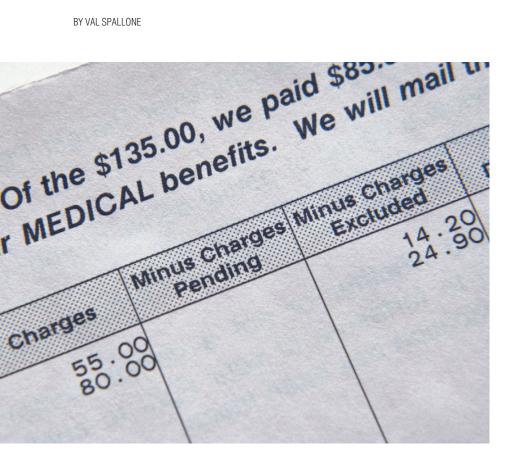# Mastering Finances with the Right Practice Management System

BY VAL SPALLONE

Making the decision to change practice management systems is difficult for any medical group. It takes considerable time and effort to review alternatives. Data conversion, system configuration and installation, and software training can be daunting tasks. There is always the possibility of having to manage the practice through system downtime during the switchover to new software. Moreover, replacing systems, of course, requires a substantial investment. For EmergiCare Medical Clinics of Colorado, it was worthwhile. With the right practice management system, our group practice mastered the management of our finances—reducing the claims rejection rate from 15 percent to 3 percent and bringing overall accounts receivable (AR) aging down from 45 days to 30 days.

WITH THE RIGHT PRACTICE MANAGEMENT SYSTEM, OUR PRACTICE MASTERED THE MANAGEMENT OF OUR FINANCES.

Established in 1982, EmergiCare Medical Clinics of Colorado, based in Colorado Springs, is a successful, fast-growing group practice that provides a full range of diagnostic services and treatment for worker's compensation patients and walk-in urgent care. Onsite laboratory and radiology services enable our group's 25 providers to diagnose, treat, and manage illnesses and injuries suffered on the job as well as urgent medical conditions and minor trauma for patients whose primary care physicians are unavailable.

EmergiCare replaced its first practice management software with a UNIX-based system in 2000. Two years later, we were dissatisfied with the results achieved by internal billing and collections staff. Our group then took a different approach and contracted with an outside billing service in 2002. However, over the next two years, our physicians and top administrative staff concluded that with the billing service, we did not have real control over the practice's revenues or real accountability for financial management. By the end of 2004, we decided to bring billing back in house.

That decision prompted a reassessment of our practice management software. The UNIX-based system could not support electronic billing. Moreover, with the system's limited and cumbersome reporting tools, EmergiCare could not provide reports requested by our Chief Executive Officer or required by our worker's compensation clients without resorting to time-consuming and inefficient manual data tracking. Accordingly, after just four years, it was time again to find another new IT solution for practice management.

New System Search and Selection

EmergiCare established a selection team consisting of the group's

physician chief executive, the administrator of the four clinics we operated at the time, and me, the billing manager. The first task was to establish criteria for a new system and vendor. For more reliable and faster performance, scalability to support practice growth and ease of use, Windows-based, client/server technology was deemed essential. Other priorities were standard software features and functions for electronic billing as well as detailed and fast reporting with in-depth AR aging reports. Since scheduling patients across clinic locations was proving to be difficult as our number of patients began to grow rapidly, integrated appointment scheduling functionality was another must-have feature.

Regarding the practice management system vendor, we wanted an established company with a track record of regular software updates and solid customer loyalty and retention. Plus, while we had become dissatisfied with the practice management software we had been using for four years, EmergiCare had enjoyed excellent support from CareTEC, our local healthcare IT consultant in Colorado. Therefore, we preferred to choose a new system that CareTEC could install and support so that we could continue to rely on them.

Checking references with other medical groups was an important part of the system search process. The selection team evaluated several alternatives and focused in on three: an upgrade of our existing UNIX-based system, a Web-based solution that runs over the Internet via the application service provider (ASP) model, and MicroMD PM from Henry Schein Medical Systems. Upgrading to the Windows-based version of our incumbent vendor's system would have cost approximately $20,000 per provider. That was cost-prohibitive. The Web-based alternative was ruled out due to concerns about system performance,

security, and long-term costs.

CareTEC is a reseller for Henry Schein Medical Systems and demonstrated the MicroMD PM system. After the demonstration, we concluded that it was the solution that would enable us to get control over our finances. Based on several factors, it was the right choice. The system is based on reliable client/server technology. It is feature-rich with electronic billing and claims tracking, a robust scheduling module, and excellent reporting. Plus, EmergiCare could continue to count on CareTEC for local support.

Benefits Gained

EmergiCare implemented MicroMD PM in February 2005. Hardware configuration and software installation took only two days, and CareTEC was able to convert historic data from the old system. The software proved to be easy to use. It was not difficult to get our employees trained and productive on the new system.

Flexible and fast reporting has proven to be a time-saving benefit. When we ran reports with the old system, it could take 30 minutes or more just to sort the data before reports could run. Reports that had to be generated by the billing service took at least a day to turn around. We now can access the data we need immediately. With the system's standard AR reports, plus the ability to do drill-down reporting, EmergiCare has gained a clear picture of AR aging, and that supports more proactive management of receivables. The

practice can effectively track and verify that we are getting paid correctly on all our contacts, which is especially important with the worker's compensation clients.

The significant payoff comes from our ability to master our finances with the software. EmergiCare has implemented electronic billing and payment posting, which speeds up the process. Claims with potential problems get flagged in the system so they can be corrected prior to submission. Our claims rejection rate is down from 15 percent to 3 percent, and that translates into faster payment and improved cash flow. EmergiCare's overall average AR aging is down by a third to 30 days. For our group's largest payer, we now get paid in just 10 to 20 days.

The benefits we have realized extend to better patient service. For example, patient-friendly, understandable billing statements printed right from our practice management system have reduced the amount of time spent answering billing questions over the phone. The color coding in the scheduling module makes it easy to review and adjust schedules to boost physician productivity and convenience for patients. As EmergiCare continues to grow, the system makes it possible to efficiently schedule our patients. In addition, the software interfaces to our group's automated appointment reminder system, which further improves efficiency. Patient recall in the scheduling module also allows for entering multiple reasons for patients' future office visits. For instance, future appointments can be scheduled for a healthcare worker who needs to complete a series of hepatitis-C vaccinations as well for follow-up on a work-related injury.

CareTEC networked EmergiCare's clinics over the Internet. The benefits have been substantial, enabling use to finally integrate clinic operations. If a walk-in patient cannot immediately be seen at one clinic, we can quickly check schedules at our other clinics and direct the patient to another clinic where he or she can receive care without delay. This has proven to be critical to our fast-growing urgent care services for private-pay and self-pay patients.

Important Lessons

When a medical group is wrestling with practice management system problems, what is the tipping point for change? How do you know when it is time to replace your system? If the problems restrict the ability of a medical group to meet its business goals to the extent that you are falling behind, then it is time to find a new solution.

When it comes to choosing a practice management system, do your research carefully and make sure to match the software's features and functions to the specific, priority tasks you need to get done to effectively manage the business of your medical practice. And remember that when a medical group chooses a new practice management system, it is also entering into a relationship with a new vendor. Checking into vendors' track records is important.

Finally, EmergiCare will open our fifth clinic in January 2007. We are now ready to start looking into electronic imaging and an electronic medical record (EMR). Based on our experience, a key lesson for other physician group practices is that a medical group simply must have a solid practice management system—with up-to-date IT infrastructure—in place before you move forward to successfully implement and benefit from an EMR.

Val Spallone is billing manager, EmergiCare Clinics of Colorado.