7 Proven Ways to Cut Costs and Boost Revenue from *Part B News*

1. **Turn your front-end staff into your first line of successful collections agents with incentives that work:** One thing you know about your practice is that when a patient comes in, the patient will interact with the people staffing the front-end of your office. Are those team members prepared to ensure patients pay co-pays, deductibles and outstanding balances? Nothing motivates better than powerful incentives. Follow the lead of Ft. Wayne, Ind.-based Allied Physicians Inc. Allied motivates its front-end billing staff with an incentive program. If the billers make no clerical mistakes and miss no copays for a month, each member gets $25 - if they keep it up for three months, the bonus is raised to $50 a month.

"You're recognizing them with a pat on the back and more than a cookie," Smith says. "You're paying them something and it also makes them self-motivated to make sure the team hits their goals."

The result: a collections rate of 97% or higher annually. "Before we implemented these programs you could talk to staff until you're blue in the face about collecting copays and you might as well be talking to the wall," Smith says.

2. **File claims quickly – every day if possible:** The longer a claim sits in your practice without being filed, the better the chance for money-losing mistakes. Claims get lost, claims fall through the cracks and the longer you wait, the better the chance you won't be able to find a critical piece of information you may need to add to the claim. **Remember:** CMS can hit you with a 10% payment reduction for taking longer than a year to file an assigned claim.

"In my personal opinion, there is never a good reason to delay claims billing," says Stan Szelazek CPC, senior principal of Account Ability, a billing company in West Palm Beach, Fla. "I have heard providers say that they want to delay so someone else can get the deductible portion on their EOB [explanation of benefits]. To me, this is not a good reason."

3. **Enroll new physicians promptly to ensure no claims go unpaid:** Medicare has cracked the whip on practices who delay the process of enrolling new physicians. If you're not on top of these new rules, it will cost you thousands of dollars for every new doctor.

You are only allowed to bill claims for new physicians that go back 30 days prior to the date that an enrollment application is filed with Medicare – assuming the application is ultimately approved. Any claims amassed by the new physician from prior to that retroactive date are not eligible for payment under the new policy.

Note: It's especially important to respond promptly when your carrier asks for additional information on a pending enrollment application. If you don't, your carrier will reject the whole application, causing you to start over – and potentially lose out forever on payments for services your provider is already furnishing.

4. **Expand your use of NPPs:** Adding an NPP to your practice costs, on average, half of what it costs in salary and benefits to add a new physician. Yet in many states NPPs can be at least 85% as productive as

the physician when it comes to seeing patients and generating revenue – in some cases 100% as productive.

The Summit Medical Group, a 200-provider practice in Knoxville, Tenn., is bracing for greater impact from the current recession; its chief strategy will be to tighten its use of mid-level providers, such as nurse practitioners and physician assistants, says chief operating officer Jennie Campbell. The most important thing to making mid-level providers successful is focus, she explains. “They either focus on acute care, overflow, or chronic disease management services. Either way you free the doctors up to focus on a certain subset of patients that need physician care.”

5. **Expand your hours:** As patients put off appointments and competition grows, one way to distinguish yourself and save money is to actually add to your operating hours during the middle of the day and after hours.

Ruth Fisher, practice administrator for Academic Heart and Vascular PLLC in Detroit, says that her practice has always remained opened during lunch hours and is considering mid-day and weekend hours to deal with significant economic woes hitting the automotive industry and trickling down to other businesses around Detroit.

6. **Benchmark your services and results to other practices:** It’s easy to lose track of how your practice is stacking up during busy and difficult times. Comparing your practice's performance through statistics - profit/loss, percentage of procedures per physician, payments per physician, average number of days it takes for reimbursement, etc. - is a way to make sure your business is running optimally.

The main objective of benchmarking a practice's performances is simply to improve, says Steven Goodman, managing director of Goodman CPA Group in Staten Island, N.Y. Dave Gans, vice president of practice management resources with the Medical Group Management Association (MGMA), breaks down why practices should benchmark to three objectives:

- Increase productivity
- Enhance efficiency
- Improve business operations

“You must go into the process with an open mind,” Goodman says. “If you are a multi-partner group, you're going into it to help everybody. Some might be defensive, but benchmarking is an effort to help everyone. This process has to be used for positive reasons, not negative.”

TIP: Incentivize group members with bonuses and awards if they hit certain benchmarks, Goodman adds.

7. **Reduce denials and expand your billing with Medicare’s decision to allow expanded use of off-label cancer drugs:** Medicare now requires its carriers to consider more official sources when allowing your physicians the latitude to choose the drugs they consider most effective to treat cancer patients. This should cut your denials and increase your success on appeals – two winning strategies to add revenue to your practice. Here are some examples:

- Bevacizumab (Avastin) for breast and lung cancer;
- Irinotecan (Camptosar) for breast cancer;

- Docetaxel (Taxotere) for esophageal, gastric and ovarian cancer;
- Gemcitabine (Gemzar) for biliary tract, bladder and ovarian cancer and,
- Rituximab (Rituxan) for chronic lymphocytic leukemia.