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On the topic:
How to Be a Best-run Practice
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How to Be a Best-run Practice

Objectives

• What is a Best-run Practice?
• Conduct an Efficiency Assessment
• Learn what your data can teach you
• How to lead change in streamlining operations
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What is a Best-run Practice?

A Best-run Practice sets an industry-wide standard that uses methods or techniques that have been generally accepted as superior to those achieved by other means or standards.

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Conduct an Efficiency Assessment

Asking the right questions to get the right answers.

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Is Your Practice Experiencing:

- Shrinking cash flow
- Increased denials or claim rejections
- Increased patient complaints
- Increased staff turn over
- Decreased referrals
- Physician dissatisfaction

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Opportunities:

- Identify hidden problems
- Identify small problems before they become large problems
- Identify trends
- Keep your practice viable and healthy
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Vital areas to review:

- **Physician Productivity**
  - Providing Services, but not charging
  - Compare gross charges to same period last year

- **Financial Performance**
  - Overhead Cost
  - Compare current expenses to past expenses

- **Account Receivable Management**
  - Collection percentage to past performance
  - Outstanding accounts receivable compared to previous year / month

- **Compliance Plans**
  - HIPAA
  - OSHA
  - Fraud and Abuse

- **Staffing Ratio**
  - Staffing cost compared to revenues
  - Staffing number compared to benchmarks

- **Patient Payor Mix**
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• **Front Desk Processes**
  – Collecting patient financial responsibility
  – Accuracy in entering patient demographics
  – Verification of insurance

• **Coding / Revenue**
  – Documentation to support level billed
  – Utilization of services

• **Managed Care Reimbursement**
  – Are the reimbursements covering the cost to deliver services?
  – Are there opportunities for negotiations?

Stepping toward the Benchmark Process:

1. Determine what to assess – what is critical to your practice’s success?
2. Determine metrics that measure the critical areas in your organization.
3. Determine a source for internal and external benchmarking data.
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5. Compare your organization’s performance to the benchmark.
6. Determine if action is necessary based on the comparison.
7. Use the data to bring about change. Identify best practice and process used.
8. Adapt the processes used by best practices.
9. Implement a new process and reassess the objectives.
10. Track over time for continuous improvement.

Select the Assessment Tools:

• Patient Surveys
• Staff Surveys
• Referral Source Surveys
• Staff Interviews
• Analysis Worksheets
• Established Benchmarks
• Financial Reports
  – Two to Three Years of Previous Practice Data
  – Profit and Loss Statements
  – Accounts Receivable Reports
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Step 1

Determine what to assess - what is critical to your practice’s success?

Answer: Financial Performance
  • Overhead Cost

Goal: Compare current expenses to past expenses

Step 2

Determine metrics that measure the critical areas in your organization.

Where are you today and what are your goals?

Example: Overhead Ratio
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Step 3

Determine a source for internal and external benchmarking data.

Maximizing revenue and managing costs help practice reach their goals.

Internal Data:
Total operating Cost as a Percent of Total Medical Revenue
Total Operating Cost / Total Medical Revenue

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Step 4

Measure your organization’s performance.

Compare your organization performance data to previous historical trend, dollar and percentage of increase or decrease of cost.
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Step 5

Compare your practice’s performance to the benchmark.

Obtain external data such as cost reports and compare with your organizations data.

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Step 6

Determine if action is necessary based on the comparison.

This step answers the question - “how are we doing and what can we do better?”
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Step 7

Use the data to bring about change. Identify best practice and process used.

By measuring and comparing to best practices - which are proven processes that produce superior results - your practice can set standards for cost containment, and therefore increase the bottom line and profit margins.

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Step 8

Adapt the processes used by best practices.

Provide a workable approach to real-life process improvements.
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Step 9

Implement a new process and re-assess the objectives.

The most important step! This is the way that best practices are containing cost, this is what we are going to do and how we are going to do it.

Set implementation goals and timelines.

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Step 10

Track over time for continuous improvement.

Monitor monthly, quarterly and annually.
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• Thank you for your attendance!

• Questions?
Best Practices in Medical Office Management

Master Practice Operations

*Best Practices do the following:*

___Create a financial policy

___Providers support staff on the enforcement of the financial policy

___Educate patients on the financial policy when the appointment is scheduled

___Educate patients on the financial policy when the appointment is confirmed

___Educate patients at check in with signage

___Educate patients with a welcome letter, brochure or website

___Gather and update patient demographics at each encounter

___Verify insurance benefits and eligibility on each encounter

___Gather appropriate referrals, authorizations and pre-certifications

___Collect patient responsibility at time of service

___Train and educate staff on collections

___Train and educate staff and providers on coding

___Staff sends “clean claims" to insurance companies

___Staff follows up on claims at 30 days

___Staff gets patient involved in claim follow up

___Staff stays up to date on billing compliance and code changes

___Staff and providers have “bullet lists” of their managed care contracts

___Review fees schedules

___Negotiate higher reimbursements from managed care carriers