Improving the ROI of your Medical Practice

A White Paper by CureMD

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Improving the ROI of your Medical Practice

For any provider or practice, apart from the delivery of quality care, increasing the ROI of your organization should be the top priority. With the advent of modern innovative technologies such as web-based Electronic Health Records (EHRs), integrated Practice Management, Patient Portals and better methods of Medical Billing Services – it is your right to take action, utilize these technologies and gain the financial benefits that you deserve after all the hard work you have put in to provide quality care.

You can essentially increase the ROI of your medical practice through the following three steps:
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1. Government Funding & Incentives

Accountable Care Organizations

By being part of an Accountable Care Organization (ACO), you can be eligible for funding provided by the government for organizations which collaborate to form an ACO and aim to increase care coordination and reduce patient costs.

Accountable Care Organizations are characterized by a pay-for-performance delivery model rather than a conventional fee-for-service model. This ensures that organizations are held accountable for the quality of patient care provided since they are tied to quality metrics and reductions in total cost of care for their assigned patient population.

Medical practices can increase their Return on Investment (ROI) by getting a lump-sum payment by being officially recognized as an ACO. Also, practices can earn revenues through P4P (pay-for-performance) and discounted payments – where practices can actually negotiate the rates and make money through claim-based savings. The shared-savings program allows practices to share the number of patients together to deliver better quality care and to minimize emergency patient visits.

So far, more than 200 ACOs have been formed according to the CMS (Centers for Medicare and Medicaid Services) website and more practices are planning to join and form ACOs. A list of the current ACOs can be viewed here.
Patient Centered Medical Homes

With Patient Centered Medical Homes (PCMH), practices have to go through and comply with certain quality standards and measures – which, in essence, increase the overall efficiency of the practice and streamline their clinical and administrative operations. Payers or insurances, which are certified with PCMH, earn more than insurances which are not PCMH certified - ensuring that medical practices which are on par earn extra dollars. The following example states how practices with different levels of PCMH designations can receive incentives:

The Medicaid fee for an office visit claim with E&M code 99203 is $56.93
Reimbursement for a physician with Level 3 designation is $78.18 ($56.93 + $21.25)
Reimbursement for a physician with Level 2 designation is $71.18 ($56.93 + $14.25)
Reimbursement for a physician with Level 1 designation is $63.93 ($56.93 + $7.00)

*Source: The official newsletter of the New York Medicaid Program

Meaningful Use Attestation

Meaningful Use attestation requires practices to revamp and optimize their workflows which lead them to practice efficiencies and eventually, interoperability. The usage of Electronic Health Records encourages the demonstration of Meaningful Use which in turn helps providers earn incentives. Did you know that as care providers, you can be eligible for government incentives by demonstrating Meaningful Use for the first 90 days under the Medicare EHR incentive program?

The Medicare EHR incentive program provides up to $44,000 in reimbursements over 5 years while the Medicaid incentive program provides almost $64,000 over 6 years. Looking at the numbers, these incentives cover a significant chunk of the initial investment needed for EHRs, if not all or more. Furthermore, making things even better, the government offers a lump sum payment of $21,500, under Medicaid, to those providers who just sign up with a certified EHR vendor. This minimizes the costs for providers and gives them a big fluffy cushion to fall on, without paying the full amount out of their pockets.
2.

Cost Saving Alternatives

Medical Billing Outsourcing

Many medical practices lose out on deserved revenues due to slow and faulty in-house billing practices. Declining insurance reimbursements, high operational costs, increasingly detailed and ambiguous systems of payments and compliance related processes have made it tough for practices to operate profitably.

This leads to problems including revenue losses, reductions in overall cash flows, high operational costs and inefficient resource utilization. Hence, it is crucial for practices to completely document their activities and services according to the standards of coding, which defines the effectiveness of billing operations.

Profitability, being at the core of any business, is something that medical practice care providers should always aim for. This is why it is important to realize and stress on the benefits of outsourced medical billing services. A comparison of in-house medical billing vs. outsourced medical billing shows how much practices can save on cost.

On average, practices usually employ at least one person for billing. The following is an example of what a single provider can pay with annual collections of $400,000.

Get free EHR with Medical Billing!  

Request Demo
ICD-10 Conversion

Scheduled to take place in the United States late in the year 2015, the ICD-9 coding system is being replaced by ICD-10 which encompasses greater details to make diagnostic coding more specific and easy at the same time.

The ICD-10 Clinical Modifications will be required as the coding standard for reporting medical conditions, diseases and their symptoms instead of the previous ICD-9 Clinical Modifications standard. For the experienced medical billers and coders, the transition from one system to the other is expected to be smooth and effective.

Usually, in-house medical billing experts do not have the time to get fully acquainted and proficient in the concept, implementation and usage of ICD-10, hence, professional experts working with HIT Vendors which provide outsourcing of billing services are the best bet to get the transition done in a seamless manner. These experts receive regular training, are updated with the latest regulations and policies and are experienced in helping care
providers go through the transition process. Therefore, care providers will periodically receive updates, the latest regulatory information, analysis and reports from these experts who aim to maximize the profitability of the practice since medical coding is crucial to getting timely reimbursements.

**Saving costs associated with paper usage**

The risks of misdiagnosis are greater with paper practices as compared to electronic ones since EMRs (Electronic Medical Records) provide built-in clinical support to care providers enabling them to make better and informed decisions.

Studies suggested that out of the 51 claims that reported malpractice, 49 occurred prior to the EHR implementation. This is why malpractice insurances have been advocating EHRs and encouraging care providers to transition to EHRs by giving them monetary incentives, aiming to improve care quality and hence minimize malpractice suits. This eventually reduces the monetary risks of malpractice suits that care providers might face. Care providers hence improve the chances of a higher ROI by reducing the risk of malpractice, minimize out of pocket expenses covering such charges and by earning the incentives from insurance companies.
3.

Enhancing Your Workflows

Usability

Usability has been described as the efficiency, effectiveness, and satisfaction with which users can achieve a specific set of tasks in a given particular environment. According to research conducted by the American College for Physicians, 37% of users were not happy with the usability of their system.

This poses a problem for care providers because if they are not satisfied with their systems and are not keen to use them properly, their productivity and the care quality considerably declines.

Essentially, when we talk about usability of systems, we need to ensure that the system is ideal in its design, its function, and its customizability according to its users. Specifically, in an EHR (Electronic Health Record), developers should ensure that the task at hand should be completed with least possible clicks and multiple windows. The software should allow care providers to electronically document their entire workflow; encompassing both clinical and administrative processes.

The system should be such that care providers can easily navigate through their daily tasks with familiarity – that is similar to the user-friendliness of social media websites. This would save time for care providers, and increase efficiency in their daily work – eventually showing a positive result on the ROI of the practice, stemming from the minimization of paper records and manual errors that are regular for care providers.
**Web-based Solutions**

It is a fact that on-site servers, their maintenance and upgrades cost a lot, which is why medical practices purchasing Electronic Health Records should opt for cloud-based solutions to save on costs associated with traditional server systems. In web-based solutions, the medical practice's clinical, administrative and financial workflow information is stored on cloud servers, meaning that the information can be accessed and retrieved regardless of location and without the need to have a server-based system in office premises.

Electronic Health Records that are based on the SaaS (Software as a Service) model essentially minimize the need for staff to handle daily processes – ensuring that staff can be better utilized or even laid off to save costs since the work is being done through web-based solutions. If a practice uses the traditional server-based system and a problem occurs, it could take hours for a technician to arrive at the practice and a large amount of money to fix the system and resolve the issue.

Practices can also save costs by utilizing web-based solutions since they comply with the government regulations such as HIPAA as well as standards of encryption – ensuring that all data is compliant and secure. Hence, unlike on-premise solutions which can cause practice's thousands of dollars in fines if they are not compliant with standard regulations, web-based solutions make sure that data exchange is secure and free from theft or damage.

**Specialty Specific Solutions**

EMRs which are customized to cater to multiple specialties are developed for practices which have multiple specialties. For example, if a care practice employs a dermatologist, a cardiologist and an oncologist, then it would make great practical sense to use a specialty-specific EMR instead of having to purchase a separate EMR system for each specialty or for having to customize it according to every specialty later on. In this way, the practice saves the costs it would otherwise have incurred and the time it would have spent on customizing the software and training the providers specifically on how to use it.
About CureMD

CureMD is the leading provider of Cloud-based EHR, Practice Management and Medical Billing Services to transform the administrative and clinical operations of healthcare organizations of all sizes. Our award winning solutions simplify decision making, streamline operations and ensure compliance with industry standards and best practices – ultimately saving time and effort to maximize value and returns.

For more information, call (212) 852 0279 ext. 384 or email to media@curemd.com.