



CG HEALTHCARE SOLUTIONS, LLC HEALTHY COMPETITION - A KEY INCENTIVE

CASE STUDY - HEALTHY COMPETITION - A KEY INCENTIVE

Recently, our team of professionals met with a multi-physician specialty group that has been a long-term client of the Firm. This particular group has two offices and has been in business for more than 25 years. As part of the preparation for that meeting, we interviewed the office administrator and senior shareholder of the group. During the interview process, we discovered that the Practice had made a significant investment in medical equipment that improved the quality of care that they were providing to their patients. While the physicians agreed that the purchase of the equipment was a necessary investment, there was a disparity in the level of tests ordered by each individual physician. Also, it became apparent that the senior physician and office administrator examined the productivity and performance of the Practice on a regular basis but failed to disseminate this key information to the rest of the physician shareholders.

In order to stay financially viable in a time of decreased reimbursement and increased expenses, medical practices need to look to expand the services that they can provide to their patients. They also need to be acutely aware of how their practice is performing by reviewing certain key indicators, or "vital signs" on a regular basis. For some practices, it may be sufficient to review this information on a monthly or quarterly basis, but for other medical groups, there may be a need to look at this data weekly.

At our meeting with the physician group, we developed a level of reporting that we refer to as the Practice's "*Vital Signs*." These reports which are generated from the group's practice management system provide key indicators regarding the performance and productivity of the physicians as a group and individually. The following are an example of the vital signs we focused on:

- Charges and charge units by CPT code by physician
- New patients by zip code, by payer, and by physician
- Ancillary service production per physician
- Accounts receivable by payer

We specifically discussed the potential benefit of reviewing the ancillary service production by physician since this would provide an enhanced revenue stream for the Practice. As a result of this reporting mechanism, the physician's were able to see the productivity data of their peers. This generated an increase of over 130% in ancillary service revenue from 2004 to 2005. The physicians maintain that being made aware on a regular basis of how many tests they have ordered is very helpful and reinforces the opportunity to provide this service to patients during the course of very busy office hours.

The Practice has generated additional income and the quality of patient care has been improved - everybody wins! For more information contact Deborah Mathis, CPA, CHBA, Executive Director at 732-818-0067 or dmathis@cghealthcaresolutions.com.

Who's Helping You Earn More Money?

CG Healthcare Solutions is Your Prescription For A Healthy Practice.

www.cghealthcaresolutions.com

40 Bey Lea Road, Suite A101, Toms River NJ 08753 Phone: 732-818-0067 Fax: 732-818-0087