Practice Management: An Integrated Approach to Short- and Long-term Improvement

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Physician practices are facing an unprecedented era of change. Multiple formidable challenges loom on the horizon to include:

1. Declining reimbursements under the dominant fee-for-service payment model.
2. An accelerating shift from fee-for-service reimbursements to fee-for-value payments, mainly from government payers, i.e., CMS (MACRA, Bundles, Shared Savings, Capitation).
3. Increased requirements and scrutiny from payers of ambulatory clinical documentation and coding (E&M, CPT, ICD-10, HCC).
4. More frequent denials from payers with some private health plans updating their medical necessity and deniability requirements on a monthly basis.
5. Need for sophisticated IT infrastructure (electronic medical records, practice management systems, qualified clinical data registries) to support a practice’s clinical, financial, and data reporting activities.
7. Lack of intentional care process and workflow design and continuous process improvement.
8. Demands for provider consolidation and practice integration with other local providers (hospitals, ancillary service providers, post-acute care providers).

Meeting these many challenges requires a systematic and integrated approach. This approach starts with the basics of practice management to include an assessment of the foundational underpinnings of a practice, e.g., the revenue cycle and the IT infrastructure with recommendations for improvements within each step or component in these fundamental areas.

Next, provider compensation plans must be aligned with reimbursements to ensure that financial incentives are driving the correct activities from the practice’s providers. For example, if the practice is receiving the majority of its third-party payments under a value-based reimbursement model, then providers should be receiving the majority of their compensation in return for driving higher quality and lowering costs.
Finally, the leadership model of the practice should be assessed and re-structured so that physicians and other providers are encouraged and rewarded for leading initiatives that improve quality and cost efficiency across the care continuum (pre-acute, acute, and post-acute).

The challenges and obstacles faced by physician practices in this time of tremendous change are daunting. However, Coker Group has extensive experience in customizing a systematic improvement plan for far-sighted practices that recognize that change is inevitable. Moreover, those that can convert demands for change into opportunities for improvement will be in the best position for success in the dynamic healthcare economy of the future.