21st-Century Patient Collections: Implement a Point-of-Service Collections Program Now

by Cheryl Toth, MBA

An 8-surgeon group in the Southeast had a history of high patient receivables, the result of a long-held culture of “We’ll submit to your insurance and bill you after insurance pays.” The billing and collections staff worked in the basement—far away and out of sight of the patients who showed up for their postoperative visits owing big bucks.

In a flash of wisdom, the administrator agreed to move the patient-balance collector into a converted closet near the check-out area, and provided the information, tools, and training that enabled her to speak with patients about their balances when they came in for an appointment. In her first month in this role and location, this employee collected more than her annual salary from patients.

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To Outsource or Not to Outsource Your Physical Therapy Service Line Management?

The American Journal of Orthopedics – November 2014
by Jennifer A. O’Brien, MSOD

You currently offer a physical therapy (PT) service line but feel like it could be doing better, or you are thinking of adding PT services and are not sure where to begin. Either way, the thought of your patients and bottom line benefiting from PT services within your practice but without you having to manage another service line is appealing. Although related to orthopedic surgery and an obvious ancillary service, PT is a different type of practice that requires active management of the professionals, revenue cycle, operations, regulatory requirements, and changing coding and reimbursement protocols. There are more and more companies nationwide that claim a mastery of the PT management niche and would be more than happy to shoulder your burden and share in your profits. Whether you already have PT services in your practice or are looking to add them, proceed with care and caution as you consider partnering with a PT management company.
Ten Key Things Surgeons Need to Know About “Meaningful Use”

Say the words “meaningful use” to most surgeons, and the response is usually a sigh, groan, mumble, or headshake. As a consultant who has been helping surgical practices implement meaningful use since its inception, I most often have to debunk myths surrounding the EHR Incentive Program. With all due respect to EHR vendors, many of them are trained to present meaningful use to the masses (i.e., all specialties). Surgeons often find themselves as the square peg in a round hole and are led to believe they have to perform tasks to meet objectives that are not clinically relevant. Here are 10 key things you need to know about meaningful use:
1. **Reporting** — Each physician will report for a minimum of two years under Stage 1 criteria before moving to Stage 2, and then report two years under Stage 2 criteria before moving to Stage 3. The criteria changes between each of the stages, so it’s important to stay abreast of these changes.

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**Tighten Cash Handling & Audit Controls: 9 Best Practices That Reduce Embezzlement Risk**

Aesthetic Society News – Summer 2014

*by Karen Zupko*

A few years ago, we worked with an aesthetic practice whose patients frequently paid in cash. To document the amount collected, the staff made copies of the cash, fanning out the bills to show the dollar amount listed on each, but displaying the serial number of only the top bills.
We pointed out that the copying made no sense, explaining that staff could potentially pocket a patient’s cash and reuse the same bills over and over again, placing them underneath the new bill with a unique serial number. The surgeon’s eyes widened. A trusting person by nature, he hadn’t thought of this possibility.

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Banking: Shop and Compare

There are many reasons to take a critical look at the practice’s banking relationship(s)—technology advancements, security measures, improvements in available services, recent banking enhancements designed specifically for medical practices, the impact of the financial crisis on bank ratings and stability, changing practice needs, opportunities for operational automation at the practice—and it is just simply smart to periodically evaluate and compare the features,
pricing, and potential savings offered by vendors.

We conducted a comprehensive comparison of various banks for a large medical practice and identified 34 specific points of comparison as well as potential service fee savings. Table 1 shows the 34 elements of comparison of six banks. Most of the points of comparison fell into one or more of four categories:

- **Service and Value Added**: Features available for greater efficiency in the practice’s operational procedures including accounting, revenue cycle, and point-of-service collections;
- **Direct Monetary Return**: Options available that if utilized by the practice have a direct impact on the interest yield and cash flow;
- **Security**: Information, transaction protocols, and account features that provide anti-fraud and other protections; and
- **Additional Considerations**: Services, products, and definitions important to compare.

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**Avoid Billing Service Nightmares**: Issues to consider before partnering with independent and hospital-based billing.
In addition to the compliance and security issues highlighted in part 1 of this series ("Avoid Billing Service Nightmares," AAOS Now, February 2014), an evaluation of operations, experience, and costs is essential to selecting the right partner for the provision of billing services. This is true whether the practice is considering outsourcing billing and collections or sorting through a productivity-based hospital employment deal in which the hospital would take over practice billing. In either case, it’s important to get answers and information before making a move.

Orthopaedic practices that are considering outsourcing billing and collections should recognize that all billing companies are not created equal. Some may be mom-and-pop outfits (literally operating out of the living room with dial-up Internet service); others may be publicly traded companies. Although size does not matter, experience, professionalism, regulatory compliance, and technical capacity do.

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Recently, an orthopaedic surgeon remarked that he was thinking about outsourcing his billing so he could avoid learning ICD-10 and make ICD-10 “the billing service’s problem.”

But hastily outsourcing billing and collections without carefully evaluating the company can lead to problems. Choosing the wrong billing service or outsourcing for the wrong reason can quickly become a nightmare of risk and lost revenue. Performing due diligence before signing the contract can mitigate risk and performance issues before they become acute.

[Read Full Article]
Cost Saving Strategies to Save Your Practice Money

Like most practices, you want to save money. Unfortunately, there likely isn’t a pot of gold hiding in your office, so focusing on ways to save $1,000 here and $1,000 there is in order. Often, we find these straightforward strategies are overlooked as they are dismissed as small dollars. These small dollars do add up to provide a sizable savings for your practice. Think of it this way – a $10,000 total reduction in overhead is 47 Level 3 established patient office visits (99213) at Medicare rates.

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Redefined Business Associate Agreements Create Concern

Guard against liability when someone else mishandles your practice’s patient records.

True story: A journalist reported finding patient medical records at a trash transfer station. An investigation revealed that a Massachusetts physician group’s billing company improperly disposed of the private health information (PHI). Although there was no direct evidence of patient harm, a court ruled this event a security breach under the new Health Insurance Portability Accountability Act (HIPAA) Omnibus Rule. The physician group was fined $140,000.

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As more surgeons and specialists are offered hospital employment, work RVU-based compensation agreements are becoming more sophisticated and complex. In order to have a meaningful conversation with health system administrators and ensure that a compensation agreement addresses all issues pertinent to the physician’s practice and specialty, physicians must familiarize themselves with the nuances of work RVU-based compensation formulas, as well as the national benchmarking standards, CPT guidelines, and reimbursement rules that impact them. The eight questions developed for this article are the result of reviewing multiple compensation agreements between physicians and hospitals and can help physicians drive the conversation with health system administrators. Engaging the services of a
healthcare attorney or physician compensation expert for these conversations is advised.