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October 15, 2019

Physician Enterprise Performance

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Key Learning Objectives

-  Physician enterprise performance attributes are unique and require distinct approaches.
-  The opportunity to enhance performance is rooted in transparency – creating accountability and trust.
-  Achieving sustainable results requires focused execution guided and measured by transparent and consistent data.



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In the news...

Physician practice losses: How much red ink can a health system afford?

– MGMA 2019

In the age of data, performance transparency is the new norm

– Medical Economics 2019

Do Most Hospitals Benefit from Directly Employing Physicians?

– Harvard Business Review 2018

Getting Physicians Involved in the Business of Care and Revenue Management


– Cerner 2018



Hospitals Accused Of Paying Doctors Large Kickbacks In Quest For Patients

– Kaiser Health News 2019

Driving change through measured performance in the physician enterprise

– HFMA 2015




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Top of Mind with Healthcare Executives

4.23 : 1

The average ratio of staff handling paperwork to doctors.

30%

of large employers now offer only high-deductible plans.³

A superior customer experience doesn't just strengthen patient engagement — it also correlates to **50% higher hospital margins.**

55%

of health system revenue is lost due to referral leakage costing ~\$900K per physician per year.

92%

of patients want transparency upfront on their payment¹

68%

of patients prefer to pay on line¹

\$150 billion

per year value of missed appointments in the US healthcare system.



Increasing regulatory complexity

\$250 billion – Cost to process 30 billion healthcare transactions each year.

Shift from Volume to Value

Which technology should we deploy?

Average **\$200K loss** Per employed Physician


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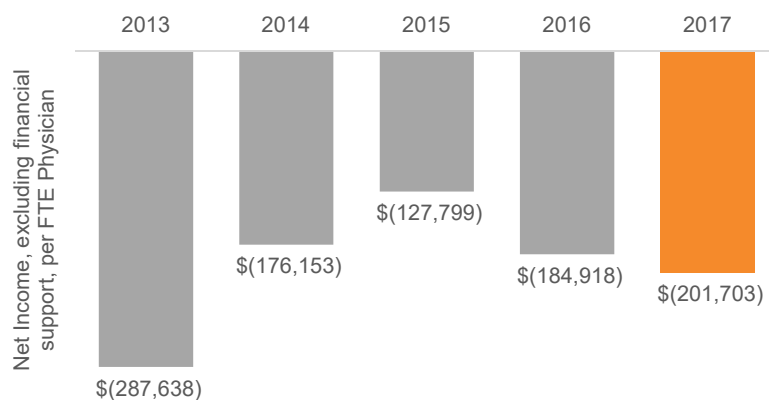
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Poll Question:
Do you know the average net income (or loss) per physician at your organization?



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Unsustainable Per Physician Losses



The loss per FTE physician at hospital owned practices continues to be very large and increasingly unsustainable as reimbursement continues to decline.


Source: MGMA National Benchmarks, Hospital-Owned Facilities, Multispecialty with Primary Care and Specialties


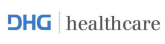


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Poll Question:

Does your organization have any sort of formal change management or behavioral change structure or plan?








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Improving Performance Requires Changing Behavior

Organizations must change behavior to take advantage of opportunities. These three elements must be present and applies to any behavior change an organization wants to achieve.

Trust 	Transparency 	Knowledge 
<p>Trust is needed in the accuracy of the data and in those who are delivering the messages. If the data is not accurate, end users will not buy into the changes that leadership is trying to encourage.</p>	<p>Immediate feedback allows personnel to understand if they are making appropriate progress. Democratizing data will empower people to track their own performance and course correct.</p>	<p>Personnel need to have an understanding of the various metrics and how their actions can impact those metrics. Education is important to understand the why, the what, and the how.</p>




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Scheduling Gaps

Scheduling Detail



Tracking patient flow is important to maximizing utilization of valuable resources. Understanding variances in utilization by day of week and time of day can identify missed opportunities to treat patients, increase revenue, and reduce the likelihood of leakage to competing organizations.



No Shows

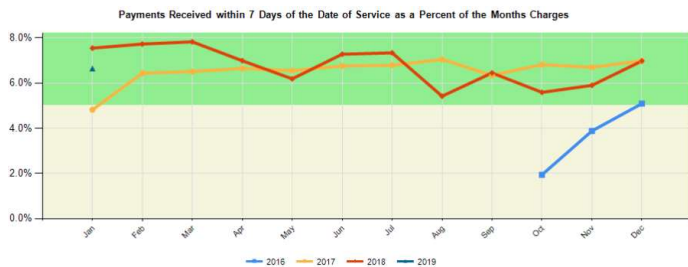
Allocating staff and appointment slots for patients who do not show up prevents providers from seeing patients who want to be seen and reduces the revenue the practice can earn. This can create extended first-available appointment delays and negatively impact patient satisfaction. No Shows should be tracked by provider, practice, specialty, and location and evaluated to identify trends and correction opportunities.



Provider Name	Specialty Benchmark	Total Appointments (MTD)	Kept (MTD)	No Show MTD	No Show Prior Month	No Show YTD	Avg Collection	Opportunity (MTD)
Cattermole, Reginald	Family Medicine (with OB)	276	238	38 13.8%	33 10.5%	394 11.4%	\$56.01	\$1,201
Chang, Cho	Nurse Practitioner (Primary Care)	143	130	13 9.1%	6 4.0%	89 7.3%	\$87.22	\$386
Dumbledore, Albus	Family Medicine (with OB)	64	63	1 1.6%	4 4.8%	27 2.8%	\$93.21	\$0
Macnair, Walden	Family Medicine (with OB)	236	215	21 8.9%	32 9.6%	282 7.5%	\$93.15	\$637
McGonigal, Minerva	Nurse Practitioner (Primary Care)	236	216	20 8.5%	30 13.9%	259 9.0%	\$61.03	\$356
NURSE	-	4	4	0 0.0%	0 0.0%	0 0.0%	\$28.90	\$0
Potter, Lily	Obstetrics/Gynecology: General	50	50	0 0.0%	1 1.7%	8 0.5%	\$70.62	\$0
		15,171						\$0



Time of Service Collections



Year	Jan				Feb			
	TOS Collections	Encounters with TOS Collections	Total Encounters	Average TOS Payment	TOS Collections	Encounters with TOS Collections	Total Encounters	Average TOS Payment
2019	\$22,691.55	790	2,699	\$28.72	\$25,863.06	863	2,811	\$29.97
2018	\$25,408.45	924	2,904	\$27.50	\$21,642.30	724	2,430	\$29.89
2017	\$8,568.54	332	1,493	\$25.81	\$17,221.42	639	2,401	\$26.95

It takes, on average, more than three statements to collect a patient's balance in full. It also costs four times more to collect from a patient than an insurance company, and with 30% of the average healthcare bill coming from the patient, it's imperative that practices collect at the time of service.



E&M Coding

Specialty	Provider Name	Higher/Lower Comparison to CMS Peers
Obstetrics/Gynecology: General	Potter, Lily	\$46,821
Nurse Practitioner (Primary Care)	Gryffindor, Godric	\$40,522
Family Medicine (with OB)	Macnair, Walden	\$19,611
Hematology/Oncology	Potter, Harry	\$12,703
Family Medicine (with OB)	Cattermole, Reginald	\$12,237
PA: Family Medicine (without OB)	Grindelward, Gillest	\$9,623
Nurse Practitioner (Primary Care)	McGonigal, Minerva	\$3,311
Family Medicine (with OB)	Dumbledore, Albus	(\$5,218)
Nurse Practitioner (Primary Care)	Chang, Cho	(\$5,711)
		\$133,897

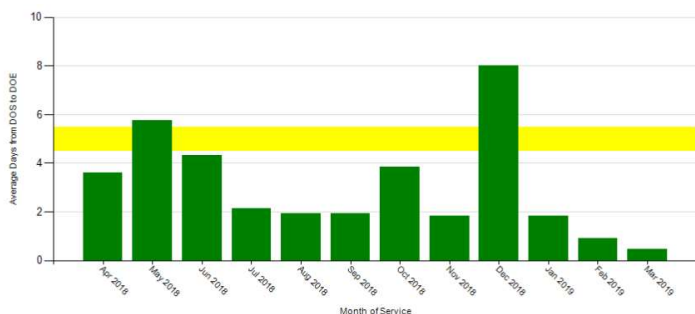
Code Group Description	Code	Code Count	% of Group	Benchmark	Redistribution	Average Paid per Week RVU	Higher/Lower Comparison to CMS Peers
New Patient Office Visit	99201	50	13.3%	1.5%	6	\$43.53	(\$1,927)
New Patient Office Visit	99202	315	83.8%	13.4%	50	\$84.35	(\$22,313)
New Patient Office Visit	99203	11	2.9%	39.8%	150	\$128.79	\$17,876
New Patient Office Visit	99204	0	0.0%	35.5%	133	\$220.39	\$29,390
New Patient Office Visit	99205	0	0.0%	9.7%	37	\$287.51	\$10,534
							\$33,560

Code Group Description	Code	Code Count	% of Group	Benchmark	Redistribution	Average Paid per Week RVU	Higher/Lower Comparison to CMS Peers
Established Patient Office Visit	99211	4	0.4%	1.4%	14	\$14.32	\$144
Established Patient Office Visit	99212	62	6.4%	11.3%	110	\$38.19	\$1,822
Established Patient Office Visit	99213	887	91.3%	52.0%	506	\$77.18	(\$29,435)
Established Patient Office Visit	99214	19	2.0%	30.8%	299	\$119.35	\$33,454
Established Patient Office Visit	99215	0	0.0%	4.5%	43	\$167.89	\$7,276
							\$13,261

Practices should closely monitor E&M code distributions to help reduce the risk associated with inappropriate coding. Identifying variances compared to specialty benchmarks will identify potential outliers who may be negatively impacting practice revenue or not documenting completely.



Days to Enter Charges



Practice	Provider Name	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019
Bedford Family Med		6	7	5	3	4	4	4	4	20	2
	Cattermole, Reginald	11	13	13	6	9	0	7	7	4	4
	Chang, Cho	5	5	3	0	0	0	0	0	83	0
	Dumbledore, Albus	3	3	1	2	2	2	4	3	5	2
	Macnair, Valden	6	10	5	5	7	8	8	6	6	5
	McGonigal, Mnerva	5	3	2	1	4	2	3	2	2	1
Griffin Med		12	24	14	0	0	0	0	0	0	0
Mid Cities Internal Medicine		1	2	3	2	0	1	4	1	1	2

Practice revenue and associated collections rely on the timely posting of charges. Provider charge entry reports help identify providers who may need additional education on properly utilization of the EMR or the impact delays have on practice revenue and physician compensation.



Managed Care Contracting

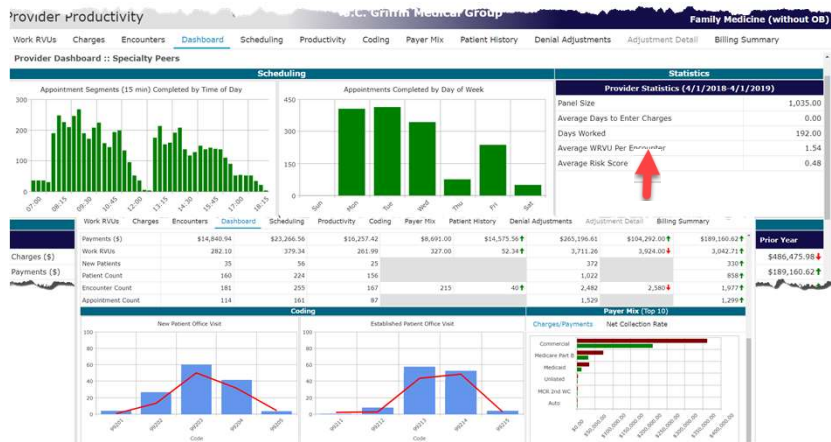
Financial Class / Payer	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018
Commercial	55	42	43	44	46	47	39	42	36	34	29
Medicaid	24	18	16	17	25	21	32	16	20	21	16
Medicare	37	24	29	25	29	29	30	24	23	24	19
Other					40	43					
Self Pay	42	23	35	27	19	28	22	22	21	21	22
Tricare/ChampVA	29	24	63	39	40	91	32	36	35	35	
Workers Comp		46									
INGLES MARKET INCORPORATED - WORK COMP		46									

Insurance Name	99211		99212		99213		99214		99215	
	Pmt	Count	Pmt	Count	Pmt	Count	Pmt	Count	Pmt	Count
Commercial	\$24	126	\$47	76	\$75	2183	\$108	534	\$178	9
Medicaid	\$25	23	\$38	39	\$72	1193	\$83	220	\$111	2
Medicare	\$19	100	\$45	139	\$71	1429	\$103	1378	\$135	24
Other							\$95	1		
Self Pay	\$42	12	\$68	233	\$92	90	\$150	6		
Tricare/ChampVA					\$66	17	\$105	3		
TRICARE EAST - SELECT (TRICARE -					\$60	3	\$105	1		
VA HEALTH ADMINISTRATION -					\$71	14	\$105	2		

Managed care contracts are a core component of revenue and can require intense negotiations. Bringing payer performance data to the negotiation table may result in better negotiated terms and rates. Comparing the speed that payers pay and comparing the rates for the same CPT codes can provide important leverage.



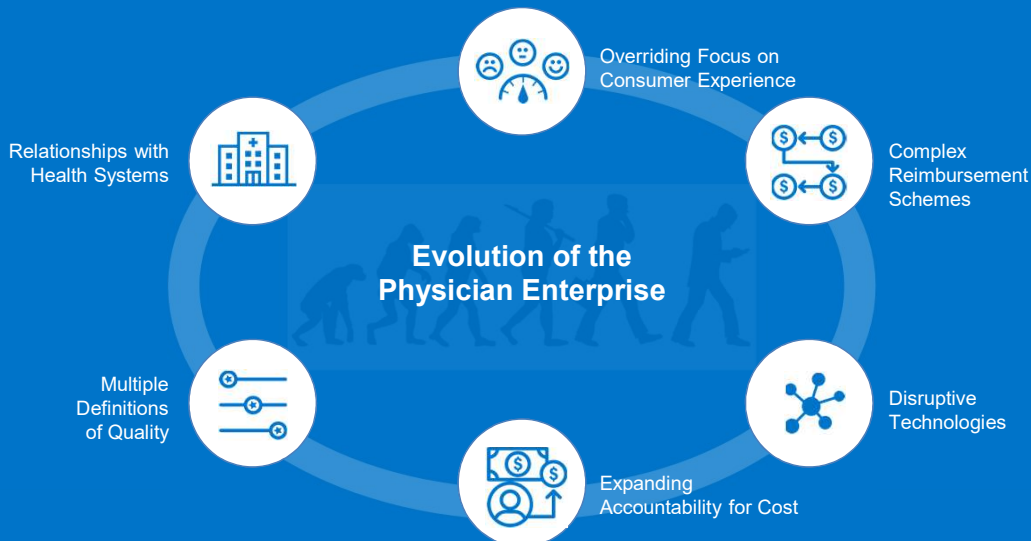
Reinforce Change with Dashboards



Data should be presented to end users in a manner that is easily understood. This is an absolutely critical requirement and reinforcement mechanism to drive change. Data must be liberated to support decisiveness. End users need to be empowered by data to immediately impact practice performance.



Summary: Evolving Nature of the Physician Enterprise



Thank You

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