Use of Technology to Cut Costs, Improve Efficiency, and Increase Profitability in Small Practices

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Reservations

- Doctor's, as a group, are conservative in general
- If it ain't broke, don't disturb the groove
- Change and overhaul can be daunting and expensive for staff & physician
- Fear of losing efficiency with incorrect or improper implementation
Edge

• Profit margins/edges are usually miniscule
  - Casinos have 0.5% advantage against optimal blackjack strategy
  - New York Giants won Superbowl XXV 20-19 (5% difference in score)
  - 4.0 GPA is 10% better than 3.6 GPA

• Repeated over large sample size, the advantage is astounding
The Bottom Line

• **Increase Revenue**

  1. **Increase Volume**
     - See more patients per hour
     - Extend clinic hours

  2. **Increase Revenue per Patient Encounter**
     - Perform more procedures
     - Premium services
     - Ancillary services
The Bottom Line

• Decrease Costs
  - Fixed Costs
  - Staffing
  - Outsourcing Services
**Important Benchmarks (Metrics)**

- **Revenue: Top Line or Total Collections**
  - Comprehensive: $800,000 to $1,400,000
  - Retina: $900,000 to $2,000,000

- **Overhead: Total Operating Expenses ÷ Total Revenue x 100%**
  - Comprehensive: 48% to 68%
  - Retina: 42% to 64%

*Source: AAO Academetrics 2017*
Important Benchmarks (Metrics)

• Net Income = Revenue – Expenses

• Clinical Collections per Patient Encounter
  - General: $175 to $273
  - Retina: $232 to $378

*Source: AAO Academetrics 2017
Important Benchmarks (Metrics)

- **Non-Provider Staff Payroll Expense Percentage**
  - 20-29% (lower for retina) of total expenses
  - Add an additional 6% if including benefits

- **Collections per FTE Staff Member**: $136,000 to $200,000

- **Number of FTE Staff per FTE MD**: 4.6 to 7.7

- **Revenue to Overhead Ratio**

- **Profitability**: Revenue ÷ Overhead x Revenue per Patient Encounter

- **Accounts Receivables**: not as important if artificially high and properly monitored

*Source: AAO Academetrics 2017*
My 2018 Practice Profile

• Comprehensive with medical retina (opened in 2011)
• 20.5 patient encounters per day
• 119 cataract surgeries (4 MFIOL, 1 Toric)
• Don’t charge for refractions or LRI's
• No optical shop, optometrist, or ancillary services
• 40 clinic hours, 3 hours charting, 7-8 hours admin per week
• 8 weeks off (excludes holidays)
• 40% Medigap/Medicare Advantage, 20% Medi-Medi, 35% Commercial/HMO, 5% Self Pay, 1% Medicaid
• 1.6 FTE (2 part-time front desk staff @32 hrs/wk) w/benefits
My 2018 Benchmarks

• Revenue: $740,000 (2019 projection: $900,000)
• Overhead: 35% (personal health insurance, depreciation/loan principal payments, MD meal costs not included) (2019 projection: unchanged or lower)
• $170 per patient encounter (includes procedures, diagnostics, postop visits)
• Non-provider staff payroll percentage: 25% (35% with benefits)
• Collections per FTE Staff: $462,500
Adopting Technology

- Key to efficiency, low overhead, and profitability
- Automation and speed reduces staff need and time to perform tasks
- Reduced need for outsourcing billing and collection activity
- Data mining and analytics of practice metrics allows for improvement activities and increased collection percentage
- Faster and more accurate revenue cycle management
- More efficient patient communications and coordination of care
Go Paperless!

- It’s all about saving time. Seconds matter!
- Minimize using paper to write, print, and fax
- Minimize directly speaking on the phone and to staff members (i.e., refill requests, patient questions, triage, etc.)
- Minimize purchasing supplies from brick & mortar
- Minimize manual entry, clicks, physical steps (walking)
- Capabilities limited to infrastructure of receiving party (i.e. insurance company, pharmacy, patients’ lack of access to e-mail, etc.)
Hardware

- **Desktops & Servers**
  - Regularly upgrade to faster processors and CPUs
  - Prior generation computers cheaper, but most likely better than current computers at practice

- **Router**
  - Trend toward cloud EMR & PM systems
  - Fastest internet possible is crucial
  - Wired ethernet over WIFI if possible
Hardware

• **Scanner**
  - High speed (60 ppm), high resolution (600 dpi), color
  - TWAIN driver allows direct scan to application
  - Blank page removal, autorotate, automatic populate demographics & insurance info
  - Cloud scanning (for uploading EOBs)
  - Remote deposit scanner (for scanning checks)
Hardware

• **Printer/Fax/Copier**
  - Combined units can be purchased for under $400
  - Remote printing using WIFI (even from phone)

• **Credit Card Processor**
  - App based vs. physical terminal
  - Direct charge posting to PM system
  - Refund/void features
  - Online payment portal (for patients and phone payments)
  - Store credit card information into PM system
Phone System

- Voice over IP/Cloud PBX
- Auto attendant, forward calls (holidays & vacations)
- Amazon Polly
- Voicemail features: readable on e-mail, transcribed to app
- Mobility & portability
- Google Voice – use personal cell phone after hours
- Fax
  - EMR fax, efax (Doximity, Grasshopper)
- Limitations on faxes requiring signatures
E-mail Communication

• E-mail
  - G-Suite w/BAA HIPAA compliant in transit encryption
  - Secure messaging services (Virtu, Zix)
  - Patient portal communication via EMR
  - PW protected medical records
Text Messaging

- SMS not HIPAA compliant
- iMessaging, WhatsApp end to end encryption, but not end user secure (i.e. wrong number)
- HIPAA compliant text messaging apps (Bloomtext, Klara, Tigertext, Stitch Signal)
- Only violation if sending PHI, not receiving
EMR

- E-prescription or print Rx
- Medication history with pharmacy (Surescripts)
- eFax
- Letter generator
- Patient portal
- Medical records to PDF
- Pre-write chart notes (if no scribe or tech)
- Lack of central database for direct mail communication with referring providers
Practice Management System

- Insurance eligibility verification (deductibles, co-insurance, copay)
- Collect payment before services rendered
- Credit card information storage
- Appointment reminder notifications (Holly)
- Online registration/Registration kiosks
- Autopopulate demographics & insurance through scanner
- Waiting lists
- Online payment portals
- Paperless statements
Billing & Claims

- Electronic claims submissions
- ERAs & posting charges
- EFT
- Patient balance monitoring
- Claim scrubbing: EMR, PM system, clearinghouse
- Insurance portals for claim status & appeals (minimize phone calls & written appeals)
- HMO pre-authorizations: know each IPA's rules
- In house billing & coding vs outsourcing
Analytics/Reports

- Monthly charges
- Unsubmitted claims
- Open claims
- Patient balances
- Collections
- Procedure analysis
- Financial summary
- HMO patients requiring pre-auth
- Accounts receivables: overrated
- Filter reports by aging, insurance, AR class, provider, etc.
Remote Access

• Only need internet for cloud EMR and PM systems
• Apps to access through phone
• Server-based require remote desktop
• Remote desktop for accessing computer and servers in office
Software

• **Payroll**
  - direct deposit
  - few employees makes payroll easy
  - pay payroll taxes & file forms online

• **Accounting/Bookkeeping**
  - online bookkeeping
  - link bank account and automatically upload charges
  - assign category rule to charges
Ordering Online

• **Lunch & Snacks**
  - Door Dash, Grubhub, Amazon Restaurants, etc.
  - Amazon Pantry
  - Meals to employee for convenience of employer tax deductible to employer and tax-free to employee

• **Printing**
  - Stored templates (letterhead, forms, business cards, postcards, envelopes)
  - Online coupons (Vista Print, UPS store)
Ordering Online

• Supplies
  - Keep thorough inventory
  - Recurring orders
  - Store credit card number (encrypted) and have staff order
  - Subscribe & Save
Banking

- Automatic scheduled payments
- EFT and direct deposit
- Remote deposit scanner
- Online check payments
- Credit card refunds/reversals/voiding
- Minimizing writing or printing checks
Practice Website

• **Online Appointment Requests**
  - Only efficient if directly linked to scheduling system
  - Otherwise, phone scheduling still better

• **Social Media/Online Reviews**
  - Plugin to link to website

• **Online Payment Portal (pay bill online)**
  - Direct posting to PM system

• **Online Reputation Management**
  (Testimonial Tree, Birdeye, Relatient)
Useful Apps

- Bookkeeping (Expensify, Quickbooks, GoDaddy).
- Credit Card Processing (Square, Shopify, Quickbooks GoPayment)
- Dictation (Dragon, DocWrite, iTalk Recorder)
- Document Scanning (Genius Scan, Adobe Scan, Turbo Scan, Scanner Pro, CamCard)
- Fax (Doximity, eFax, Faxapp)
- File Sharing (Google Drive, Dropbox)
- GoodRx
Useful Apps

- Mileage Tracking (MileIQ)
- On the Clock
- Remote PC Access (Logmein, Teamviewer, Anyconnect)
- Social Media Monitoring (Perch)
- Texting (Tiger Text, Bloomtext, Klara)
- Translation (Google Translate, iTranslate, Speechtext)
- Voice (Google Voice, Doximity Dialer)