

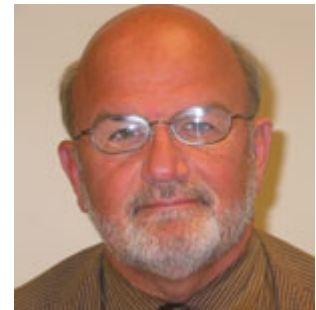
## Serious Business

**While physicians are busy seeing patients, practice managers drive the financial success of the operation with information technology.**

*By Richard R. Rogoski*

The clinical side of medicine routinely gets the spotlight, but it's the business side that can make or break a practice.

Running a successful practice is not unlike running any other successful business, says Stuart Patty, practice administrator for the Peoria Surgical Group in Peoria, Ill. "When you look at a business—any business—who are the successful people? Those with good processes and systems in place. We manage the process instead of the process managing us," he says.



Patty attributes much of the success and growth of his practice to a reliable practice management system (PMS) that has been in place since 1995. "Nothing comes as close to revolutionizing how we work in a physician practice as a good practice management system with an integrated electronic medical record. It has changed all the rules for physician practices," he says. His own practice has grown from seven to 12 doctors, but "we have had no incremental infrastructure cost increase, only because of our systemization."

Patty is not alone in his ability to tame processes. Rich Damm, general manager of the Tribeca Skin Center in New York City, says the success of his 2-year-old, three-physician, insurance-based dermatology practice depends on volume. Since the principal physician sees between 40 and 50 patients per day, while the other two see upward of 30 patients per day, they needed a practice management system that could support growth as it occurs.

But Damm was looking for a system to do more than just accommodate growth. "My focus was to have a genuinely paperless office," he says. "We wanted to avoid data entry and filing—and data entry and filing positions, too—permanently eliminating these line-item expenses from payroll." He also wanted a system that would improve the efficiency of a large-volume practice.



The search for efficiency also led Christine M. Riley, M.D., to choose a practice management system that could handle all aspects of running the business side of an OB/GYN practice in Walnut Creek, Calif., says Michelle Lloyd, the office manager and biller. "To manage our accounts, I can do just about anything I need to do," she says. "Reports are fantastic. If I need to find outstanding accounts at 25 days—whom I have billed, when and for what—I can review all the information without printing it. I can review the whole account if there are agreements and payment

plans that we have pre-negotiated. The system comprehensively outlines services, including when a service was performed, recorded, charged and billed to insurance or the patient.”

## **Cutting Costs**

For Patty, containing costs means expanding his use of technology. Licensing the core practice management software from Medical Manager Health Systems Inc., a WebMD company, was the initial step. Serving as the foundation of its PMS, the Medical Manager base package provides the tools to manage financial information such as accounts receivables, financial history and billing—including insurance payments. Additional features include a clinical history, which stores practice-defined clinical data on patients, as well as office notes, procedure and diagnosis history, e-mail, hospital rounds information, referring physician information and more than 150 standard reports.

About two years ago, Peoria Surgical also adopted Medical Manager’s electronic medical record (EMR) product called Ultia, which comes with a subscription to a fully integrated WebMD portal. Now everyone has access to information all the time and from anywhere. The practice management software resides on the surgical group’s Unix, imaging and Linux servers, while patient records can be accessed via the Internet through WebMD’s secure portal, Patty says.

Because Ultia is a component of OmniChart, a suite of EMR applications that uses a wireless local area network (LAN) connection, physicians aren’t tied to a hard-wired workstation, even though the three offices that comprise Peoria Surgical Group are hooked together with a T1 line.

But by combining a practice management system with an EMR, Patty has been able to save the most bucks where it counts: in staffing. “We do more with fewer people—that’s the bottom line,” he says. As an example, Patty says he has four people answering phones for 12 doctors. “We had the same number three years ago and they could hardly keep up. Now there’s less overtime and less frustration.” These same four employees not only answer phones, but they also check patients in and out and do all the scanning for the EMR.

## **Efficient Staff Size**

The main office is able to close at 4 p.m., Patty says. “We transfer the phones to the billing office for the last hour of the day, then shift to the answering service at 5 o’clock.” Since people remain the biggest expense for any business, Peoria Surgical Group has been able to keep its staff small without cutting too many corners.

According to the Medical Group Management Association, a practice this size should have 3.2 full-time employees (FTEs) per physician. Peoria Surgical Group averages 2.1 FTEs per physician. But Patty admits that the practice employs other cost-saving methods as well. “We outsource insurance filing. We outsource mailing statements. We outsource a lot,” he says.

Even voice transcription is outsourced. Digitalized voice files are sent over the Internet to a service in India, where they are converted to Word documents and sent back the next morning. Then, they are routed directly to the physicians’ desktops.

Saving money is a top priority for Damm, too. That’s one of the main reasons why he went with an ASP-based practice management system. “Small practices don’t have revenue for IT people. Our staff

is incredibly young and tech-savvy. But a lot of practices don't have this caliber of support staff. That's the great thing about ASPs for a small practice. When I was starting up the practice, I was burdened with keeping a strict budget, and I didn't have the luxury of going out and purchasing any system outright."

## Patients at the Keyboard

Damm looked at a number of practice management systems, but based on the combination of affordable terms of access and consistent, competent technical support, he chose Intuition PM by Ridgefield, Conn.-based VitalWorks. He also subscribes to WebMD Office for insurance verification. Interestingly, Damm has been able to save the most money by reducing the amount of paper circulating through the office. "We use paper to interface with the outside world, but within the office, we're 99 percent paperless," he says.

Without paper, Tribeca Skin Center has been able to save on storage space and on the need to hire data entry and filing personnel. In fact, the practice's policy requires patients to register online before their appointments, so the practice can verify insurance eligibility prior to a patient's arrival. Patients who don't register online are, upon arrival at the office, directed to a workstation adjoining the main waiting room, which Damm says turns the patient into a pretty accurate data entry person. Because this collected information is automatically entered into the patient database, patients actually create the foundations of their own electronic medical records.

Tribeca Skin Center has even eliminated paper faxes by utilizing a virtual office, which converts them to an e-mail form. For example, pathology reports are faxed and converted to an e-mail form, which can then be sent directly to a physician's wireless device.

Peoria Surgical Group also has been cutting costs by eliminating paper. It recently opened a third office and didn't need to lease any file space. "At the end of the day, every piece of paper is in the system—nothing is waiting," Patty says. No one walks around all day looking for paper or charts. By using Medical Manager's Document and Image Management System, and the Digital Office Manager module, Patty says, "We scan about 1,000 documents a day, and everybody has access to them."

Saving money by eliminating most paper-based functions has meant Peoria Surgical Group could spend more on recruitment and marketing efforts. "Two years ago, we hired a full-time marketing person," Patty says. "Once we went paperless and knew we didn't have to maintain file clerks anymore, we allocated that money to marketing."

## Valued Alerts

Eliminating paper is not a high priority for Lloyd right now, but she says choosing an ASP-based practice management system was a cost-conscious decision. In the long run, she says it was cheaper to pay a monthly fee for a service that includes customer support than to purchase a stand-alone PMS.

Lloyd notes that Riley had investigated a number of products and options before choosing Andover, Mass.-based Amicore Inc. With scheduling, billing, accounts receivable and comprehensive reporting capabilities, Amicore Practice Management allows Lloyd, Riley and a medical assistant to keep track of 2,500 patients.



Lloyd no longer worries about backing up data every night or maintaining a high-level of network security, and she appreciates the system's ease of customization and configuration. "If we added another physician or new schedules, inputting the necessary information is extremely simple," she says. Greater efficiency also is achieved with the inclusion of alerts, Lloyd says. "The system has alerts for billing, so I am notified whether a copayment applies or whether I need a modifier when billing.

"With appointments, I can set up an alert that pops up when accessing a patient's account. It can let me know if a patient needs an additional appointment, if the patient has a credit or if we need more insurance information than previously collected."

While Amicore Patient Management has a broadcast messaging capability, Lloyd says e-mail is not the preferred way this practice communicates with its patients. Instead, she utilizes the PMS feature for attaching a note on a patient's bill. "The system allows me the ability to list patients' names that have been billed but not paid in 30 days. I go through outstanding patient accounts every month, and I do individual mailings each week. We have great relationships with our patients when it comes to accounts. By attaching a personalized note to that bill, the patient becomes more connected to the practice and says, 'Oh, all right,' and sends a check."

## **Billing Efficiency**

Billing is not as personal for Damm. Tribeca Skin Center uses VitalWorks' InfoUnPlugged remote charge capture system, which allows physicians to touch-screen charges at the point of care, eliminating the need for paper routing slips or data entry personnel.

According to Damm, the physicians all use IBM TransNotes, a small laptop that runs Windows 2000 and includes both a touchscreen and an attached paper note pad. In the event that Internet connectivity is lost, the note pad provides doctors the ability to use a pen for writing a note that is automatically digitalized. They can throw the paper away, but the digital note remains as a locally stored Word document attached to the patient's record.

By using VitalWorks' electronic "superbill" capability, Damm says physicians can use their touchscreens to document office visits, procedures, prescriptions and correspondence. All digital superbill information then gets sent to the front desk, "where we laser-off prescriptions for patients, double-check the physician's coding and laser-off consult letters that can be sent to primary doctors," he says.

Damm also notes that he does transmit bills electronically to insurers, but only Aetna, at this point, reimburses the practice electronically. However, Damm says he's working with other insurers to get them to do the same. With an office LAN that is both hard-wired and wireless, and a newly installed T1 line with dial-up redundancy, Damm says he loves working with an ASP-based system. "With an ASP, we don't have to worry about redundancy or backup, and they are responsible for security of the data, too."

The physicians love working wirelessly in the office and being able to access patient records online, he adds. "When they get an emergency call at night, with virtual data, they'll login from home, examine and notate the chart, and talk to the patient."

## Empowering Physicians

Physicians and staff at Peoria Surgical Group also like the convenience of working both online and wirelessly. Located in the same building as the 550-bed OSF St. Francis Medical Center, these surgeons staff the Level I trauma center of St. Francis and are also affiliated with the 350-bed Methodist Medical Hospital right across the street. In addition, Patty says all the docs have teaching appointments at the University of Illinois.

Patty says that combining a PMS with an EMR has empowered physicians, whose time is divided among teaching, surgery and family responsibilities. “We have driven information to the doctor side. The doctor can look up everything himself. That’s the way young guys want to work. They want to work smarter, not harder. They’re reviewing records at night, and that’s the way it should be. Now they can have more of a home life.”

As an example, Patty cites a young surgeon who has a new baby. He used to call patients scheduled for next-day surgery at the end of his workday. Now, he goes home, has dinner with his family and makes calls around 8 p.m., when he will login from home to review his patients’ charts.

Working online can greatly improve efficiency, and so can working wireless. Because there are no workstations in the exam rooms, physicians use handheld wireless tablets and wireless notebooks in the practice, Patty says.

Eventually, Patty wants to take the entire practice wireless, install an automated phone system and find staff willing to do phone triage from the comfort of their homes instead of in a \$20-per-square-foot office. “We used to spend time in meetings talking with the physicians about process and office flow,” Patty recalls. “Now, it never comes up because of the information technology that’s in place. Once everyone understands the system, there is no process to question. I think about process all the time, but now it’s the biggest thing that physicians never have to think or talk about because everything is systemized. Instead, we talk about recruiting, how we can grow the practice and remain cutting edge.”

But to be truly successful and stay cutting edge, Patty says, “You need to think outside the box.”

*Richard R. Rogoski is a free-lance writer and contributing editor to HMT. Contact him at [rogoski@aol.com](mailto:rogoski@aol.com).*

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