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FEATURE

Getting Analytical

A SOUTH FLORIDA MEDICAL SPECIALTY GROUP FINDS SUCCESS WITH REVENUE CYCLE MANAGEMENT BY MARK HAGLAND

EXECUTIVE SUMMARY:

How one physician group manages revenue and reimbursements around highly complex legal issues.

As physician organizations move forward to implement and optimize revenue cycle management (RCM) programs, they are doing so in an environment of increasingly challenging reimbursement and growing stresses on their doctors. Yet, as many challenges as there are in this operating environment, new, IT-facilitated opportunities continue to open up for intrepid medical group executives willing to plunge in and take on the issues, as complicated as they can prove to be.

One organization making progress in this area has been Palm Beach Orthopaedic Institute (PBOI), a 14-physician medical group with four locations within a 15-mile radius in the communities of North Palm Beach (where PBOI is headquartered), West Palm Beach, Jupiter, and Wellington, in South Florida. The practice, established in 1995, encompasses 14 physicians—12 orthopedic surgeons, one podiatrist, and one physiatrist; and a total staff of 85. In terms of PBOI's patient population, its reimbursement mix is 43 percent Medicare, 23 percent Blue Cross Blue Shield, 10 percent in each of the major HMOs and PPOs in the community, and 4 percent deriving from legal or auto insurance cases.

A THICKET OF ISSUES

Of particular interest with regard to its patient population in South Florida, says Brian Bizub, PBOI's CEO, is the fact that, though the organization's overall percentage of revenues coming from legal and auto liability cases is relatively small, the complexities of managing the revenue cycle around such cases have proven highly challenging in the past.

"In the state of Florida, auto is quite challenging," Bizub notes, "and for some reason, we end up handling treatment to patients in the context of a fairly large number of legal cases—slip-and-fall cases, auto cases that become legal cases; and workers' compensation cases that turn out to be legal cases. Legal cases are quite challenging," he adds, "because they may start in 1995 and not resolve for five years or more. So you're carrying cases on AR [accounts receivable] for years—most cases resolve in three years, but some well exceed five years."

What's more, Bizub explains, his organization in some cases inevitably becomes entangled in complicated sets of processes around legal representation. The bottom line is that, often after a very considerable period of time has passed, a payment situation that began in one context shifts, with a patient who has been an unsuccessful legal plaintiff becoming a self-pay patient long after medical treatment has been provided. Needless to say, optimizing revenue cycle management has been on Bizub's mind and on the minds of his colleagues at Palm Beach Orthopaedic for some time.

As a result, Bizub and his colleagues, who had already been live with the core electronic health record (EHR) solution from the Horsham, Pa.-based NextGen Healthcare, chose to implement NextGen Practice Solutions, the company's

RCM solution, in order to address their RCM issues.

KEEPING THE RECORD STRAIGHT

Given the high volume of patient care claims that PBOI submits annually—the group sees between 40,000 and 60,000 patients every year—Bizub says the need to select an RCM vendor integrated with the organization's EHR was vital; this was particularly so since most of PBOI's billing operations are outsourced.

The folks at PBOI went live with an enterprise performance management (EPM) system shortly after having implemented their EHR in 2006. Then in 2010, they went fully live with the RCM solution. "Between December 2010 and December 2011, our charge volume probably stayed relatively consistent in the past year; but our cash flow increased a good 3 percent," says Bizub, adding that "3 percent on our revenue of $20 million is an awful lot of money—it amounts to something like $600,000."

Most importantly with regard to process, Bizub says, the most important element in RCM success is "really knowing how many claims are out there that are outstanding; how many times we've touched those claims; and the reasons why we've touched them, because from an educational standpoint, some of the denials can be fixed on the front end or immediately upon the denial. We were struggling with being able to identify the denials trends," he says, but the solution his organization has chosen encompasses an analytics capability that helps to explain denials, thus improving the process of analyzing RCM issues and trends. With the system they've implemented, Bizub notes, "We can sit down with the individual physicians and go over revenues; and that indeed is what I do with our physicians."

When it comes to advice he might offer to his peers in other medical group organizations around the issue of vendor selection, Bizub says that it's important to consider "systems that look at all claims and not just high-dollar claims; that provide metrics and analytics to actually provide back to the customer what they've accomplished in a given period of time; and systems that have the ability to trend by payer, because we may see something with Medicare that we weren't seeing with Blue Cross Blue Shield." What's more, he says, a good RCM system will proactively prompt analysis. Finally, he says, building a strong relationship with one's vendor will be essential for long-term success in this vital area going forward. ◆

BETWEEN DECEMBER 2010 AND DECEMBER 2011, OUR CHARGE VOLUME PROBABLY STAYED RELATIVELY CONSISTENT IN THE PAST YEAR; BUT OUR CASH FLOW INCREASED A GOOD 3 PERCENT. THREE PERCENT ON OUR REVENUE OF $20 MILLION IS AN AWFUL LOT OF MONEY—IT AMOUNTS TO SOMETHING LIKE $600,000. —*BRIAN BIZUB*

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For more information about NextGen Practice Solutions,
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