

SUCCESSFUL CHARACTERISTICS OF NEW MEDICAL PRACTICES

- I. Reimbursement Systems
 1. Managed Care Contracting
 - a. Dates of submission of applications
 - b. Length of time to obtain provider numbers
 - c. Date(s) of receipt of provider numbers by major insurance companies
 - d. Responsible parties for obtaining Managed Care Contracts
 2. Coding Compliance Program
 3. Professional Fee Schedule
 - a. Test major fees at 150% (E/M) - 300% (Procedures) of Medicare
 4. Managed Care Contract Fee Schedules
 - a. Top 20 codes for top 5 payors
 5. Superbill Validation Review
 6. Evaluation of MIS/EMR System
 - a. Lease versus purchase decision
 7. Reimbursement by CPT-4 (procedure) and ICD-9-CM (diagnostic) codes
- II. Billing & Collection Processes
 1. Billing and collections: in-house versus outsource
 - a. Date practice began submission of claims
 2. Review charges/adjustments/collections by major payor
 3. Written Financial Policies and Procedures
 4. Charge Capture and Control System
 5. Over the counter collections processes
 - a. Copayments
 - b. Deductibles
 - c. Non-covered services
 - d. Outstanding balances
 6. Timely processing of credit balances

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7. Percentage of claims submitted via ECS versus hardcopy
 8. Average bill hold time
 9. Frequency of rebilling claims
 10. Claim denial follow up process
 11. EOB review process
 - a. Coding changes
 - b. Fee Schedule comparisons
 12. Reimbursement Validation Analysis
 13. Timeliness of appealing denied/rejected claims
 14. Methods of insurance verification/eligibility
 15. Managed Care Contract summary/reference manual
 16. Rebill outstanding insurance claims every 30 days
 17. Filing of secondary insurances
- III. Accounts Receivable Management
1. Accounts Receivable Aged trial balance by payor
 - a. Review of aged trial balance by insurance company/self pay accounts over 90 days
 2. Strategies for collection of patient balances
 - a. Frequency of patient statements
 - b. Use of patient payment plans
 - c. Use of collection agencies
 - d. Use of credit bureau
 - e. Use of small claims court
 - f. Patient financing options (i.e., CapitalOne)
 - g. Use of IRS 1099-C filing
 3. Written financial policy for collection process
 4. Patient statements
 - a. How often sent ?
 - b. Turnover for collections if no payment made within 90 days

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5. Small balance write off policy
6. Process for making determination to change outstanding “insurance” claims to self pay status
7. Policy/procedure/criteria for establishment of patient payment plans
8. Process for tracking compliance with patient payment plans

IV. Operations Improvement

1. Review operating expense detail
2. Lease versus purchase decisions
 - a. Major lease agreements
3. Personnel Policies and Procedures
 - a. Employee Handbook
4. Service contract/maintenance agreement
5. Insurance coverages
 - a. Professional Liability Insurance
 - b. General (property/casualty)
 - c. Business coverages
6. Use of purchasing contracts
7. Mix of personnel
8. Utilization of ancillary equipment
9. Practice Compliance and Integrity Programs
 - a. Coding Compliance Program
 - b. Medical Practice Compliance Program
 - c. HIPAA
 - d. OSHA
 - e. CLIA
 - f. ADA
10. Information technology solutions
 - a. eBusiness strategy

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11. Operations budget
 12. Use of Quickbooks
 13. Job descriptions
 14. Employee benefit structure
 15. Use of electronic medical records
 16. Clinical Policy and Procedure Manual
 17. Benchmarking of financial/operating information
 18. No show/cancellation processes (% of patients)
 19. Office hours
 20. Routine computer reports reviewed by practice on monthly basis
 21. Performance monitoring benchmarks for practice operations
 - a. Average collected revenue per visit
 - b. Average collected revenue per procedure
 - c. Others
- V. Practice Growth
1. Referring Physician Analysis (if applicable)
 2. Patient Origin Analysis
 3. Competitor Analysis
 4. Office location: MOB versus community
 5. Start up marketing assistance from hospital
 - a. Develop Marketing Plan and Budget
 - b. Interior/Exterior Signage
 - c. Develop and have printed:
 - Practice brochure
 - Announcements

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- Business cards
- Appointment cards
- Recall cards/letters
- Placards for office
- Newspaper announcements
- Yellow Page Ads

d. Business Plan Development

- Physicians
- Hospitals
- Pharmacies
- Nursing
Homes
- Home Health Agencies
- Medical Societies
- Community/Civic Leaders
- Chamber of Commerce
- Community/Civic Organizations
- Major Employers
- Managed Care Companies
- Media

VI. Other Issues

1. Physician Practice Start-up System assistance
2. Practice legal structure
3. Local/geographical uniquenesses (i.e., farming)
4. Physician/population ratios
5. Physician satisfaction
6. Spouse satisfaction
7. Payor mix
8. Physician competition

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VII. Physician Recruitment & Retention Continuum

To request a copy of our Physician Recruitment & Retention Continuum, please contact John W. McDaniel, President and Chief Executive Officer at 800.279.0614.