrated Practice Management Software and Billing Tools

Practice management software (PMS) is a category of software that deals with the day-to-day financial and administrative operations of a medical practice. Such software primarily permits users to:

- Capture patient demographics
- Verify insurance eligibility
- Maintain lists of insurance payers
- Submit insurance claims
- Track diagnosis and procedure codes
- Perform billing and collection tasks
- Generate detailed reports and more...

In the recent past, medical practices more commonly hired different vendors to provide the EMR and practice management software systems. However, the new move toward integration of the EMR and PM software is considered by many to greatly improve the challenging task of medical practice management.

As a result of this new development, practice management software is now frequently connected to electronic medical records (EMR) systems. While some information in PMS software and an EMR are relational, such as patient and provider data — essentially the EMR system is used to assist the practice with clinical matters, while PM software is used for administrative and financial functions.

Primary Components of the Practice Management Software

Patient Demographics

The capture of patient demographics may begin when a new patient fills out a patient information form, enters information at a patient check-in tablet or kiosk or through an online [patient portal.](patient portal) This information generally includes the patient's name, address and contact information, birthdate, employer, and insurance information. Practice staff typically enters this information into the software. The software may automatically verify the patient's eligibility for receiving benefits with the insurance company using a standard electronic data interchange connection.

PM software Claims and Statements Process

After a patient visit, the PM software is used to enter a set of charges. Each charge usually corresponds to a particular service that was performed on the patient, and is usually associated with one or more diagnoses. Most charges are entered using a code or codes from the Healthcare Common Procedure Coding System (HCPCS) or its subset, the Current Procedural Terminology (CPT). The diagnoses are indicated using International Classification of Diseases (ICD) codes. Each charge has a fee associated.

If the patient carried a valid private or public insurance policy at the time these services were provided, the billing charges are then sent out as an insurance claim. Claims are then sent out electronically using industry-standard electronic data interchange standards via the EMR.

Most practice management system vendors will update CPT/ICD codes in their software on an annual basis. While many insurance payers have created methods for direct submission of electronic claims, the software vendor will often engage the services of an electronic clearinghouse to submit their claims. Such clearinghouses commonly maintain connections to a large number of payers, and make it easy for practices to submit claims to any of these payers.

Once a claim is adjudicated by the payer, some sort of a response is sent to the submitter. This usually comes as a paper Explanation of Benefits (EOB) or an Electronic Remittance Advice (ERA). These describe the actions that the payer took on each claim: amounts paid, denied, adjusted, etc.

In cases where a patient did not have proper insurance, or where insurance coverage did not fully pay the charges, the practice will then send out patient billing statements. Practice management software often contains a way for a practice to print and mail their own statements (or other correspondence), and may even contain a way to interface to third-party patient statement printing companies.

Reporting

Most practice management software contains reporting capabilities to allow users to extract detailed data on financial performance and patient financial histories. Practice management software often has both standard (turnkey) reports as well as customized report features. In some cases, the reporting functionality of PM software interfaces with Decision Support Systems or has similar functionality built-in.

EMRPro.Info

EMR 104: Understanding Integrated Practice Management Software and Billing Tools

---

Review Quiz and Resource Directory

The **REVIEW QUIZ** for each course will help you to prepare for the final exam. Use your participant login code to take each review quiz. You are welcome to take each quiz multiple times to help you prepare. It is recommended that you take each quiz once at the end of the lesson and all of them again just prior to taking the final exam. Click button below to take the quiz for this lesson.

Take Review Quiz   View Video Lesson

EMRapproved.com has numerous tools to help you to research the entire range of EMR/EHR subjects in one convenient location. ASKEMRPRO and all the links related to EMR/EHR topics provide a continually updated resource for you. The more knowledgeable you are the better choice you can make. If you have any questions regarding this selection of resources, you may contact our program team at (800) 671-1028 ext #33.
