It's the goal of any practice: To be more profitable while still providing high quality, patient centered care. Unfortunately, reimbursement cuts, withholds and increasingly complex payer requirements have placed more and more downward pressure on provider incomes and profitability.

Increase Your Profitability
Consider these five practical steps for shoring up practice profitability:

1. Schedule for density – Many practices wind up with chunks of unutilized time in their schedules simply due to no-shows and last minute cancellations. These account for 40 percent of available appointment time, according to an Athenahealth, Inc. study of appointments at multi-specialty medical groups.

   • Consider using one of the many automated patient appointment reminder services to prompt adherence to scheduled appointments.

   • Maintain a list of patients requesting earlier appointments to call for filling in last minute cancellations.

   • Add online scheduling functionality to your practice website or link to a portal where patients can schedule and reschedule themselves.

2. Schedule for the right mix – While you’re scheduling for density, also schedule for a profitable mix of appointment types (new patients, follow-ups, procedures, etc.). Understanding the likely reimbursement rate for the provider’s time, you can actively schedule to ensure that the most profitable procedures and patients are included.

   • Capture procedure codes, insurance eligibility and demographic information as appointments are scheduled. Then monitor revenue by appointment type to determine which services are most profitable and which payers reimburse at the highest rates.

   • Using this data, proactively schedule more of these profitable procedures and actively target patients from high reimbursing health plans.

   • Proactively schedule follow-up appointments, using the same reminders you would with an initial appointment.

3. Leverage mid-levels – Consider increasing capacity by leveraging nurse practitioners, physician assistants, nurse anesthetists and other midlevel providers. Studies consistently prove that quality outcomes are the same for mid-levels and physicians across many tasks.

   • Of course, don’t hire a midlevel provider until you have checked reimbursement rules and know that your group of insurers will pay for the provider’s services.

   • Monitor third party reimbursement rules and bill under the physician’s provider number when appropriate for higher reimbursement. Many plans will only pay 85 percent of allowable rates for mid-levels but will pay 100 percent of allowable if the midlevel bills under the physician’s number (when supervision requirements are met).

   • Provide your mid-levels with the same level of support that you would other top level providers (support staff, phone coverage, etc.).

4. Maximize point-of-service charges and collections – When patient visits are not accurately documented in real time, it’s easy to overlook
5 Steps for Maximizing Revenue, cont’d.

modifiers and additional procedure codes. In addition, in this era of consumer directed health plans, patients are increasingly responsible for a larger portion of charges (e.g., high-deductible plans, substantial copayments, etc.). If you fail to master the art of point-of-service collections, you risk losing revenue.

- Use detailed superbills and forms (paper or electronic) that are customized to your specific needs. Then, use them to document patient encounters in real time. At the same time, review your practice’s system of internal controls to ensure that all superbills are accounted for and all charges are entered into the billing system accurately and in a timely manner.

- Use payers’ online tools to verify eligibility and determine patient responsibility for payment. Put procedures in place to consistently collect this amount at the time of service.

- Investigate payment solutions that authorize you to capture the patient’s credit card information at the time of service and then apply charges once the payment has been adjudicated.

5. Get paid what you’re owed – Capturing all the charges and using the right codes is only part of the revenue generation process. The next step is making sure payers actually pay what they owe you.

- Use payers’ “rules engine” software to identify billing errors and make corrections before claims submission.

- Analyze actual reimbursements against contracted rates for your top procedure codes.

- Audit and appeal all inappropriately paid or denied claims (daily, if possible).

Better Bottom Lines
The key for providers seeking a better bottom line often lies in the fundamentals of improving scheduling, tightening up on coding and collections, and developing services that will generate additional income. Take care of these issues, and the revenue will often take care of itself.

Getting to the Bottom of Lagging Financials

These two helpful tools can work together to tell you where and why your practice might be lagging financially:

1. Gap analysis - Using this tool, you can identify key areas of underperformance, highlighting the relative contribution of various factors. Utilizing widely used measures (Encounters Per Hour, No-Show Rate, Gross Charges, etc.), compare your practice’s performance against appropriate benchmarks (national, regional, by specialty, etc.). The difference between your performance measures and the benchmark is the “gap.”

For example, analysis of your revenue cycle may show a substantial gap between your collections and those of better-performing practices in the same specialty. Through this analysis, you can identify opportunities for improving operational and revenue cycle workflow, and put a plan for improvement into action.

2. Root cause analysis - This tool tells you why your practice performance measures are lagging - whether it’s patient safety or net income per Full Time Equivalent (FTE) physician. Here, you break down the performance issues uncovered in the gap analysis into components that can each be benchmarked in turn.

For instance, further analysis of a revenue gap may point to inaccurate coding as a contributing factor. Digging deeper, you may uncover multiple additional factors, creating a tree diagram of errors. For example, you might find that coding staff lacks sufficient clinical knowledge to code to the highest level. Further, a provider may be providing ambiguous or nonspecific documentation. At the administrative level, lack of a standardized Health Information Management (HIM) workflow model may be compounding these errors.
Know Who’s Talking About You

A physician’s reputation and practice has always been built by word of mouth. But with the proliferation of online rating and review sites, the opinions of today’s increasingly vocal healthcare consumers are spreading farther and faster than ever before.

And it’s not just patients and potential patients visiting these sites. Insurance companies are also beginning to use them as another tool for reviewing physician performance.

Diagnosing a Reputation
As with restaurant and travel review sites, provider review sites run the gamut. Some simply provide an open forum to share thoughts and experiences, while others dig much deeper. For example, http://HealthGrades.com blends patient survey scores with information on malpractice, sanctions and medical board action, along with ratings of affiliated hospitals.

Consider these three steps for dealing with online ratings and reviews - and manage what is being said about you and your practice:

1. Google yourself. Start by Googling your name and practice name to see what comes up. Likewise, visit some of the more well-utilized sites, which include the following:
   - http://DrScore.com
   - http://HealthGrades.com
   - http://RateMDs.com
   - http://Revolutionhealth.com
   - http://Vitals.com
   - http://ZocDoc.com
   - http://Avvo.com

And don’t forget the growing number of rating and review sites that allow postings related to any industry, such as these sites:
   - http://Yellowpages.com
   - http://Angieslist.com
   - http://local.yahoo.com

It’s important to review as many of these sites as possible. One site may feature nothing but five-star reviews, while another may host a scathing critique from a patient with an axe to grind. Establish a schedule for regularly monitoring a handful of sites.

2. Correct and update. At the very least, visiting these sites will give you the chance to update any information posted about you that may be incorrect (old addresses and phone numbers, inoperable links, etc.).

3. Establish a monitoring schedule. Consider assigning a computer savvy staffer the responsibility of monitoring these sites on a regular basis.

Repairing the Damage
The absolute worst thing any provider can do is ignore what is being said online. Consider these steps:

Respond. In most cases, it is best not to get into an online shouting match with a disgruntled patient. You only look defensive responding with a pedantic, point-by-point refutation of a negative review. It’s better to post a more-general response, such as: “Downtown Pediatrics aims to provide each patient with the highest quality of care in a respectful, friendly environment. Please check our website for more information.”

Note that it is extremely difficult to have a negative review removed from a commercial website. Your best defense is to check for any violations of the site’s “terms of use” agreement, which typically forbids obscenities or hateful language.

Seek out and share positive comments. Encourage satisfied patients to submit their own reviews and comments - perhaps with a simple sign in the waiting room or checkout area that refers them to one or two review sites that you have already vetted. Likewise, post any positive comments from patients on your practice website, along with your credentials, honors, accomplishments and other information.

Refer visitors to health plan websites. Link from your practice website to the websites of health plans in which you participate. These typically highlight data on provider partners, who are selected (in part) based on their experience and patient outcomes, as well as feedback from other physicians.

Bring in the pros. So-called “reputation management” companies - such as http://reputation.com, http://reputationaccelerator.com or http://lifehacker.com - promise to bury inaccurate or misleading content and continuously monitor and notify you of attacks against your reputation.

Learn from it. Of course, the best defense is to practice good medicine and communicate clearly with patients. Yet, there may be areas of the patient experience that you are not privy to — what happens when a patient calls in, how patients are greeted by staff, how billing is handled, etc. You may be able to learn the unvarnished truth from a patient’s own words.

Word of Mouth Matters
As review and rating sites gather more data and become more established, consulting them will become as commonplace among patients as reading a restaurant review. Savvy healthcare providers are taking steps now to strategically and continually manage what is being said.
New Medicare Surtax Calls for Strategic Tax Planning

Tax planning will grow increasingly critical as a new 3.8 percent Medicare surtax is levied on “Net Investment Income” beginning in 2013. The tax is imposed on joint filers with Modified Adjusted Gross Income (MAGI) over $250,000 and on single taxpayers with MAGI above $200,000.

With this in mind, consider these opportunities for keeping your MAGI below the threshold:

Entity selection – Utilizing multiple legal entities at the practice level can provide flexibility in managing how you receive income and how that income will be taxed. For example, active income in partnerships and S corporations is generally excluded from gross income. By contrast, income from a limited partnership is not excluded.

Qualified retirement plans – Increasing contributions to IRAs and 401(k), 403(b) and 457 plans may make sense, as distributions from these qualified retirement plans are excluded from gross income for purposes of the surtax.

Tax-deferred investments – Likewise, income from tax-exempt and tax-deferred vehicles like municipal bonds, tax-deferred non-qualified annuities, life insurance and non-qualified deferred compensation is not included in investment income.

Roth IRA conversions – Converting traditional IRAs to Roth IRAs prior to 2013 can reduce MAGI in 2013 and beyond, thereby reducing or eliminating surtax exposure.

Sale of assets – The sale of a residence after January 1, 2013, could trigger the surtax if your MAGI exceeds the thresholds and the sale results in a capital gain greater than the IRS exclusion ($500,000 for married couples and $250,000 for singles). Ditto for the sale or transfer of your interest in a business in which you have passive ownership, or the sale or transfer of your ownership interest in a C corporation. Accelerating the sale of these assets into 2012 can help you avoid the tax.

Contact our office to plan strategies for minimizing this and other taxes over time.

Mueller Prost PC is a team of CPAs and business advisors headquartered in St. Louis. From humble beginnings on a ping-pong table in 1983, the corporation has grown into one of the leading CPA and business advisory firms in the area, operating out of two locations with more than 80 staff members. By Advising with Vision®, we offer clients new and unique ways to look at their businesses. Our forward-thinking CPAs and advisors stand ready to provide depth of expertise, strategies and resources required to help clients set and achieve their goals at every stage of the business lifecycle. As a member of both the PKF North America and PKF International networks (associations of independent CPA firms), our team has the ability to leverage national and global resources when needed to benefit client engagements.

The firm offers a full range of professional tax, audit, accounting and management advisory services to physicians, physician groups, nursing homes and other providers in the healthcare industry.

For more information, please contact Mike Prost, CPA/ABV/CFF, CVA, ASA at 314.862.2070 or mprost@muellerprost.com.