Tips for Maximizing Financial Performance in Owned Physician Practices

Quality patient care and improved financial performance are two major priorities for every medical practice. Excellent care can be ensured only when the practice gets paid for all the rendered services. Timely payments are also essential for the survival of private practices. However, due to annual payments cuts and stringent healthcare reforms, many physicians are selling their private practice to hospitals.

The trend of hospitals acquiring private practices has become popular but sadly, many hospitals face financial struggles after the acquisition. According to a 2013 report from the Medical Group Management Association (MGMA) in 2012, the median loss for employing a physician was approximately $176,463. In case a hospital owns 25 medical practices, it will translate into loss of three million dollars on an annual basis.

Considering this amount, it is important for hospitals to minimize the loss incurred on owned physician practices. There is a strong need for the hospital management to set financial goals for employed physicians. In order to maximize the financial performance of owned physician practices, hospitals can use the below-mentioned tips:

1. It is very important for hospitals to help the owned practice develop a vision. The physicians should get a chance to clarify their professional aspirations. This will not only help the hospital connect with a larger patient base but also enhance physician productivity as they will get a chance to work on something they are passionate about.

2. Hospitals should tie up physician compensation with the bottom line performance of the practice. This will ensure improved practice profitability.

3. Financial goals of the owned practices should be broken down into performance targets for employed physicians and staffs. These performance targets should be built around factors like patient visits and charges. These will help physicians establish a direct connection between work and financial outcomes.
4. Front-end processes should be improved because approximately 15-20% of potential revenue is lost due to denials, uncollected balances, missed copayments and lost charges. Physicians should be helped by hospital finance managers to reduce revenue loss through effective revenue cycle procedures.

5. Hospitals should conduct check-in meetings on a monthly basis with physicians and staff. It will help physicians identify shortfalls in performance and come up with effective solutions to overcome any challenges.

Outsource Medical Billing to Enhanced Profitability

By following the above-mentioned strategies, hospitals can enhance the productivity of employed physicians. This will lead to the financial success of the hospital-owned practice. In order to strengthen the revenue cycle, many hospitals have started outsourcing their RCM needs to billing partners like MedicalBillersandCoders.com. MBC has a network of experienced and certified coders and billers who are experts at error-free coding, billing, timely claims submission, follow-ups with insurance companies, HIPAA compliance, denial management and various other vital RCM tasks.

The team at MBC has been helping hospitals and private practices all over the US to sail through revenue challenges. Providers have been remarkably able to enhance the profitability of their business by outsourcing their billing requirements to MBC.