



# 3 Easy Ways to Increase Your Medical Practice Revenue by 25%



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There are a hundred ways to streamline workflow and improve revenue in a medical practice. It's hard to pick just a few, but in this guide, that's just what we have done.

*Here are three simple suggestions that any practice should be able to implement that can generate an increase of at least 25% revenue.*

And they cost little or nothing to implement.

# 1. Make Money on Prescription Refills

Prescribing is a big deal for most practices. Many report the greatest percentage of in-bound phone calls to their practices are prescription related. Either the patient is asking for prescription refills or pharmacy personnel are seeking approval to fill a script. Have you ever considered how much this process is costing your practice? Have you ever asked, "How can we be compensated for this time?"

## Who makes money when prescriptions are filled?

Perhaps the more important question is who does not make money on prescription refills. Today, most commonly, the pharmacist is benefiting the most from the prescription renewal process. Sure, the pharmaceutical manufacturers are also making revenue from the sale. Unfortunately, the biggest loser in this process is the medical practice. But it doesn't have to be this way.

## How much does the prescription refill process cost your practice?

Every patient or pharmacist contact for a prescription refill creates a cost to the practice. What is the overhead cost in your practice for the following functions?

- Taking a message
- Pulling a fax off the fax machine
- Pulling a chart
- Provider reviewing the chart
- Authorizing the refill
- Calling or faxing in the prescription

Even if your practice has automated some of these functions, there still is a cost, and it is important for you to calculate it.



## Is it possible to transform this cost into revenue?

The temptation is to believe that the prescription refill process is just a cost of doing business. It doesn't have to be this way! The fact is that a prescription policy can generate additional revenue for the practice and offset that cost.

This policy outlines how refill and other prescription requests are handled. It should include a follow-up period for chronic disease patients. Generally, they should be seen every 90 days for evaluation and review of medications. It can be billed as 99213 with an average reimbursement of about \$70.00. Also, consider including something in the policy for patients who call with acute symptoms and are "experts" at self-diagnosis. They may call and request that a prescription be called in without a visit. Your policy should focus on eliminating prescribing in these cases and getting those patients in for an appointment, ideally the same day. If you have mid-level providers, they can perform these types of services. Make sure all staff are well-versed in the prescription policies and that those policies are clearly conveyed to patients. If needed, you can create talking points for staff to help them with the change.

*The average practice can spend anywhere from \$4.00 to \$15.00 for every single prescription refill event.*

## 2. Use Your Schedule to Maximize Visits

Time really is money for most healthcare providers so your goal should be to see as many patients as possible each day. Unfortunately, physicians historically haven't been good at using their schedules to generate income. So your front office staff needs to learn to be strategic in their scheduling process because every unfilled appointment represents a loss of income.

*Did you know that your medical practice schedule can be a revenue-generating machine?*

### Analyze Your Patient Mix

Are they primarily fee-for-service (FFS) or capitated? FFS patients pay for services one-by-one where capitated patients have a set fee that has been paid for services performed.

Fill your schedule based on the mix of patients. If you have 70% FFS and 30% capitated your schedule should reflect that, and you should triage patients accordingly as well. Try to schedule capitated patients only in your blocked capitated spaces while leaving same day and extended hours open for FFS patients. Don't book capitated patients in the same-day slots unless necessary. You don't want to lose the revenue from FFS patients, and they may go elsewhere if they can't get in to see you promptly.

### Categorize Your Visits

You have many types of visits. Some take longer than others. A new patient visit takes a lot longer than an established patient. Acute patients are different than visits for preventive care.

Do an analysis of the types of appointments you have. Once you have identified those visits, look at how much time each visit takes and what resources need to be scheduled. You can then customize your scheduler with your practice resources (providers, rooms, equipment, etc.) and place appointments at times of the day where it makes the most sense.



*For example, put longer, new patient visits at the end of the day while shorter visits can be placed earlier in the day.*

If you can schedule by resource, you can also book more than one patient for the same or overlapping time slots. Having more control over your scheduling helps you get more patients each day and helps you improve their experience by reducing wait times.

Developing the perfect schedule for your practice may take some work and even some trial and error but in the end, you'll find it's worth it.

### Consider Double-Booking

According to Medicaid, one in three patients doesn't show up. Other studies suggest 25-50% of follow up patients cancel or don't show. Look at your schedule to identify groups of patients who are most likely to cancel or not show up. Consider double-booking those types of patients or appointments. Also, consider changing the way you discuss some of these types of visits with patients. For example, say "See you in five days" and have the patient schedule a follow up versus "Call us if you aren't feeling better."

### Create a Cancellation/No-Show Fee

Patients who cancel appointments or surgeries at the last minute can be a huge drain on your practice's cash flow. Since you are already streamlining your schedule, consider



*According to Medicaid, one on three patients doesn't show up.*



also implementing a strategy to prevent unexpected holes to minimize the impact of last minute cancellations and no shows on your medical practice.

Set a cancellation policy, and be sure it's communicated to every patient. Ideally, this takes the form of a document that new patients sign when they first come to the practice. Afterward, make it a point to discuss your policy at the time of booking subsequent appointments or surgery, and when reminder calls or emails go out to patients.

In the cancellation policy, many practices require patients to cancel their appointment at least 24 hours before their scheduled appointment time. For surgeries, the required notice time can be even longer. For those patients who do not comply, consider charging a late cancellation fee.

Collecting cancellation fees can be achieved much more easily than you think when your office is set up to bill for cancellations and accept credit card payments. By creating a cancellation code, you can bill the patient using electronic statements. The day of the cancellation or no-show, process a patient statement and direct the patient to pay online by credit card. Enabling patients to pay online can increase patient payments and speed the turnaround on those payments whether it is for the cancellation fee or for standard co-pays and deductible payments.



### 3 Easy Ways to Keep Your Practice on Schedule

It may be one of the biggest challenges in a medical practice—staying on schedule. Physicians get sidetracked with refill requests, reviewing labs, returning calls to patients. Patients take up more time than they are allotted. A registration person calls in sick and your front desk gets a little behind. There are a hundred reasons why you might get off track. But once it happens, it's hard to get that time back. You may find that your practice is slightly behind for the rest of the day. Here are a few simple strategies that might help avoid bottlenecks or turn things around when they start to go south.

1. **Easiest:** Set clear guidelines for staff about not interrupting the physician with calls or questions between appointments unless it is a true emergency. Establish a process for the physician to receive messages and manage tasks at specific times of the day—first thing each morning, at the end of the day, perhaps a break at midday. He or she can take care of refills or return calls during those appointed times.
2. **Easier:** Prioritize tasks for staff. Make sure your staff know what their top priorities are so that if they get busy they know what to let go of for the time being. Sometimes people are trying to do too much when they should just be focused on moving patients swiftly through their appointment.
3. **Easy:** Do an analysis of your time management, including your scheduling process and task management. You may need to look at your days from nuts to bolts. Is your schedule inefficient? Maybe the problem is that your longest patient visits are at the wrong time of day and they are causing backups everywhere else. Perhaps your providers just aren't managing their tasks well. Many practice management and electronic health record systems offer task management tools. If everyone isn't using them to stay on top of tasks and priorities, now might be a good time to start.

In the end the most important things to remember when trying to keep things on track are making sure that everyone knows exactly what their role is, what their priorities are, and what they should do if things get busy. Sometimes the problem is simply that people don't know what to do next to keep things on track and they flounder.

## 3. Mine Your Data to Increase Volume

Now that your schedule can accommodate more patients, you need have to get the patients to make appointments. At no extra cost to you, you can mine the data in your medical billing software to market your practice and increase volume.

### Reach Out to Your Patients



According to the Medical Group Management Association, you should be spending 1-3% of your practice revenue on marketing. If you aren't marketing your practice, reaching out to existing patients based on your own data is a good, and essentially free, way to start. If your initial efforts are successful then you can decide if it's worth it to invest a little more to send mailers or do other marketing outreach.

Your practice management and medical billing software is full of information that you can use to increase patient volumes and revenue. Dig into your data and run reports to identify the following types of patients (depending on your practice):

- Patients with chronic conditions like diabetes, hypertension, and heart disease who are due for a follow up appointment.
- Patients who may be due for physicals, well-woman or well-child checks, and other preventive care.
- Anyone who may need immunizations, including annual flu or pneumonia shots.

Once you identify patients you can contact for appointments, be sure you have a process in place to do the reminders via mail, email, text, or phone. Also, make sure you've completed step two above and your schedule is setup to accommodate an increase in patient volume.

### Implement Staff Incentives

By maximizing your schedule and reaching out to patients to make appointments, you've created more work for your staff. You might be inclined to say, "Hey, that's their job." But your staff is more likely to work hard to get those patients in the door if you set a clear goal for your increase in appointments and reward staff for achieving that goal.

For example, if you decide that the goal is to increase patient visits in the first quarter by 10%, offer a bonus of some kind if your practice reaches this goal. It could be gift cards or a party—whatever you think your staff would like. You can do straight cash bonuses if you think that will work best. Show your staff that their hard work is appreciated and that increases in patients and practice revenue will benefit everyone.



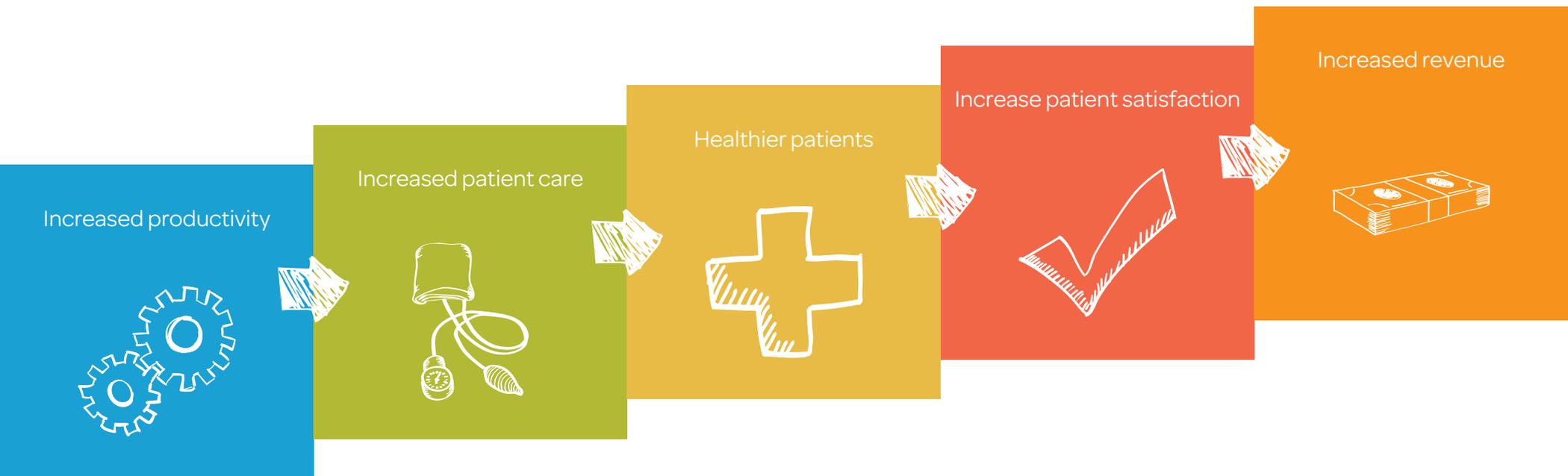
### Tap Into Payer Incentives

There may be some added bonuses to this process. Some payers are now offering incentives for certain preventive care actions or chronic care follow up. Because incentives can vary widely by payer, state and even specialty, you'll need to contact payers to ask about incentives. Reaching out to patients, may help your practice to tap into free money from those health plans that are providing financial incentives for meeting quality indicators.

*You should be spending 1-3% of your practice revenue on marketing.*

# The End Result

There are a lot of ways to streamline your practice functions, reduce costs, or increase revenue. But these three options can apply to almost any practice, cost little or nothing to implement, and are virtually guaranteed to increase your revenue.



Learn more at [www.kareo.com](http://www.kareo.com)

## About the Author

Rochelle Glassman is a passionate advocate for physicians and medical practices who has devoted her career to helping doctors get paid. Rochelle is the President & CEO of United Physician Services, and is a nationally recognized healthcare consultant known for her candor, tenacity, and vision.

## About Kareo

Kareo is the only cloud-based medical office software and services platform dedicated to small practices. At Kareo, we believe that, with the right tools and support, small practices can do big things. We offer an integrated suite of products and services designed to help small practice physicians get paid faster, run their business smarter, and provide better care. Our Practice Management software, Billing Services, and free, full-featured EHR help more than 17,000 medical providers more efficiently manage the business and clinical sides of their practices. Based in Irvine, California, Kareo's mission is to help providers spend their time focused on patients, not paperwork.

For more information, visit [www.kareo.com](http://www.kareo.com).