

Medical Billing FAQ

Introduction

1. What is the business address?
2. What is the legal name of the business?
3. What is the web address for the business?
4. In what year was the business founded?
5. In what year did you acquire the business?
6. What is the legal structure of the business?
7. List each shareholder by name and their percentage of ownership in the company:

Business Description:

8. What functions are included as part of the standard RCM solution?
 - A. Manual demographic or charge entry?
 - B. Coding included? Specialty? Coding review? Procedure? E&M?
 - C. Patient contact center solutions for Collections or patient services? Are you performing patient AR followup? Bad debt collections?

Document requests

9. Please provide profit & loss statements and balance sheets for YTD and the previous three years and an aged receivables report.
10. Please provide a customer report for YTD and the previous three years, including:

Client name or id
Direct client or subcontract
Annual rev/fees paid to your firm by each client for 2020YTD, 2019 & 2018
Budgeted revenue for current year
State
Specialty
PM System
Provider Count
Date/year they became a Customer
Contract termination date
Last 12 months collections
Last 12 months ending patient AR balance by client

Contingency rate per contract
Any payments carved out from invoicing
Budgeted revenue for this fiscal year

11. Please provide an aging receivables report

Employees/ICs

12. Please provide an organization chart

13. Please provide a employee schedule including,

Employee Title/position
Start date
FTE/IC
Annual compensation
Benefits

14. Are each of your employees and ICs under noncompete agreements?

15. Are all shareholders/owners of your company prepared to execute noncompete agreements as a condition to closing a transaction? .

16. Do you have written contracts with any of your ICs or other employees? Please provide sample contracts.

17. Please provide copies of any written management and/or key job descriptions.

18. If some of your production work is done offshore, who owns the offshore production center?

19. Describe any productivity standards of your labor force?

20. Do you expect your ICs and other employees will be willing to continue on with the new owner?

21. Please describe your role and that of any other shareholders with some detail and what each would prefer it to be, if any, with the new owner?

Customers

22. Please describe your customers (i.e. % municipal ambulance services, %Emergency Medical Services, % Urgent Care Centers, % Public Schools etc.) and how they are charged?
23. Please describe the general terms of the contracts you have with customers? Please provide copies of contracts with your top five customers.
24. Please describe any of your revenue that is generated by doing subcontracting work for another vendor—i.e. for another vendor who actually holds the contract with the end user client.
25. Do any of your customer contracts have assignability clauses? If so, please describe how the issue is addressed—i.e. prohibits assignability, allows, etc?
26. How do you market/advertise?
27. Have you lost any key customers in the past 3 years?
28. Please describe any significant changes in revenue over the past couple of years—i.e. due to loss or gain of a major customer etc.?
29. Describe your longest term clients:
30. Describe any significant new clients:
31. Describe your pipeline of opportunities:
32. Please describe any situations in which any current customers have indicated possible discontinue or reduce their work with you, including the size of the customer and the details of any disclosures or intentions they've expressed?

Technology

33. Please provide some detail regarding any technologies and or software you use in your regular business operations and the cost of each?

Misc. Questions

34. Please provide copies of all vendor agreements.
35. What assets would be sold with the business
36. What assets would be excluded from the sale?

37. Is cash or accrual accounting being used?

38. What are your valuation expectations?