



6 ways to help maintain provider income

Maintaining provider income and financial health will continue to be a key priority for specialty practices nationwide. Answers to the revenue problem have never been simple, but now physicians must deal with a constant influx of new regulations that shift patient responsibility and payer reliability.

Thankfully, if practices adopt an all-encompassing view of expenses and observe their cash flow with a critical eye, they can maintain—and possibly even increase—their revenue. When provider income stabilizes, practices can provide better services for patients.

Here are a few steps and key areas where practices can improve their revenue streams:

1. Provide strategic ancillary services

Providing ancillary services opens a specialty practice up to more patients which, if successfully marketed, means extra revenue. According to the 88th Medical Economics' Physician Report, 74 percent of practices generate up to a fifth of their revenue this way. If these services are an extension of the practice's specialty, doctors can

then make faster, better-educated judgments and provide superior care for patients. For example, instead of waiting days or weeks for blood work results from an independent laboratory, physicians can get answers in hours with a lab that is in-house. They can then prescribe treatment accordingly, putting the patient on a faster track to wellness. Over time, once the costs of initiating such services have been recovered, the increase in efficiency benefits both patients and the practice as a whole.



2. Conduct regular financial reviews

As the economics of healthcare are ever shifting, so too should specialty practices continuously look through their accounting statements, searching for ways to minimize expenses and maximize revenue. This type of audit should occur on an annual basis at minimum, though physicians and administrators may find additional savings by analyzing their statements more frequently. Key areas to scrutinize are staffing levels, vendor services, suppliers and benefits, including insurance.

Practices should maintain a critical eye when reviewing expenses. Many practices have found that looking for ways to outsource, where possible, leads to cost savings over carrying the load in-house.

This does not mean firing half the staff, but if an employee leaves, it is worth considering when and why that person should be replaced. In addition to compensation for their work, staff members require tools like computers, phones and office space. In some cases, such as in IT services or billing and collections, it may be better to outsource to an experienced third party. This way, practices can operate out of smaller facilities and save money on nonmedical equipment.

3. Give patients multiple opportunities to pay their balances

In addition to reviewing expenses, physicians and administrators should also survey their daily procedures. The goal here is to design best practices that improve efficiency. One example of a common best practice is to collect patient deductibles up front. As healthcare costs continuously shift toward patients, these deductibles become increasingly vital toward a business' financial health.

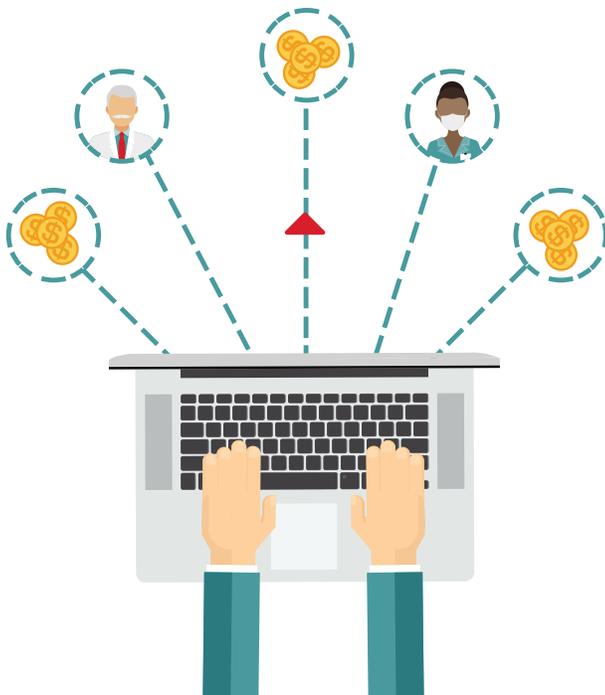
If collecting upfront is not always feasible, establishing an online payment portal eases the burden placed on patients. These tools allow individuals to submit payments at their own convenience, making them more likely to address their balances. Some portals let patients

leave a credit card on file with their practice. By establishing expectations with patients up front, you may be able to automatically charge the card for all or part of the balance owed after a visit.

4. Use analytics to identify wasteful vs. cost-efficient trends

Some physicians are not as interested in reports and trends: they simply want to know the status of the practice's revenue. However, having the insights that analytics software provides are vital to the health of the practice, and can be a true game-changer. With analytics linked to your practice management software, you will have critical financial and operational information at your fingertips.

For example, with analytics, a doctor or administrator will be able to identify discrepancies between payers.



One insurer may drastically undercompensate for a visit compared to others, or maybe it pays far less if a procedure is performed twice in one day. Understanding the difference between payer fee schedules, and how much they allow for various services, is important for providers when attempting to estimate cash flow or schedule and plan for resources.

Analytics also identifies a practice's best patients by location, insurer and other criteria. This helps organizations determine where to concentrate their marketing efforts. For example, if the software reveals the majority of patients from a nearby suburb have the same reliable insurer, a practice could launch traditional advertising campaigns or a referral program for patients in that area.

Analytics software also helps practices understand where they are today with their accounts receivables, and forecast their collections for the coming month. This way, they can better budget upcoming expenses based on how much money they expect to have.

5. Load fee schedules in your practice management system

Importing fee schedules into your practice management (PM) system shows you when your practice has been underpaid. The PM pushes this data into analytics which, when reviewed, highlights inconsistencies. This process ensures money owed to the practice does not fall through the cracks—an oversight that can be detrimental to a practice's financial health. Once aware of the payment issue, staff can verify their contracts to confirm any discrepancies, then reach out to their

payer representative for a solution. Loading fee schedules can reduce the amount of time it takes to address these issues by helping practices stay on top of their payments.

6. Grow the practice when the time is right

Adding a provider can increase the revenue at your practice. You may be able to add an additional service line that complements your existing services. If you find that you are able to add a provider, but keep your staff and facilities the same, you will be doing more with the resources you already have in place. More physicians means more patients and more revenue.

To determine when the right time is, practices can use analytics software to monitor their cash flow

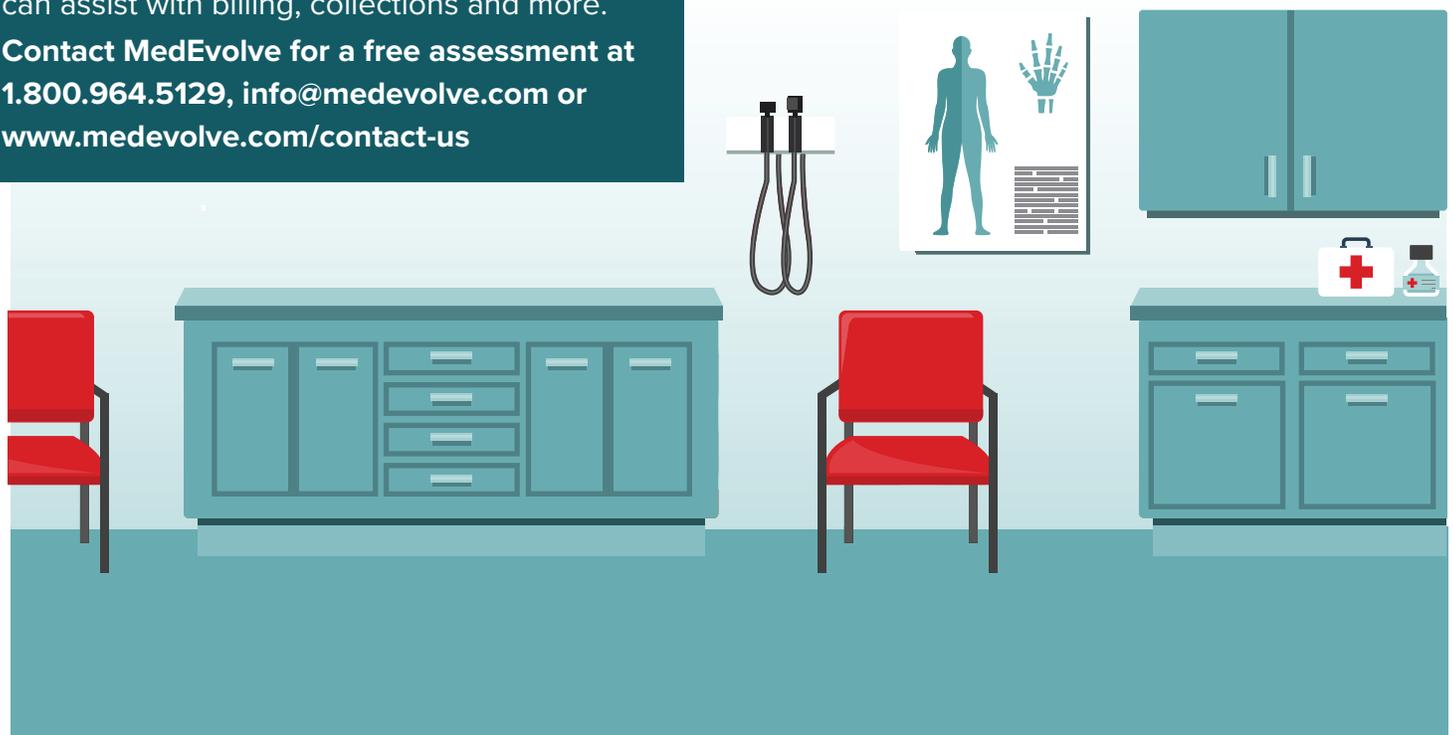
and productivity trends across the years. They should aim to hire during a month that traditionally sees either higher revenue or lower expenses.

Prioritizing income within a practice

By being proactive and constantly vigilant, physicians ensure healthy revenue streams for themselves and their practices. It takes some dedication, but tools like practice management and analytics software automate the process without incurring additional expenses. Finding opportunities for outsourcing can reduce the burden on your staff and decrease overhead expenses while giving your practice a strategic resource. In addition, by offering ancillary services and adding physicians when the time is right, practices diversify their services and attract more patients, leading to more revenue for the benefit of all.

Need help managing your revenue cycle? We can assist with billing, collections and more.

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