

Internists Cut Overhead, End Cash-Flow Worries, Plan for Long Healthy Future

Glen Park Internal Medicine is a small team doing a big job.

With a clinical core of five physicians and a nurse practitioner, the practice supports patients through life's toughest challenges, from managing multiple chronic illnesses to facing the uncertainties of an ICU stay or a cancer diagnosis.

"Because we're small, we can know our patients well—their medical histories and who they are as people—and that's central to providing the best care," said Kevin Rossi, MD, a group member for 23 years.

For running a business, though, being small has a downside.

Challenge: Get Paid Faster, Plan with Confidence

"Big medical groups rely on executive teams and governing boards for business expertise," Rossi said. "We're on our own. Every one of our physicians has taken business courses, but making confident decisions can still be hard for us."

Challenges:

- Rising costs, flat reimbursement
- Slow-arriving payments
- Cost burden shifts from insurers to patients
- Future planning

But those decisions have never mattered more. Rising costs coupled with flat and declining reimbursements mean even small slip-ups can endanger a practice.

Glen Park needed to improve cash flow, control overhead, and adapt to new insurance arrangements in which individuals pay a larger share of bills. Strengthening the group's future-planning skills was also a must.

They had never hired a consultant but liked the idea of bringing in a pair of fresh eyes. During interviews, Tim Brown stood out.

"He was immediately curious and took notes throughout our conversation. We felt he'd recommend solutions that suit us, not one-size-fits-all answers. And he has," Rossi said.

Brown's first job was assessing the practice's finances, business operations, workflows and software, based on staff interviews and files Glen Park assembled.

"He's worked with hundreds of practices, so he spotted weaknesses and improvement opportunities we'd overlooked," Rossi explained.

Next up was tackling the biggest financial stressor—the "days in accounts receivable" metric or A/R, the average time from sending a bill to receiving payment. A typical A/R should run between 30 and 40 days. Glen Park's was heading toward 60—and their risk of cash-flow problems was high.

Brown overhauled the billing process so clean claims would be submitted faster, speeding reimbursement. He tapped into previously underutilized capabilities of their existing software and added new error safeguards.

"Tim's documentation means we train new staff quicker and better, too," said office manager Gabrielle Lewis.

Value Created:

- Overhead dropping month to month
- Average wait time for payment down 33%
- Patient-friendly payment environment
- Planning process they trust

Ensuring Good Ideas Go into Practice

Brown also empowered Glen Park to keep overhead costs in check. He provided benchmarking data and educated the entire staff about finding cost-cutting strategies.

“But he knew the real challenge was adding a major assignment to the workload without overwhelming the employees,” explained Lewis.

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“Tim’s been a practice manager, so he knows it takes working well with people to get a big job done,” she said. “He explained that implementing one new strategy each month instead of adding several at once is effective *and* doable. It’s a practical approach the staff can commit to.”

Today, physicians must collect much larger portions of bills directly from patients than in the past, when insurers paid the lion’s share. The Glen Park team needed a plan to ensure that these bills get paid—but without increasing patients’ stress.

Alert to their concerns, Brown recommended patient-friendly alternatives like prompt-pay discounts, online bill pay, and payment plans with options individuals can choose to fit their own budgets.

“His cutting-edge industry knowledge was critical,” said Rossi. “The new payment system he helped create made a change we dreaded easier for everyone.”

“A mini-MBA, tailored for us”

Brown also helped the doctors plan their future more confidently.

When it came to decisions like whether to add services like medication-dispensing or weight-loss counseling, “we didn’t want to follow trends. We’d seen that go wrong for other doctors,” said Rossi. “But we doubted our business skills.”

“Tim reminded us that as internists we’re data people. And that our data and analysis skills *are* business skills,” he said.

Brown introduced the group to key data sources and analysis tools relevant to decisions they face. He coached them on data choice and the most powerful questions to ask for business planning.

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Cash Arrives 33% Faster, Costs Drop

Today the practice submits clean claims days faster. A/R has dropped by a third.

“No more cash-flow worries,” said Rossi.

Before Brown’s arrival, monthly overhead averaged over 70 percent of collections. After the visit, costs dipped below the 70 percent mark the first month and, nearly a year out, continue dropping month to month.

“We’re thrilled. We keep thinking of more ways to save,” said Lewis. “It’s a morale boost to see your cost-saving idea make a difference.”

“Tim’s shown us how to keep our business on a sturdy foundation, so we’re not a worried small practice anymore,” said Rossi. “We’re a healthy small practice looking forward to many years of giving our patients the very best care”.