THE BEGINNERS GUIDE TO
MEDICAL BILLING, MEDICAL CODING
& MEDICAL TRANSCRIPTION
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SECTION I: OVERVIEW

Time for a New Career?

In talking to the many people who contact us each month interested in career training, we are hearing grave concerns about the economy, finances, mortgages, and job losses. Many are feeling a need to change careers because of massive lay-offs and job losses in their chosen professions.

Two major areas that seldom encounter recession and are not overly affected by economic problems are the medical and the legal field. No matter what else is happening in the world, people still get sick or hurt, and require health care. The same is true to some extent in matters of law. People just keep suing each other for a variety of reasons. The government keeps on adding new regulations that require legal interpretation and support.

If you are concerned about the stability of your job, then it would be wise to consider training for a career in the medical or legal field. Medical transcriptionists, medical coders and billers, paralegals, and legal transcriptionists are needed everywhere and as the population increases and ages, the expanded need for more professionals follows. Pick up your local newspaper and read the classified ads. You’ll see what we mean. The best news is that these careers may be launched from home and managed as your time allows, even to include starting your own business. Does it make sense to start a business in a weak economy? Yes, it does and this is a basic key that will stimulate and correct a failing economy. It’s small business that makes the economy in this country strong. Starting a medical or legal business at home may just be the catalyst that takes you from worry to financial security and abundance. The choice is yours. Either a job or a business works!!
Recession and Healthcare Jobs

According to Tom Barry of the Atlanta Business Chronicle the healthcare industry is less affected by recession. He quotes the University of Georgia’s Economic Outlook 2002, stating "Health services typically are viewed as necessities, which consumers are very reluctant to forgo or even postpone, even during hard times," due to the fact that people need healthcare and they hesitate to cut back on that even when things are not good, therefore, jobs in healthcare are for the most part stable through recessions. This does not mean, however, that the healthcare industry will not feel a recession to some degree. Bringing on extra staff or starting additional projects like new wings of a hospital, wage freezes, or extra employee benefit plans may be things that would be affected during a recession. Hospitals or doctors’ offices may be inclined to work with the least amount of staff possible, but there will continue to be a need for qualified healthcare and support personnel in both the good and bad economic times.

It is always a wise idea for an individual to think ahead and have a plan in place should a job loss occur for any reason. Gaining new and additional skills especially during a recession is a smart idea. A medical transcriptionist would be wise to cross train into medical coding or billing. A medical coder or biller would be smart to obtain training in medical transcription. The more varied skill sets one has to fall back on, the less chance of floundering during an unexpected job loss. Additionally, enhancing your skills is a smart idea in case you ever want to launch out on your own and start your own business. If you can transcribe the medical record, then code it, then bill it, you have the capacity to triple your income. Many people today find themselves in jobs that are not what they have their college degree in. Last week, I read a post on a message board from a woman who had just completed her master’s degree in counseling and has been unable to find a job in her field. It was suggested she begin looking for work using her degree in another capacity like the human services field for now. In my opinion, even more important than having money in the bank during a recession is having a large repertoire of employable job skills.
Three Tips to Optimize Online Learning

With the advent of online learning, it is prudent for the adult learner to understand how to optimize their online learning experience. Many times adults find “reading” from the computer to be different than holding a book in their hands to read. However, by following a few tips to optimize your learning, it will be easy to take advantage of the online learning experience.

Tip #1: Go at your own pace! You don’t have to keep up with a class that is moving too fast for you or wait for a class that is moving too slow. So, when you find that you understand a chapter, move forward onto the next. Conversely, if you find that you just did not quite understand a particular chapter or unit, redo it. Take your time. This is a huge advantage of self-paced online learning opportunities.

Tip #2: Takes notes! Since many online programs do not provide hard copy materials, you will want to have a notebook handy and take notes on important key points. This is just like taking notes during an in-person class lecture. Additionally, typing your notes into a more organized form using word processing software is a great way to organize them, and to assist in memorizing the information.

Tip #3: Redo and Print Quizzes! Many online courses and web-based programs have a print feature. You don’t want to print the whole course or you’d quickly run out of paper and printer ink, but printing quizzes is a great way to supplement your notes and have a “hard copy” to study from. Also, the great thing about online self-paced study is that you can go back and redo quizzes. Do them until you are scoring high and understand the material completely.

The adult learner going back to school to learn will find online learning different than traditional learning because it is self-paced without the constraints of a classroom full of people. Additionally online learning is different because much of the material you will read and study online, and the interaction you will have with your instructor will be limited to E-Mail questions. However, taking advantage of the tips in this article will ensure both your success and enjoyment.
Tips for Learning Medical Terminology

Learning medical terminology can be as frustrating and fun as learning a foreign language. Usually the way medical terminology is taught is that one first learns prefixes, suffixes, and root words, then one goes on to learn a myriad of medical terms. It can be overwhelming to take in all of this new information, and most medical terminology courses are relatively short in duration, so one must learn quickly.

The key to learning medical terminology is memorization. There is just no softer or easier way. Of course, after you learn your prefixes, suffixes, and root words, it is easier to figure out medical words you’ve never heard before. Some shudder at the word “memorize.” However, memorization can be interesting and fun. There are many different techniques one can use to memorize.

A simple way to memorize medical terminology is to buy a pre-made flash card set. There are many sets consisting of 1,000 cards for under $15. One method of working with the cards that is helpful is to rubber them in groups of 20 and work with 20 at a time. The key to any study session is to review your last set of 20 cards, then review all your previous cards, and then set out to learn your next 20 cards. Quiz yourself and ask a friend to quiz you on your card sets. Review and quiz until you are getting them 100% correct every time. Then, it’s time to learn a new set of 20 cards. Some people like to make their own flash cards using 3x5 cards. This process is helpful because you also learn by writing. You write the word on one side, and the meaning on the reverse side.

Another simple technique used to memorize is to divide your paper into 2 columns (where you can fold the page in half horizontally). You write or type the word in one column and the definition in the second column. Print your sheet and fold it in half, and then quiz yourself.

Many people who are kinesthetic learners (learn by touching and using their hands) will learn best by writing or typing the words and definitions over and over. Maybe printing their list, and using a highlighter pen to highlight the ones they get wrong, and to study those in more detail.

Learning medical terminology can be fun rather than frustrating if one is just a little creative in the learning process. Find a study buddy and quiz each other. Also, in your daily life think about the words you are learning and apply them in the real world. For example, when you go for a walk, you may think to yourself- what muscles am I using, what are the names of those muscles? Applying terminology to your real life assists you in having a better understanding of it and makes retention easier. Lastly, remember that practice makes perfect. The more you study, the faster you will learn.
Self-Employment- Rules and Regulations

What is an employee? (W-2)
The usual definition for tax purposes is an individual hired on who is paid by the hour, week or month, with taxes (Medicare, Social Security, personal tax, [federal, state and local]) withheld by the employer and paid over to the appropriate entity. The income is reported on a W-2 form. A 1040 of whatever version is used to file taxes.

Statutory employment: (W-2)
Statutory employment is also reported on W-2 forms. They are typically outside employees or home workers. Social Security and Medicare are withheld from their pay. Statutory employees report their wages, income, and allowable expenses on Schedule C (self-employment form) and the net income is reported on Form 1040. Statutory employees are not liable for self-employment tax because their employers must treat them as employees for social security tax purposes.

Contractors and subcontractors: (1099)
These terms refer to people who are self-employed. They are responsible for their own taxes, including Social Security and Medicare. Their income is reported on Schedule C. The net after the income and expenses is the amount used to calculate the self-employment tax. Some of these people receive a 1099 form for their work effort (typical for transcriptionists).

If you are in business for yourself, or carry on a trade or business as a sole proprietor or an independent contractor, you generally would consider yourself a self-employed individual. You are an independent contractor if the person for whom you perform services has only the right to control or direct the result of your work, not what will be done or how it will be done (this subject is fraught with interpretative arguments relating to home-based workers).

A good example of the controversy between those who employ contractors (and subcontractors) is found in the February 2008 issue of the Kiplinger Letter, "The IRS is after firms that is classifying workers as contractors. It is unveiling an electronic matching system to identify companies that issue 1099s with payments of at least $25,000 to five or more workers who do not have any other sources of earned income. That will trigger audits this year to determine if the contractors should be paid as employees."
Given the trend toward utilizing independent contractors for provision of services, industry business owners and transcription service providers would be well advised to research and ensure compliance in this area. To learn more, visit: www.kiplinger.com www.irs.gov

If you decide to pursue self-employment or are growing your business to bring on employees or contractors it is important to you take the time to fully understand the legal requirements. You may wish to consult an accountant to assist you with this process (they are not as expensive as you might think and are well worth the peace of mind from knowing that you’re not exposing yourself to tax liabilities).
Tips and Requirements for Self employment:

Identification Numbers:
You must have a taxpayer identification number to operate a business. This is generally the social security number, or an individual taxpayer number. However if one has employees an Employer Identification Number is required (and is usually good to have anyway).

A Taxpayer Identification Number (TIN) is an identification number used by the Internal Revenue Service (IRS) in the administration of tax laws. It is issued either by the Social Security Administration (SSA) or by the IRS. A Social Security number (SSN) is issued by the SSA whereas all other TINs are issued by the IRS.

Social Security Number SSN
Employer Identification Number EIN
Individual Taxpayer Identification Number ITIN

A Individual Taxpayer Identification Number (ITIN) is a tax processing number issued by the Internal Revenue Service that always begins with the number 9 and has a 7 or 8 in the fourth digit, example 9XX-7X-XXXX.. These are issued to individuals who are required to have a U.S. taxpayer identification number but who do not have (and are not eligible to obtain) a Social Security Number (SSN) from the Social Security Administration (SSA).

How to Get an EIN number:
On-Line: The Internet EIN application is the preferred method for customers to apply for and obtain an EIN. Once the application is completed, the information is validated during the online session, and an EIN is issued immediately. The online application process is available for all entities whose principal business, office or agency, or legal residence (in the case of an individual), is located in the United States or U.S. Territories. The principal officer, general partner, grantor, owner etc. must have a valid Taxpayer Identification Number (Social Security Number, Employer Identification Number, or Individual Taxpayer Identification Number) in order to use the online application.

By phone: Taxpayers can obtain an EIN immediately by calling the Business & Specialty Tax Line at (800) 829-4933. The hours of operation are 7:00 a.m. - 10:00 p.m. local time, Monday through Friday. An assistor takes the information, assigns the EIN, and provides the number to an authorized individual over the telephone.

Filing Requirements for the Self-Employed:
As a self-employed individual, you may be responsible for completing multiple tax forms, depending on your type of business. Self-employed individuals, sole-proprietors, independent contractors and persons who have net earnings of $400 or more are required to pay self-employment tax by filing Schedule SE (self-employment) attached to their Form 1040.
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