VITALS

Message from the Chief

Ron Flormann
CCO, Glenwood Systems LLC

Is it time for a Medical Practice Revenue Performance Analysis?

The economy has been rocky for years, portfolio performance isn't what it was a few years ago, reimbursements don't usually go up, and the costs to run your practice are increasing.

Let's remember that maximized revenue performance is not just about profitability. It is ensuring that your practice has the necessary resources to provide quality care to your patients, keep strong performers on your staff, and invest in technology to provide a high standard of care, quality clinical outcomes and improve patient and staff satisfaction.

Basic finance tells us that the two single most areas of importance are Revenue and Expense management. This sounds pretty simple and it can be if you have the tools and process in place to manage each category. Remember, "we can't manage what we do not measure."

For the purposes of space in this article we'll focus on revenue available from established opportunity not new opportunity e.g.

INSIDE THIS ISSUE

You can't manage what you don't measure!

Glenwood Billing Services provide full Practice Performance Revenue Reports.

Biller's Tips

Nat Loganathan
Founder, Glenwood Systems LLC

Accounts Receivable is still an issue, the dynamics have changed

At Glenwood, we analyze long term trends in medical practice revenue performance. A key performance indicator in every medical practice is Accounts Receivable or A/R.

In recent years, the following trends have become evident:

- Most payors are electronic. This has typically reduced the claim payment timeline.
- A/R tied to insurance payment greater than 120 days is diminishing.
- The patient balance portion of the A/R is trending upwards due to changes in medical coverage and the economy.

While insurance A/R can be managed with eligibility checking, clean claims, and good contract management, the patient balance has increasingly become a challenge.

Greater economic pressure and changing medical plans have negatively impacted patient A/R in the past several years. Physician bills are the last priority in most households with tight budgets, and tend to be ignored until pressed.

The best practice to reduce the patient balance A/R is to collect the patient responsibility portion of the visit prior to the encounter. The front-desk should be *mandated* to collect the patient balances *before* the patient is seen.

While it is human nature to empathize with your patient, your practice must meet the expenses necessary to deliver a high standard of care. Front desk personnel must be trained to handle patient queries when asked for payment.

It is recommended that the practice consistently measure and manage uncollected patient balances that should have been collected at the front desk and take appropriate action with the personnel charged with the collection improvement.

Co-pays are a fixed amount and easy to estimate. Co-insurance and patient deductibles require an approximation of the

customer service, service expansion, marketing efforts or networking efforts.

I find it fascinating that so many physicians today still measure their day to day success using average daily patient count and predetermined daily cash flow expectation. These providers often feel successful if there is enough money to pay all the bills and salaries and the provider can draw a "comfortable living." Too often a provider ignores the lost opportunity revenue leakage caused by high AR, weak denial and payer analysis/management, and limited or no payer contract negotiation. Many practices, especially smaller practices, don't have the time or the tools to look for areas of leakage and the resulting lost revenue opportunity.

The first thing I ask a potential new client when reviewing revenue performance is "What was your revenue last year?" Better than 80 % of the time I'm proudly told "I billed $XXX, XXX last year." The answer should really be based on the previous year's net receipts not the actual charges. Unless you are in a strictly cash practice, the "billed" amount means little in the real world of accounting.

The next question I ask is, "Based on your payer agreements and patient responsibility payments towards total possible collectible revenue - what did you actually collect last year?" Sadly most providers don't know the answer to that question.

What this means is if a medical practice is eligible to collect $500,000 annually and they have a collection rate of 91% (sounds pretty good) the practice let $45,000 of Pure Profit leak out. The math is simple; the practice paid all its obligations with the $455,000 in net receipts. Any revenue captured above that is PURE PROFIT.

The typical response is "it is impossible to collect 100%." This may be true, but 99% is possible and a reality (more about that later). Any improvement above the actual collection percentage is new profit and the gain can be made without seeing any new patients, expanding the service offering or increasing your expense side.

Areas of leakage typically found in a practice are:

- **Eligibility Denial**. In most practices, the majority of practice revenue is derived from some form of insurance. If insurance coverage for the encounter isn't established before the encounter, the likelihood increases that revenue for that encounter will be lost.
- **Patient Responsibility Payments**. Best practice tells us that the best time to collect the patient responsibility portion of the encounter is when they are standing in the office prior to seeing the physician. Patient contribution to the cost of the visit is higher today than in recent memory.
- **Accounts Receivable**. The longer payment is outstanding, the less likely the revenue will be collected. This concept is known as the time value of money. The longer a dollar goes unpaid the likelihood of no payment increases. If a practice has a significant portion of collection greater than 90 days, it is likely that the leakage is significant.

Glenwood's Technical Tips

Sam Raj
Technical Director, Glenwood Systems LLC

Scanning Patient Demographic Information Using OCR Technology Speeds Data Input and Accuracy

Glenwood Systems recently completed a software integration project with Card Scanning Solutions to enable use of the ScanShell 800R, ScanShell 800DX, and SnapShell scanning devices to speed and improve the data capture of patient information from insurance cards and drivers licenses. This new technology not only captures an image of the card but also populates the relevant information into the GlaceEMR using OCR.

Optical Character Recognition, OCR, is the process of converting data from scanned documents into computer-editable text that can be populated into other applications. This technology isn't limited to magnetic strip or bar-code reading. The high-level DSP (digital signal processing) algorithms filter and clean tarnished images received from an ID scanner, such as driver license images with non-uniform background colors and text that are covered with stamps and holograms. This core technology differentiates our solution from other OCR providers.

The advanced image-processing technology uses a proprietary Optical Character Recognition (OCR) engine to read and extract information from driver licenses and other forms of identification by using an ID reader. This state-of-the-art image-processing technology creates an ID-reading mechanism, which includes ID scanners, and produces 98 percent accuracy.

Glenwood searched the market to find a product we felt demonstrated a high degree of accuracy so that our clients can save time and money when inputting data at the front desk. Additionally, the automatic data capture reduces data input errors and allows for better automatic insurance eligibility verification.

Please contact your Glenwood Account Manager for more information.

GlaceEMR is a single (1) price EMR solution; no additional charges for necessary functionality items.

Patient Portal -- Scheduling Software -- Automated Patient Reminder Software -- Insurance Eligibility Verification Software and Clearing House connectivity -- Certified EMR clinical documentation software -- Meaningful Use and PQRS reporting - eRx.

All at a single monthly subscription rate.

Practice Consultancy ~Electronic Medical Records ~ Practice Management Software ~ Billing Services
Glenwood Systems LLC 888-452-2363 www.glenwoodsystems.com

What's New at Glenwood

Glenwood Teams with TransFirst to Make Patient Payments Easier

Glenwood Systems and TransFirst have teamed up to help your practice reduce patient responsibility AR and bring automation and efficiency to your patient payment process.

Through Glenwood Systems' Glace software, staff can now complete credit card and electronic debits to checking or savings accounts without leaving the Glace software system. In seconds, payment is authorized and patient ledger and daily activity reports are updated. Payments become part of your office flow instead of a daily nuisance; front-office and post-adjudication payments are no longer outside the system in a separate manual process. There are no contract terms and the electronic enrollment and implementation process is simple.

TransFirst is one of the industry's fastest-growing payment processing companies and one of the first niche processors in the country devoted to the special needs of the healthcare industry. TransFirst has years of experience dealing with thousands of healthcare practitioners, administrators, office staff, their vendors, and their associations. We work with our merchants as a partner in their practice and approach their needs with processes, services, and products developed specifically for their industry.

Glenwood Teams with Transworld Systems to Make Medical Collection Agency Services Easier

Glenwood Systems and Transworld have teamed up to provide your practice with a softer collection approach for those slow paying customers. The Glace Software is now integrated with Transworld so you may take advantage of this new Accounts Receivable management tool. If you haven't captured the patient pay portion at the front end or with the normal statement process, this may be the answer you need to keep the patient and get paid.

Whether you have a large medical practice or are a solo provider, cash flow is negatively affected by slow-paying patients. The GreenFlag System effectively collects on past due statements while ensuring that patients feel comfortable returning for medical care after responding due to our diplomatic third party intervention.

For more information on either TransFirst or Transworld please contact your Glenwood Account Manager.

Want more information?
Call Us
888-452-2363 (GlaceMD)

patient balance due. The estimate is easily achieved with a simple chart of allowed amounts for commonly used codes.

There is a common misconception that balances can only be collected after the EoB has been received; not true. It is perfectly legal to collect an advance towards estimated patient balance. If the estimate exceeds the EoB determination, the patient is refunded or a credit may be applied to future visits.

Glenwood Systems provides the tools and means to remind front desk staff to collect the patient balances – past and present. Glenwood's Billing Help Desk is available to clarify complex bills. We work with other vendors to integrate alternate payment methods such as credit cards and periodic payment plans into the process.

Moving unpaid bills to a collection agency poses a dilemma to the physician, "Do I risk losing a patient or do I write off a significant piece of revenue?" For certain practices, specifically those performing hospital-based services, the unpaid patient balance is significant since there is no long term relationship between the physician and the patient.

When a practice decides to turnover unpaid patient balances to collections, it is important to chose a reputable collection agency. If an agency closes shop, the balances placed under collection are lost forever to the practice.

To summarize, patient balance collections have become an issue medical practices need to be aware of and address. If you need help with the process, Glenwood Systems is here to help.
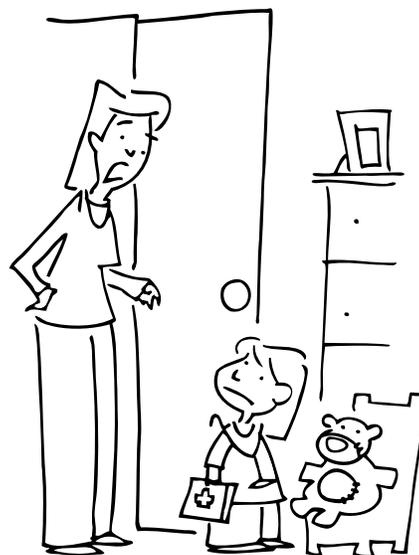
"I don't want you playing doctor. We can't afford the malpractice insurance!"

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CMS Incentive Programs 2011 Help Desk Contact Information

Per the Center for Medicare and Medicaid Services (CMS), do not call your MAC/Carrier/Fi with questions about your incentive payments.

Please contact the appropriate help desk:

Meaningful Use EHR Incentive Program
 Hours: 7:30am - 6:30pm CST (Mon-Fri)
 Phone: 1-888-734-6433
 TTY: 1-888-734-6563

eRx Incentive Program
 Hours: 7:00am - 7:00pm CST (Mon-Fri)
 Phone: 1-866-484-8049
 Email: Qnetsupport@sdps.org

Physician Quality Reporting System (PQRS) Incentive Program
 Hours: 7:00am - 7:00pm CST (Mon-Fri)
 Phone: 1-866-288-8912
 Email: Qnetsupport@sdps.org

This month Glenwood introduces two new Affiliate Partners to help our clients improve their revenue capture. Our Glace software is now integrated with TransFirst and Transworld to further enhance our process of maximizing medical practice revenue. These programs are available to help your practice improve your revenue capture.

TRANSFIRST is among the nation's premier providers of transaction processing services and payment processing technologies. TRANSFIRST provides a specialized approach to providing merchant bankcard processing, transaction processing services and credit card processing for the health care industry.

TRANSWORLD Systems redefines the collection agency industry by providing healthcare organizations with better tools for debt recovery and past due accounts.

Today Glenwood Systems works closely with our clients to help them attain 99+% of the revenue they are eligible to collect. The clients attaining this high percentage of collections maximize their revenue performance using the revenue collection processes outlined by Glenwood, taking advantage of Glenwood software and the practice performance reports provided by Glenwood to measure and manage their medical practice revenue.

If you would like to explore adding additional Pure Profit to your annual receipts give us a call and we can provide you a confidential Revenue Performance Analysis – no obligation.

Everybody can use a little help once in a while.

Glenwood Systems
Physician Enterprise Solutions

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Waterbury, CT 06702

Software – Process – Service – Results