FastPractice™
The Need For and Benefits From Practice Management Software.

NOVARAD®
HEALTHCARE ENTERPRISE IMAGING

INTRODUCTION

Financial survival in today's economy requires that physicians and their office managers have access to accurate and timely data on the financial metrics of the practice they own or manage. These data can best be facilitated by robust Practice Management software.

Problem – The Need for Practice Management Software

Practice Management software should address three areas of concern: Cash Flow, Internal Control, and Performance Measurement. Each area is intertwined and dependent on the others.

Cash Flow. Good Practice Management software should provide tools to expedite the revenue cycle. A providing physician works hard – consequently, he or she should be reimbursed and paid in the shortest time possible and for the correct amounts.

Time has an adverse effect on the collection process. The longer a claim remains unpaid, the more difficult to collect it. The result is an expanding Accounts Receivable, shown by increasing dollar amounts in the 60- 90-, 120-, and even 150-, day totals.

Consider the economy wherein physicians and medical practices must function: Rising premiums and lowered reimbursements for medical services to providing physicians and their practices; government regulation and oversight are ever increasing; operating costs, such as malpractice insurance, payroll, utilities, rent, and taxes, continue to increase; patients expect more in services yet seek to pay less, and over greater periods of time. These factors combine to exert tremendous pressure on a practice's cash flow.

Internal Control. Internal control is the group of procedures and activities that protect the assets of a practice from either clerical/system errors, or defalcations. If left unchecked, either of these factors could be detrimental to the financial success of a practice.

Performance Measurement. To successfully manage a practice, accurate and timely data on every factor affecting its cash flow needs to be measured and reported. This will allow trend analysis and error highlighting. Managers will then be able to make their financial decisions based on accurate and timely information.

Included should be financial metrics as per location, providers, referring physicians, insurance companies, CPT codes, and modalities; or any combination of these factors as appropriate or necessary.

Solution – The Benefits from Practice Management Software

Cash Flow. Practice Management Software deals with the influx of cash, or the revenue side.

The main purpose of Practice Management software is to ensure that the practice receives all of the cash it has earned and is entitled to, in the shortest amount of time possible. Several steps need to be completed to ensure this happens:

1. Claims must be submitted timely, usually within 24 hours of completing the procedure.

2. Claims must be managed until paid in full. This includes procedures to ensure that rejected claims are corrected and resubmitted; and claims where reimbursements are not received in the usual timeframe should be investigated and corrective actions taken.

3. Patient credit must be minimized, both in amount and time given for payment; and once given, it must be closely monitored through analysis of the Accounts Receivable aging. Preparing and sending Patient Statements should be minimized.

4. Accounts Receivable Aging should be closely monitored to prevent open claims from becoming greater than 60 days outstanding;

5. Separate billing entities should be used for long-term claims, such as Worker's Compensation and Automobile Liens (accidents), so that the A/R Aging can be easily used to monitor and control normal claims.

6. Patients with insurance plans that fall below an acceptable level of discount percentage or time to pay should not receive services, unless the patient is willing to pay for such services out-of-pocket.

Internal Control. Internal Control is comprised of those tasks and procedures that are required to protect the assets of a practice. This area affects all transactions of a practice. Such transactions report on the change in the assets of the practice; these transactions then become assets of the practice, and protected in like manner as the tangible assets they are.

Good Practice Management software must provide assurance and have controls in place to ensure that:

1. All completed procedures are accurately, efficiently, and timely billed;

2. All reimbursements and payments received are for the correct amounts and are posted accurately and timely;

3. All adjustments and write-offs are authorized and accurately posted to the correct patient's account.

These controls work to minimize, or eliminate altogether, inadvertent clerical or keypunch errors, and possible defalcation of the practice's assets. Novarad's AutoOversight™ system monitors activity in the background and will send alerts if there is a discrepancy or misappropriation. Internal control also includes controlling who has access to the data, and then controlling the use of that data once access is granted. This ensures compliance with all HIPAA rules and regulations.

Performance Measurement. Performance Measurement (PM) is a tool to compare the financial metrics of a practice between time periods. The usual time period is one month; however, a system should be flexible enough to tailor the time period to the needs of the user. It also should allow the user to toggle between Summary or Detail modes in reporting the data.

To provide accurate and comparable data, month-end closings must be performed. This ensures that all of the transactions for the month are properly recorded. Strict adherence to the system of Internal Controls aids in the accomplishment of this task.

PM communicates to management possible conditions or situations where corrective action is required.

PM can also highlight possible opportunities for increased revenue or improved cash flow.

Accurate and timely data should be easily generated with the fewest keystrokes possible. Good Practice Management Software will provide the efficiency to minimize the number of billing hours needed to generate these data.

Case Study

To illustrate how Practice Management Software has successfully been used to meet these three criteria, a case study from an actual practice will be presented here. Riverwoods Imaging began using FastPractice™ for its billing needs in December of 2013. These are a few of the important results that Riverwoods has experienced as it has used this software.

Unbilled Procedures. As an integral part of the month-end closing, all completed procedures should be billed before the monthly statements are generated. FastPractice™ provides for this to be done in the shortest amount of time possible after the end of the month.

Claim Submission. FastPractice™ has been designed to submit claims quickly and with a minimum of keystrokes. Since FastPractice™ is fully integrated with NovaRIS and NovaPACS, doctors' reports can easily be referenced to determine the correct ICD-10 code(s) to use, such that a separate coder is not necessary to submit claims; a biller with minimal training in coding can successfully and accurately submit claims.

Minimized time for reimbursement. With the increased pressure put on a practice's cash flow, minimizing the time required to receive reimbursements from both insurance companies and payments from patients is a necessity. Also, it is necessary to verify that the insurance companies are reimbursing the correct amounts.

For insurance company reimbursements, several procedures must be completed to ensure this happens. First, claims must be submitted as soon as possible after the service has been rendered. Second, a biller must know when a claim has been rejected by the insurance company, in order to make inquiries as for the reason and then, to be able to make the necessary corrections. Third, insurance companies usually pay in a set number of days. A biller must know when an insurance reimbursement is not received within this usual number of days, plus a cushion of X number of days, to allow for weekends, holidays, or unforeseen events, in order to make inquiries and take whatever corrective steps are necessary.

Consider how this was done prior to having good software available. Usually the biller was made aware that there was a problem with the claim only when the claim aged to the 60-day total in the Accounts Receivable Aging. The biller then was able to correct the deficiencies on the claim, and resubmit it. The downside to this is that 60+ days would have passed without any reimbursement being received.

FastPractice™ has the tools to report rejected or erroneous claims almost immediately upon their rejection. FastPractice™ also has the tools to report claims where reimbursements have not been received in the normal timeframe. Both tools enable the biller to expedite the reimbursements of the claims.

Patient payments present a different problem. Normally, a patient's unpaid balance is immediately due, once all of the insurance reimbursements have been received. However, if the balance is large, a patient will usually request a payment arrangement wherein partial payments are made periodically, usually for many months. This requires a practice to determine an acceptable time frame for the collection of such payments.

Third-party software is available that will enable a practice to setup direct debits from a patient's bank account. This precludes billers of having to send monthly statements to the patients and go through the collection process when payments are inadvertently not made – thus reducing the time a biller must spend on collections and reducing the costs of generating and sending patient statements each month an amount is still owed.

Cash payments (usually from patients) present a unique problem to a practice. Ownership of cash is easily transferred, and there is usually no audit trail of its movement that can be followed. They severely test a practice's system of internal controls: Strong controls usually result in cash being correctly and properly included in the practice's assets; conversely, weak controls usually result on cash being misplaced or misappropriated – and never being included in a practice's assets.

FastPractice™ has the tools to ensure that all forms of payments (electronic EOB's, cash, check, credit card) are properly deposited into the practice's bank accounts and then properly recorded in the practice's transactions. This is verified by reconciling the totals per the bank statement to the totals per the Cash Receipts reports. This ensures that payments are deposited to the correct bank account when several billing entities exist. It also ensures that each providing physician receives the correct payment for his/her services.

Patient payments are usually made at the front desk. FastPractice™ has the tools to allow a receptionist to accept such payments, and generate a receipt of such payment for the patient. When a receipt is generated, the payment is recorded in the system, and then flows through to FastPractice™, where it will eventually be applied to the correct claim.

Monetized Accounts Receivables. Inherit in receiving reimbursements from insurance companies is the possibility that the incorrect amount is paid. FastPractice™ has the tools to verify that reimbursements received from the insurance companies are for the contractual amounts. If by chance there is an erroneous amount paid, this will be made know to the billers, and they will then know to contact the insurance companies to take steps to correct the reimbursement amount.

A major benefit of these tools is that a true receivable amount will be known. Consequently, the practice will know exactly what cash it should receive from its unpaid claims. From this, the practice will be able to do projections of its cash flow into the future with a very high degree of accuracy.

Insurance company ranking. It is understandable that each insurance company will reimburse a different amount and in a different timeframe for the same medical procedure. As mentioned above, the trend is that insurance reimbursements are decreasing. Unfortunately, this could result in the situation where a practice actually loses money providing certain medical services or performing certain medical procedures. A practice there-fore needs to know the procedures and/or the insurance companies where reimbursements will result in a loss to the practice.

FastPractice™ provides the tools to rank either insurance company by CPT code, or CPT code by insurance company. In both instances, the ranking is either by discount percentage or average number of days to pay. The benefit is that management will know which insurance coverage to not accept, or which procedures must be paid for by the patient in advance.

Contract Invoicing. Some providers will provide services for other practices or hospitals. This presents a problem in that the other practice or hospital becomes the liable party rather than an insurance company. FastPractice™ provides the tools to allow for this slight change in the billing pro-cess: Claims are combined on a hardcopy invoice that is to be sent to the paying entity rather being submitted to an insurance company. Otherwise, such claims are handled in the same manner as a regular claim. This has proven an efficient way to handle these types of claims.

Referring Physicians. A radiologist receives many patients from other physicians who refer their patients to the radiologist. This could be, and in many cases is, a major source of revenue to a practice. For this reason, the relationships with referring physicians need to be carefully managed.

FastPractice™ has the tools to report which physicians are referring and which are not. With this information, a radiologist can take steps to ensure that those physicians who are referring keep referring, because of the factors of price, availability, timeliness, or quality of work [reads] the physician receives.

Conversely, for those physicians who are not referring, the radiologist can take steps to introduce his/her practice to those physicians who have not referred in the past; or take steps to reestablish a relationship with physicians who have referred patients in the past.

Billing Efficiency. We have already mentioned several features that help billers to be more efficient. Among these are: Full integration between billing, PACS, and RIS; ease of coding and entering claims; controlling and correcting/resubmitting rejected claims; controlling non- or extended-time payments of reimbursements from insurance companies; setting up and managing payments from patients; verifying the accuracy of insurance reimbursements to the contractual amounts; and ease of entering and sending contract invoices. All of these features were designed to minimize the number of clicks (or keystrokes) a biller must do.

In addition, FastPractice™ has the tools to enable each biller to tailor each screen to his/her preferences. This includes screen re-sizing and column re-positioning, sorting both ascending and descending each column, split screens, and having several functions open at the same time.

FastPractice™ has the tools to enable the data shown on each screen to be downloaded to an Excel spreadsheet, or printed, as occasion may require. Also, FastPractice™ allows custom searches to be saved to the FastPractice™ desktop.

And finally, FastPractice™ was designed to be used over the internet. All that is needed is a Wi-Fi connection. Data are fully encrypted, both during transmission and during storage, so there is very little risk of system hacking or data theft. This one feature enables a biller to be more efficient – more so than any of the other features FastPractice™ provides.

Conclusion

We have discussed the need for Practice Management Software in the three important areas of Cash Flow, Internal Control, and Performance Measurement; and the benefits that can and should be derived from using Practice Management Software.

We have illustrated this by providing a case study of Riverwoods Imaging wherein several of the features of FastPractice™ were presented and discussed – each describing an aspect of managing the financial affairs of this practice.

Is FastPractice™ the right Practice Management Software for your practice? We would be happy to present a demo of this software to help you make that decision. We would also be happy to answer any questions you may have.