

Ten Ways to Stabilize Medical Practice Revenues During Tough Times

By Mary N. Moak

Healthcare has been somewhat insulated from economic turmoil in the past. The sheer scope of the crisis we are facing now is being felt by medical practices as patients lose jobs and insurance coverage, choose to delay elective and non emergency care, and spend money that would have gone to copays on gas and groceries. What strategies can practices employ to lessen the impact? Here are ten time-tested strategies that you can employ today.

- 1. Answer the Phone** – Make getting an appointment fast and easy. This may mean opening your schedule to see all callers the same day. Simplify your phone routing system so a patient gets to a scheduler quickly and never goes to voice mail.
- 2. Collect at the Front Desk** – Collect copays and patient statement balances due at the front desk before the patient is seen. Patient balances are collected more cost effectively at the front desk when the patient is in the office versus in the billing office where phone tag is the order of the day. With the rise of health savings accounts and non covered services, a larger percentage of the medical bill is now patient responsibility. On average practices lose 50% of this money to bad debt. You may need to move a billing person to the front desk, who is skilled in explaining balances due, able to set budget plans if needed and good at asking for payment.
- 3. Book Follow Ups Real Time** – Book all follow up appointments when patient checks out. Recalls equal rework.
- 4. Use a Collection Agency and Finance Company** – Collection agencies are much more efficient is dealing with past due balances than billing offices. Finance companies have traditionally been used by specialties with services not covered by insurance like plastic surgery. Today a wide variety of specialties are offering financing services for large patient balances due.
- 5. Post and Bill Charges within 24 Hours** – Charges for office visits should be posted into the practice management system and billed within 24 hours of the date of service. Surgery charges should be billed within 48 hours and hospital inpatient charges should be billed weekly. Consistent collections require consistent claim submission.
- 6. Post Payments within 48 Hours** – When collections are down it is critical to get insurance and patient statement payments posted quickly so issues and denials can be addressed.
- 7. Use Financial Ratios** – Calculate:

Days in Receivables
Collection Percent
Accounts Receivable Aging
Revenue per Visit
Profitability Percent

Also track visit and charges for each month. These statistics can highlight issues quickly so they can be dealt with and can show concerned physicians that collections of charges are optimized if the numbers are good. See www.physicianinterlink.com for ratio formulas.

8. **Enter Contract Fee Schedules** – At a minimum enter contract amounts for larger payors, high dollar procedures and high volume procedures to assure insurance companies are paying correctly.
9. **Work E-Claims Reports** – If you use a clearinghouse, assure all claims are received and forwarded. Don't wait for explanation of benefits from payors to fix problems, use the reports from your clearinghouse and get a head start.
10. **Get It Right the First Time** – When money is tight, practices need to get paid the first time they submit a claims a high percentage of the time. This means you have to submit clean claims on eligible patients. Check insurance and eligibility each visit. Find out what services might not be covered so you can collect up front. Use claims scrubbers and take the time to customize them. Visually review charges for errors. Claims scrubbers may not catch everything.

The time spent to implement these ideas will stabilize collections today and beyond.

*For information on Physician Interlink, LLC's Accounts Receivable and Billing Office Assessment, call **404-216-7213** or email **mmoak@PhysicianInterlink.com**.*

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