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**Support-Staff
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Coding Profiles**

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Patient Satisfaction

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Telephones: Usually The First Point Of Access, Often The Last Thing Remembered

By Jerry Stone



Jerry L. Stone

In the last MedicalGPS Newsletter, as part of the overall Patient Flow Process review, I mentioned

we would explore how to improve telephone service quality while simultaneously increasing process efficiency. First, let's define service quality.

How many of us want to be rated as just "good" by our customers? Let's agree we should strive for something better than good -- let's call it excellent or perhaps outstanding. So, what is excellent or outstanding telephone service quality? Outstanding telephone service is not just answering the phone within three rings, although a prompt answering-time is part of the equation.

A comprehensive, yet concise, description of outstanding telephone service might read something like this:

Support Staff answer the telephone promptly, provide the desired information accurately, and do it in a warm, friendly, and professional manner.

No callbacks, no phone tag, no hassles. Now that's outstanding service.

Providing information at the first point of contact cannot always be achieved, however, it can be done with a much higher degree of frequency than most telephone processes allow today. A standard of at least 85% is achievable, provided there are adequate and efficient processes in place to support that level of

service quality.

"We would like to provide that level of service, but wouldn't it require we hire additional support staff -- which we cannot afford".

That initial response is representative of what we often hear -- at least when beginning the re-design process. By eliminating redundancies and better matching the skill-set of the person answering the telephone with the patient's needs, both service quality as well as process efficiency improves. As a result of the increased efficiency, in most situations, existing departmental support staff can usually support the re-designed process, eliminating the need to hire additional staff.

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Recruit M.D.s or Hire N.P.s & P.A.s ?

By Marty Hudson and Jerry Stone

"Our group is growing, would it be better for us to primarily recruit physicians or should we be looking at hiring additional physician extenders?"

This question and others were recently addressed for one of our multi-specialty clients. The 70+ provider group already employed several physician extenders and the CEO wanted to better understand the impact of hiring additional physician extenders. The underlying challenge centered around evaluating when physi-

cian extenders should be added vs. recruiting new physicians into the group.

The senior management team asked us to calculate a fully-allocated breakeven for each individual physician extender.

The deliverable— a series of "hard-hitting"

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Measuring Financial Success:

Budgeting and Forecasting

By Marty Hudson

(part 2 of a 5 part series)

“...put aside the traditional ‘financial’ driven ideas of budgeting and forecasting.”

“...take ownership in the budget.”

It does not belong to the CFO or the accounting department.

It belongs to the whole organization.”

MedicalGPS, helping you help others...



...a Patient Centered approach to process re-design...



Martin R. Hudson

Now that the strategic plan has been laid, the next step is to take that plan and develop a financial budget.

Linking the budget to the strategic plan is absolutely vital. The strategic plan outlines a plan for a course of action, ultimately to obtain a specific or set of specific objectives. Budgeting lays the detailed, step-by-step course in reaching the outlined objectives. Forecasting reengineers the budget during the year by taking into account variances in actual vs. budgeted items and making changes in the course to achieve the stated objectives in an efficient manner.

To be perfectly honest, budgeting is a pain. The process can be time consuming and sometimes confusing. However, it provides a logical approach to achieving the strategic plan of the organization. Secondly, it provides a means of measuring the goals and objectives of the organization as outlined through strategic planning. Each step of the budgeting process should provide a step toward the strategic objectives. Comparing actual results during the year to the budget steps provides a measurement in reaching the desired goals.

The budgeting process should include trends and benchmarking to measure actual results. For example, if

one of the objectives of the clinic is to reduce Revenue Days in Accounts Receivable; trending collections, establishing collection percentages, and setting Revenue Days in A/R objectives would be vital in measuring the progress of obtaining the objective. Setting an objective with no plan on how to get there leaves you wandering aimlessly in the wilderness. Setting a course and making course corrections provides an efficient means to arrive at your destination.

aside the traditional “financial” driven ideas of budgeting and forecasting. Although important, budgeting and forecasting has gone beyond financial analysis. Budget important factors of your business; i.e., patient visits, member lives, wait times, business office productivity, etc. Budgeting what is important to your customers will have as much of an impact in obtaining your strategic objectives as budgeting dollars and cents. Determine the top 10 drivers of your organization,

“If you have always done it that way, it is probably wrong.”

*-Charles Kettering
(founder of DELCO)*

budget/forecast those drivers and develop a financial budget/forecast based on the movement of those

drivers. How do you make course corrections? Implement a forecasting process. Forecasting, usually on a monthly basis, takes into consideration variances from budget and redirects the organization back on course. Every time actuals are compared to budget there is good news and there is bad news. Forecasting will take the good news/bad news and allow you to steer back on course. Without forecasting bad news can quickly turn into impossibly bad news. Every organization will find itself off budget at some point. Monthly forecasting provides an efficient method in getting back on budget and obtaining the organization’s strategic objectives.

An important thought: put

drivers.

Above all, take ownership in the budget. It does not belong to the CFO or the accounting department. It belongs to the whole organization. The surest way to success is through support and teamwork. If you get off budget, only focus on what went wrong to determine how to correct it.

Next time we will discuss Financial Reporting and the importance of appropriately communicating the measurements and results.

Lastly, think outside the box. Don’t be afraid to budget non-financial information or to try a new approach. Charles Kettering (founder of DELCO) once said, “If you have always done it that way, it is probably wrong.”

Recruit M.D.s, or Hire N.P.s & P.A.s?

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presentations made by the CEO to the physician leadership of the group. The presentations focused on two primary areas; 1) the breakeven patient visits per extender and per physician and 2) quantification of the difference in profit margin per patient visit for the extender as compared to the employed physician.

Findings:

Several financial operating characteristics were discovered, not necessarily uniquely related to this particular group, but more related to the general utilization of physician extenders within the healthcare industry. One such finding was the favorable profit margin generated by the physician.

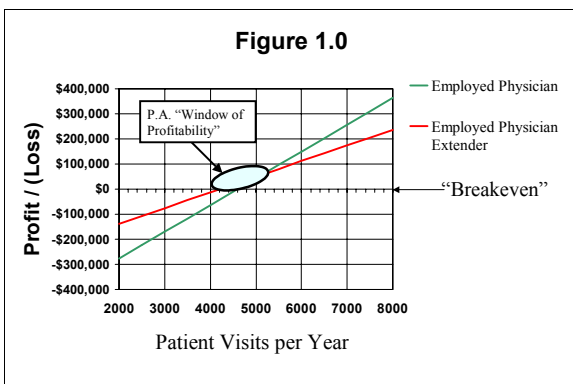
As would be expected, as the practice grows, physi-

cian extenders recover direct and indirect costs sooner as compared to physicians. The interesting finding was P.A.s have a limited “window of profitability” in which to operate.

As depicted in figure 1.0 below, while the physician assistant breakeven occurs at a lower annual patient load, as compared to the employed physician, the “window of profitability,” for the physician extender is limited as a result of the

greater profit margin enjoyed by the physician. At about 5200 annual patient visits, it is more “profitable” to employ the physician.

Obviously there are no easy answers to these questions, however there are answers, and they are uniquely different for every group. Using your group’s specific financial data and by capturing the operating characteristics unique to your group, we would welcome the opportunity to assist your leadership team with determining a sound business strategy for growing your group.



“The interesting finding ...P. A.s have a limited ‘window of profitability’ in which to operate.”

In the Next MedicalGPS Newsletter...

ACTIVITY-BASED STAFFING

- Discover how front-line department supervisors can ensure the right level of staffing is on-duty to meet the wide variations in patient activity and peak demands.
- Staffing ratios: Why staffing ratios such as “FTE’s per Provider” can be misleading, and sometimes counter-productive to providing the right level of support staff required to service and care for the patient.

FINANCIAL REPORTING

- Effectively communicating the measurements and results is essential to success.
- Providing “reminders” of strategic goals, comparisons to budget and forecasts for staying on course.
- Why you should include non-financial trends, comparisons and benchmarking.
- Potential top 10 drivers of your organization and how those drivers can create ownership of the organization’s financial success by the entire organization.

BENCHMARKING

- A review of benchmarking techniques including provider profiling, support staff comparisons, and other key performance indicators that should be periodically benchmarked against similar organizations.
- Why benchmarking often generates more questions than answers.
- A brief look at historical benchmark trends, unique to multi-specialty group practices.

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Re-designing the Telephone Process How to Improve Service Quality & Process Efficiency

(Continued from page 1)

When telephone process re-design is implemented effectively, patient satisfaction improves, process efficiency increases, and oftentimes, open appointment slots are filled that might otherwise go unfilled.

We recommend the following guidelines when re-designing the telephone process.

1. Measure and assess the existing process

Understanding and objectively measuring the effectiveness and efficiency of the existing telephone process allows the re-design team to stay focused. Otherwise, if subjective information (opinion) is the sole source of decision-making information, re-design efforts may be misguided. While subjective feedback is important, blend it with some objective data. Start the objective data collection process by capturing incoming telephone call volumes. Incoming calls should be measured by call type, time of day and day of week. In addition, and most important, the disposition or action-taken should be captured as part of the process assessment. Obtaining call disposition, or the action taken, is the key to understanding the effectiveness of the existing process and identifying potential opportunities for improvement. (Note that outgoing phone activity is addressed later in the process, usually during step 3, and not measured as part of step 1).

2. Identify potential process improvement opportunities

An analysis of the data collected during the process assessment will identify where there are multiple or redundant steps performed to handle each unique call. We label these steps as “touches”. Calls should be grouped by type and into sub-categories. For any given call type, as the ratio of “touches” per unique call increases, the greater the potential for efficiency improvement. Of course the ideal “touch” to call ratio is 1:1. (Note: ratios vary widely by specialty and can be affected by other operating characteristics).

3. Re-design the process using the 80/20 Pareto Principle

It has been our experience that the Pareto Principle applies here as well as any application we’ve seen. Typically, there will be two or three major areas that need refinement, which will generate a significant favorable impact on the operation. After streamlining these relatively few areas, 80% or more of the efficiency gain can be achieved. For example, it is not unusual for us to discover opportunities in the following three areas; 1) appointment scheduling, 2) prescription inquiries, (i.e., refills, drug interactions, clarifying dosages), and 3) referrals. By focusing our full attention on these three significant-impact areas, the greatest benefit to the operation is realized. (Note: Every practice, department, and clinic is different, so do not assume these three areas will always apply).

4. Communicate – Participate - Celebrate

Effective communication is so basic and fundamental to everything we do, I hesitate to mention it here. However, because communication is so often assumed and consequently, not practiced effectively, I must highlight it as the essential ingredient to any successful re-design initiative. Effective communication and participation from administrators, as well as physicians and front-line support staff, results in the successful implementation of a re-designed process – a true cause for celebration.

I’ll leave you with one additional lesson-learned when re-designing the telephone process. Because the Patient Flow Process has many sub-systems that are all interconnected, of which the telephones are just one sub-system, be prepared to address other components of the Patient Flow Process as those improvement opportunities present themselves. Otherwise, just trying to “fix the phones” without addressing the interconnected processes will result in diminished outcomes.

While the telephones are usually the first point of access for many patients, telephones are often the last thing remembered. Providing your staff with the resources needed to effectively and efficiently handle patient telephone calls increases the likelihood the patient is left with pleasant memories of your practice.

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A Message About MedicalGPS, LLC

*MedicalGPS, LLC was founded on certain
uncompromising guiding principles.*

*We are committed to servicing our
clients and their affiliates with
the highest degree of —*

*Integrity, Honesty, Fairness,
Faithfulness, Reliability,
and Dependability.*

Marty Hudson & Jerry Stone

Niagara Falls Photographed by Marty Hudson—April 2002