

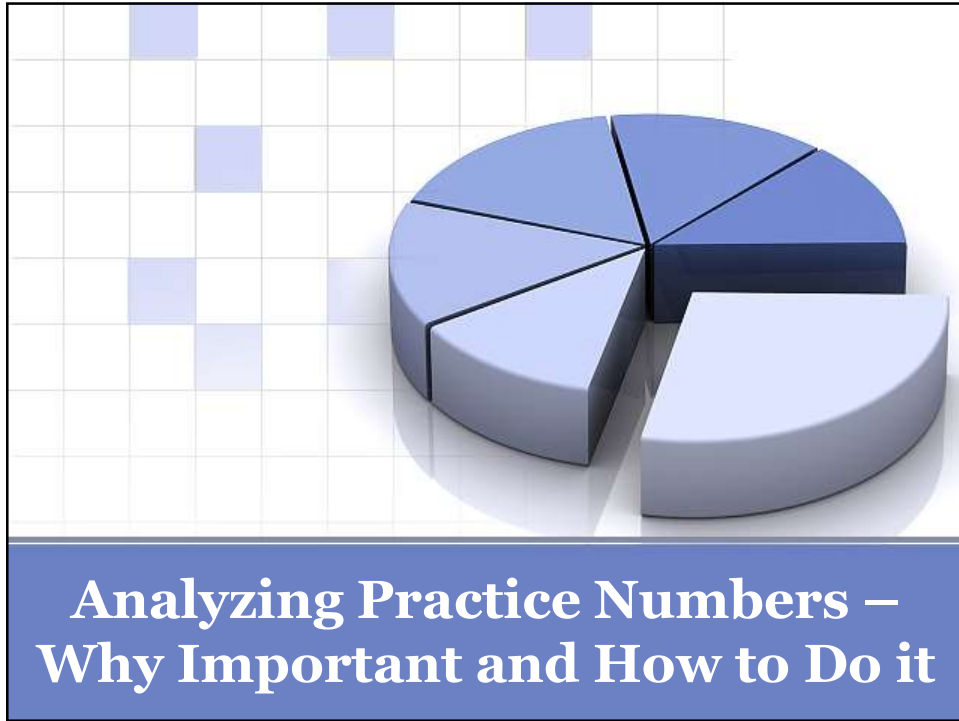


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## Concepts

- **Numbers Don't Lie!!!!**
- **Benchmarking**
  - **What is the ONLY BENCHMARK that counts\$**
- **Report Preparation**
  - **Frequency of Report Preparation**
  - **Review of Practice Mgmt and Financials Should be First Agenda Item in Management Meetings**

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## **Practice Management Reports**

- **Practice Management Reporting**
  - **For the Practice**
  - **By Individual Physician**
  - **Always on a Comparative Basis**
- **Clinical Activities Reports**
- **Accounts Receivable Reports**
  - **Unpaid Claims Report**
  - **Electronic Claim Exception Report**

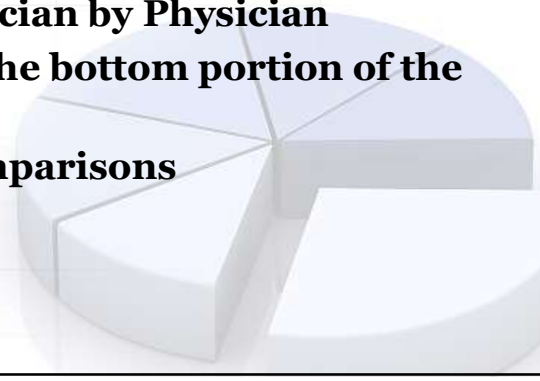
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## The Numbers

- **Gross Collection Percentage**
  - **Net Collection Percentage**
  - **Days in A/R**
  - **A/R Ratio**
  - **A/R in excess of 90 days old**
  - **This year better than last year?**
  - **Clinical/Procedure/Ancillary Encounters**
  - **Provider Work RVUs**
- 

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## More Numbers

- **Charges by Payor**
  - **Collections by Payor**
  - **Payor Collections by Physician**
  - **Referring Physician by Physician**
    - **Don't forget the bottom portion of the report**
  - **E/M coding comparisons**
- 

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## More Numbers

CPT Code	Dr. Mason Jr.		Dr. Leitner		Dr. Morgan		Dr. Russell		Dr. Chase	
	# of Times	%	# of Times	%	# of Times	%	# of Times	%	# of Times	%
99201 OV, New, Straightforward	5	2.76%	0	0.00%	3	1.06%	5	5.10%	2	1.06%
99202 OV, New, Expanded	98	54.14%	8	2.79%	17	5.99%	11	11.22%	46	24.47%
99203 OV, New, Low	72	39.78%	197	68.64%	255	89.79%	72	73.47%	120	63.83%
99204 OV, New, Moderate	6	3.31%	82	28.57%	6	2.11%	10	10.20%	20	10.64%
99205 OV, New, High	0	0.00%	0	0.00%	3	1.06%	0	0.00%	0	0.00%
Totals	181	100.00%	287	100.00%	284	100.00%	98	100.00%	188	100.00%
99211 OV, Est., Minimal	68	2.88%	116	4.35%	133	6.47%	74	5.49%	16	1.13%
99212 OV, Est., Straightforward	1655	70.16%	257	9.64%	226	10.99%	833	61.80%	58	4.10%
99213 OV, Est., Low-Expanded	475	20.14%	2046	76.72%	1542	74.96%	314	23.29%	721	50.95%
99214 OV, Est., Moderate-Detailed	125	5.30%	224	8.40%	128	6.22%	108	8.01%	589	41.63%
99215 OV, Est., High-Comp.	36	1.53%	24	0.90%	28	1.36%	19	1.41%	31	2.19%
Totals	2359	100.00%	2667	100.00%	2057	100.00%	1348	100.00%	1415	100.00%
99241 Consult, Brief	0	0.00%	1	3.33%	0	0.00%	1	0.43%	40	20.20%
99242 Consult, Expanded	211	78.44%	4	13.33%	4	3.03%	122	52.36%	124	62.63%
99243 Consult, Detailed	47	17.47%	25	83.33%	126	95.45%	92	39.48%	33	16.67%
99244 Consult, Moderate	11	4.09%	0	0.00%	2	1.52%	18	7.73%	1	0.51%
99245 Consult, High	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Totals	269	100.00%	30	100.00%	132	100.00%	233	100.00%	198	100.00%

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## More Numbers

- **New to Established Patient Ratio**
  - Closer to zero means you rely on established patients for revenue
  - Prepare for practice and for each provider
  - Increase marketing efforts to improve the ratio
- **Average Wait Time in Reception Area**
  - Sidebar: Customer Service!!!
- **Revenue Cycle**

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## Revenue Cycle

- **Front desk collection success**
  - **Copayments**
  - **Patients with A/R balances**
- **How quickly visits/procedures are billed**
- **How long does it take to get paid by payors**
- **Percent of scheduled patients vs. available visit/surgery/procedure appointment times**
- **Percent of insurance eligibility verifications vs. total scheduled patients**
- **Recall visits vs. recalls available**

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## Revenue Cycle

- **Average number of missing charges vs. services rendered (actual & CPT mistakes)**
- **Percent of denied/rejected claims vs. total claims filed**
- **Percent of denied/rejected claims appealed successfully vs. total denial/rejections**
- **Average days between receipt of payment and payment posted**
- **Average number of unpaid claims resolved by day per collector**

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## Revenue Cycle

**DON'T FORGET THE EOB**



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## Success in the Revenue Cycle

**ACCOUNTABILITY!**



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## Sample Report

Month	Report Date	Production			Collections			Gross Collection Percentage			Fee for Service Adjustments		
		2011	2010	Variance	2011	2010	Variance	2011	2010	Variance	2011	2010	Variance
January		149,425	107,330	42,095	114,694	20,389	94,306	77%	19%	58%	67,932	850	67,081
February		202,868	81,035	121,833	109,228	29,563	79,664	54%	26%	17%	63,274	6,555	56,719
March		233,857	108,434	125,423	140,834	53,938	86,897	60%	50%	10%	68,111	16,668	51,443
April		161,231	101,516	59,716	151,410	63,979	87,432	94%	63%	31%	82,538	18,416	64,122
May		184,674	116,794	67,880	123,135	74,249	48,886	67%	64%	3%	64,763	30,407	34,356
June		220,683	128,849	91,834	127,944	90,682	37,261	58%	70%	-12%	69,124	28,765	40,358
July		236,507	112,336	124,171	142,957	90,984	52,973	61%	81%	-20%	79,588	30,544	49,045
August		303,222	213,695	89,527	177,491	88,244	89,247	59%	41%	17%	88,495	40,909	47,585
September		177,670	152,237	25,433	149,334	106,515	42,818	84%	70%	14%	81,137	62,654	18,482
October		182,000	203,101	(21,102)	151,930	122,890	29,040	83%	61%	23%	71,363	72,080	(718)
November		200,031	188,360	11,671	116,725	106,329	10,396	58%	56%	2%	48,161	64,772	(16,611)
December		195,824	191,310	4,515	132,048	118,906	13,142	67%	62%	5%	57,059	63,273	(6,214)
<b>Average</b>		<b>203,999</b>	<b>142,083</b>	<b>61,916</b>	<b>136,561</b>	<b>80,556</b>	<b>56,005</b>	<b>67%</b>	<b>57%</b>	<b>10%</b>	<b>70,129</b>	<b>36,308</b>	<b>33,821</b>

Month	Contractual Adjustments to Gross Production Percentage			Net Collection Percentage			Bad Debt			Accounts Receivables Balance		Accounts Receivables Ratio	
	2008	2007	Variance	2008	2007	Variance	2008	2007	Variance	2008	2007	2008	2007
January	45%	0.79%	45%	141%	21%	120%	1,101	0	1,101	263,134	85,306	1.27	0.60
February	31%	8%	23%	78%	5%	22%	155	0	155	293,022	131,340	1.41	0.92
March	29%	15%	14%	85%	59%	26%	87	0	87	319,954	167,108	1.54	1.18
April	51%	18%	33%	192%	89%	104%	225	0	225	252,893	132,687	1.32	0.93
May	35%	26%	9%	103%	86%	17%	3,577	0	3,577	247,273	191,218	1.19	1.35
June	31%	22%	9%	84%	91%	-6%	1,214	90	1,124	238,797	198,155	1.15	1.39
July	34%	27%	6%	92%	111%	-19%	11,518	160	11,358	270,379	104,777	1.30	0.74
August	29%	19%	10%	83%	51%	32%	(782)	0	(782)	310,688	276,529	1.50	1.95
September	46%	41%	5%	155%	70%	85%	192	0	192	253,470	289,926	1.32	1.83
October	39%	35%	4%	137%	94%	44%	(1,209)	0	(1,209)	195,375	267,687	1.07	1.88
November	24%	34%	-10%	72%	86%	-9%	4,774	0	4,774	225,706	285,319	1.13	2.01
December	29%	33%	-4%	95%	93%	2%	6,435	0	6,435	225,987	294,816	1.15	2.07
<b>Average</b>	<b>34%</b>	<b>26%</b>	<b>9%</b>	<b>102%</b>	<b>76%</b>	<b>26%</b>	<b>2,274</b>	<b>21</b>	<b>2,253</b>	<b>258,057</b>	<b>199,572</b>	<b>1.26</b>	<b>1.40</b>

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# Sample Report

## AGED ACCOUNT RECEIVABLE ANALYSIS Y-T-D

Month	Report Date	Total	Current	%	>30	%	>60	%	>90	%
January		262,471	122,631	47%	47,702	18%	24,916	9%	67,222	26%
February		292,699	174,140	59%	33,762	12%	19,975	7%	64,822	22%
March		319,358	185,255	58%	60,432	19%	16,944	5%	56,727	18%
April		252,196	130,956	52%	43,683	17%	24,546	10%	53,011	21%
May		247,057	136,787	55%	40,248	16%	17,661	7%	52,361	21%
June		238,594	152,966	64%	26,119	11%	14,032	6%	45,477	19%
July		269,559	181,024	67%	39,088	15%	13,646	5%	35,801	13%
August		309,626	225,283	73%	36,770	12%	13,973	5%	33,599	11%
September		258,061	138,767	54%	66,649	26%	16,078	6%	36,567	14%
October		216,456	128,187	59%	29,310	14%	19,766	9%	39,193	18%
November		248,066	154,701	62%	40,526	16%	10,432	4%	42,408	17%
December		250,348	158,033	63%	43,281	17%	14,054	6%	34,980	14%
<b>Average</b>		<b>263,708</b>	<b>157,394</b>	<b>60%</b>	<b>42,298</b>	<b>16%</b>	<b>17,168</b>	<b>7%</b>	<b>46,847</b>	<b>18%</b>

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# Sample Report

## Robert Mason, M.D. Clinical Activities Y-T-D 2011 and 2010

Month	New Patient Visits		Variance	Est Patient Visits		Variance	Consultations		Variance	Procedures		Variance
	2011	2010		2011	2010		2011	2010		2011	2010	
January	109	68	41	254	167	87	125	30	95	426	220	206
February	160	52	108	281	226	55	190	30	160	554	316	238
March	198	43	155	341	217	124	200	25	175	576	230	346
April	74	45	29	215	187	28	78	27	51	205	267	(62)
May	128	65	63	289	189	100	197	52	145	418	265	153
June	75	87	(12)	160	213	(53)	68	60	8	372	387	(15)
July	51	149	(98)	93	220	(127)	38	112	(74)	331	359	(28)
August	29	200	(171)	139	271	(132)	20	159	(139)	406	504	(98)
September	28	116	(88)	43	158	(115)	21	102	(81)	165	265	(100)
October	10	171	(161)	3	264	(261)	6	176	(170)	16	538	(522)
November	0	167	(167)	0	276	(276)	1	165	(164)	4	431	(427)
December	18	121	(103)	2	268	(266)	8	119	(111)	65	458	(393)
<b>Average</b>	<b>73</b>	<b>107</b>	<b>(34)</b>	<b>152</b>	<b>221</b>	<b>(70)</b>	<b>79</b>	<b>88</b>	<b>(9)</b>	<b>295</b>	<b>353</b>	<b>(59)</b>

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## Practice Financial Statements

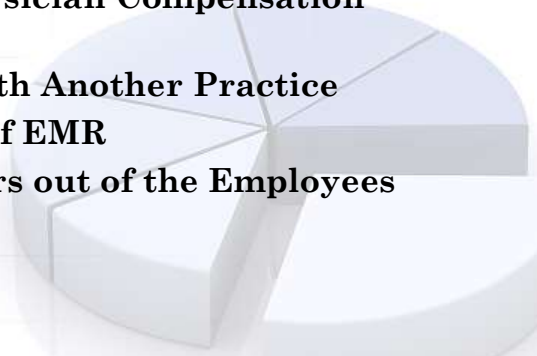
- **Why so Important and What to Look For**
  - **Balance Sheet**
    - Accounts Payable
    - Excessive Debt
  - **Income Statement**
    - Proper Presentation
    - Comparing revenue to payment posting
    - How to analyze overhead
  - **Departmental Analysis**



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## Unique Cost Saving Strategies

- Merging Medical Practices
- MSO Formation/Utilization
- IPA Formation
- Adding a Physician
- Changing the Physician Compensation Formula
- Office Sharing with Another Practice
- Implementation of EMR
- Make Stakeholders out of the Employees
- Lean Six Sigma



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## Managed Care

- **Review charges/collections by payor**
- **Payor assessment**
  - Gross collection percentage
  - Days in A/R
  - A/R aging
- **Analyze reimbursement rates**
  - Compare rates to Medicare rates (what % Medicare)
  - Compare rates to other payor rates
- **Perform a cost accounting analysis**

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Health Plan	Gross Charges	Actual Payments	Collection Rate	Total A/R	Days in A/R
ACE	\$236,18	\$115,728	49.00%	\$57,077	87
PEAK	\$148,96	\$75,970	51.00%	\$40,964	99
FOGGY	\$91,140	\$50,036	54.90%	\$29,621	117
MUDDY	\$57,820	\$30,818	53.30%	\$21,201	132
ACUTE	\$41,160	\$22,885	55.60%	\$9,913	87
ROCKY	\$32,340	\$15,297	47.30%	\$8,894	99

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Health Plan	Eligibility Info	Prior Authorizations	Referral Approval	Down Coding	Timely Payment	Hassle Scale
ACE	2.5	1.3	2.1	2.1	3.2	2.24
PEAK	1.5	2.9	3	4	1.3	2.54
FOGGY	4	4	3.2	4	2	3.44
MUDDY	2	2.8	3	3	1	2.36
ACUTE	4	2.3	2.1	3	4	3.08
ROCKY	2	2.2	2	1	2.5	1.94

\*NOTE: Service issues are rated on a five point scale, with 5 being the best.

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CODE	DESCRIPTION	Medicare	Payer 1	%	Payer 2	%
		NF PAR	Allowable	Medicare	Allowable	Medicare
11100	Biopsy, skin lesion	84.58	88.04	104.09%	92.87	109.80%
11101	Biopsy, skin add-on	28.24	30.12	106.66%	60.98	215.93%
11900	Injection into skin lesions	46.47	49.13	105.72%	49.13	105.72%
17000	Destruct premalg lesion	64.41	67.83	105.31%	71.56	111.10%
17003	Destruct premalg les, 2-14	6.40	1.48	23.13%	7.38	115.31%
99202	Office/outpatient visit, new	59.97	61.73	102.93%	66.82	111.42%
99203	Office/outpatient visit, new	87.29	91.62	104.96%	98.43	112.76%
99213	Office/outpatient visit, est	58.11	58.92	101.39%	90	154.88%
99242	Office consultation	86.41	89.10	103.11%	95.62	110.66%

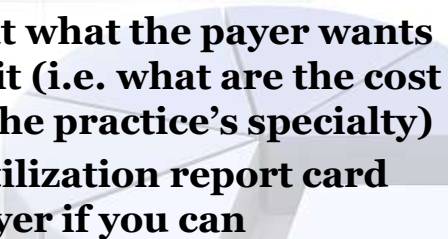
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## Managed Care

- **Find Your Leverage Points**
    - **Size**
    - **Geography**
    - **Patient Volume**
    - **Only Ballgame in Town**
    - **You Bring Something “Special” to the Network**
- 

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## Managed Care

- **Find Leverage in Quality**
    - **The RBRVS dilemma**
    - **Financial outcomes**
    - **Clinical outcomes**
      - **Tip: Find out what the payer wants and deliver it (i.e. what are the cost drivers for the practice’s specialty)**
      - **Tip: Get a utilization report card from the payer if you can**
- 

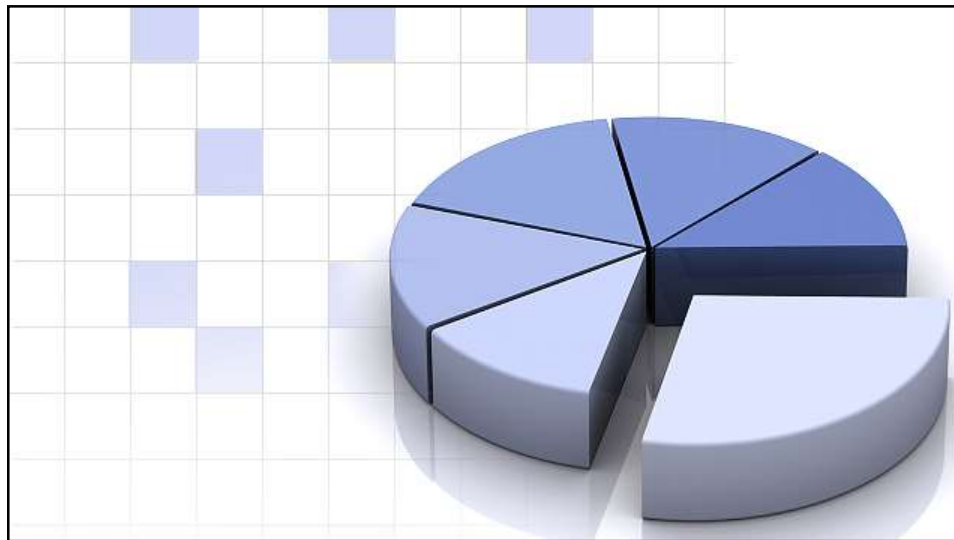
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## Signs of Financial Problems

- **Sudden Change in A/R Tendencies**
- **Failing to Reach Benchmarks**
- **Sudden Changes in Production by Doc**
- **Escalating Overhead Costs**
- **Doctors Holding Their Paychecks**
- **Cannot Pay Vendors Timely**
- **Borrowing Money**



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**QUESTIONS/ANSWERS**

[www.rtacpa.com](http://www.rtacpa.com)

A 3D pie chart with one slice removed, set against a light blue grid background. The chart is rendered in shades of blue and white, with a soft shadow beneath it. Below the chart is a dark blue banner with white text.

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