Diving In: The Story of Our Integration with a Physiatrists' Group
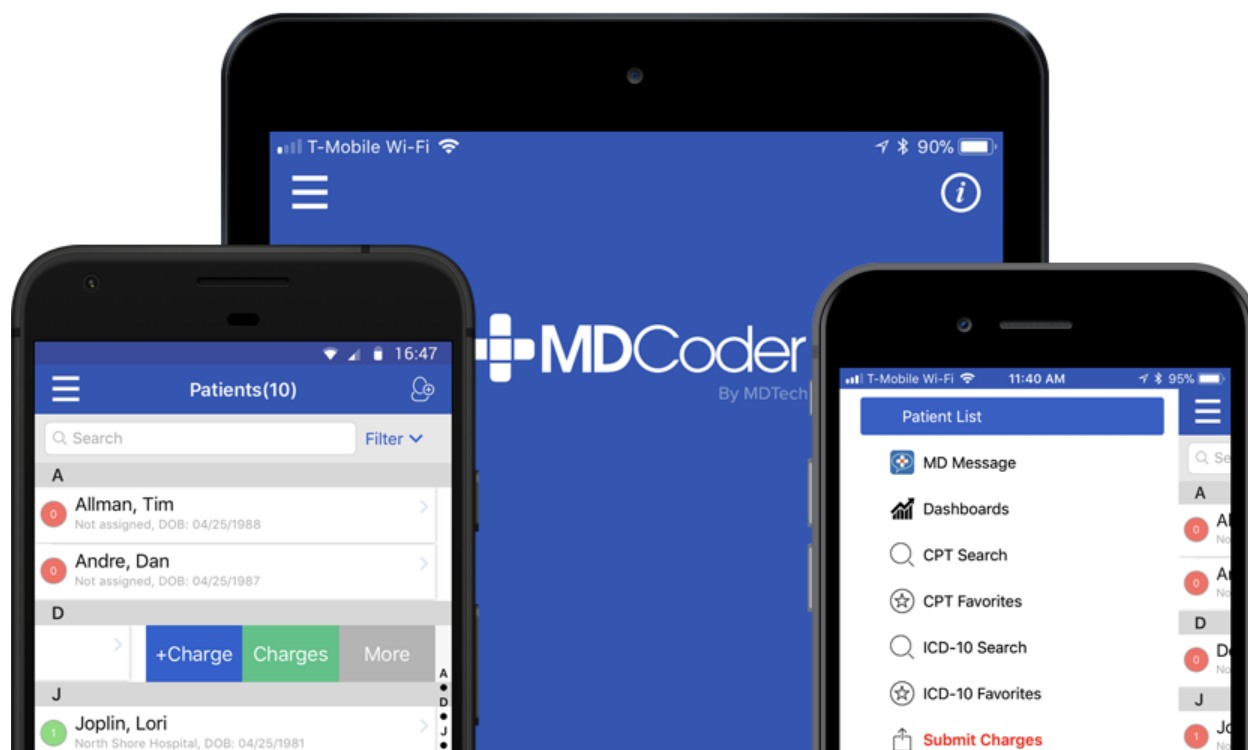
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Primer – The Goal of the Modern Medical Practice.

There are many possible goals and objectives for a medical practice in today's age. Most commonly, these surround the metrics of patient visits, quality of care, health outcomes, or some other qualitative factor(s) related to them. Stated otherwise, the practice goals always tend to hover around the *patient*.

But why doesn't anybody ever talk about the *practice*?

While you'll receive no argument from us on the critical importance of delivering high-quality patient care, an oft-unmentioned reality of the modern medical practice is that they are profit-oriented businesses. **MD Coder exists to help bridge the gap between the health-outcome-focused physician and the bottom-line-focused practice support staff**. The effect of this bridging is more *profitability*, via both revenue-growth and expense reduction. Simultaneously. And we don't believe that practice profitability needs to be mutually exclusive to any of the patient care metrics mentioned above.

In this paper, we'll outline the pre-and-post effects of MD Coder's integration with U.S. Physiatry, ("USP"), a group of leaders in rehabilitation. One of the biggest (justifiable) concerns that many potential clients have is the integration and implementation of a new system such as MD Coder. The success and relative ease that this was accomplished with USP, a complex network of satellite offices across the entire country, will be our focus in this paper. The goals are to show the reader that:

A) Implementation is really not as scary as it sounds
B) "The juice is worth the squeeze," as they say

A Brief Background on USP's Pre-MD Coder Setup

> **ℹ** USP began their engagement with us in August of 2016. At the time, they had multiple offices across the United States, and a central administrative hub where all billings were processed.

Implementation of a New System
Change is difficult.

There's comfort in routine, especially when everything *seems* to be going reasonably well. But comfort can sometimes lead to complacency, which can be dangerous, especially in today's fast-paced, competitive world.

Tanner Hynes, Director of Operations for USP, had heard about mobile charge capture and how it might benefit his company. At the time, there were satellite offices throughout the United States, whose billable charges all flowed through to a central administrative hub. This process involved many dependencies:

- Dependence on the MD to relay their charges to the biller
- Dependence on the biller to relay the charges to the program
- Dependence on the fax and/or mail service to function properly, so that these charges are captured

Each dependency can be thought of as a bottleneck. What if the MD forgets to capture a charge? What if the MD loses the charge? What if the biller makes a clerical error? These are risks that directly tie to practice profitability, so if there were a solution to their mitigation, it would clearly be of great interest to USP.

This is where MD Coder's mobile charge capture application comes in.

Tanner arranged a demonstration with us, where we showed very clearly how our product could make his company and its connected network of physiatrists run much more efficiently. He became a believer, but then came the challenge of implementing a brand new way of doing business to change-resistant physicians across the country.

…which actually turned out to not be very challenging at all.

"The implementation of MD Coder was very straight-forward, very quick," remarked Tanner, "the training conducted by the MD Coder team was excellent; product demonstrations were very clear, the physicians picked it up easily. MD Coder did everything right, the first time, which helped save everybody's time."

So, implementation complete. What happened next?

MD Coder's Effect on Revenue

> ℹ️ USP began their engagement with us in August of 2016. At the time, they had multiple offices across the United States, and a central administrative hub where all billings were processed. MD Coder has helped with their growth by contributing to revenue in the following two specific ways:
> - Reduction in Days Sales Outstanding
> - "Best Practice" Benchmarking

Reduction in Days Sales Outstanding
Days Sales Outstanding – "DSO" – is basically a measure that companies use to analyze the velocity of their collection process. In an ideal world, this number is as small as possible, since $1 *today* is more valuable than $1 *tomorrow*. The goal is to have the time that it takes to go from service à billing à collection as little as possible.

This was an important metric to USP, as it was an area that Tanner had specifically identified as one where he felt that there was room for improvement. Prior to MD Coder, USP's DSO was 90 days; after the MD Coder integration, Tanner was thrilled to tell me that as of the end of the most recent financial reporting period, that number had been reduced to 39 days, **an improvement of 57%**.

What does that really mean?

Well, they're getting paid faster, meaning that their working capital is increasing, meaning that they're less reliant on other, more expensive forms of capital – debt, for example – to finance operations. A 90-day DSO is really quite restrictive; the operating expenses never stop, so you have an issue in timing of cash flows that could lead to costly interest payments. Liquidity is one of the most important components of any business, and a 57% increase in DSO, over a period of approximately 18 months, is highly impactful.

"Best Practice" Benchmarking
"For us," said Tanner, "one of the key functions of MD Coder was the 'live' charge capture feature. It allowed us the unique opportunity to monitor productivity operations on a daily

basis; not just to *maintain* them, but even to *improve* them. There was a lot of variance in process amongst our offices. MD Coder has allowed us to study and capture best practices as it relates to billing and charge capture, and implement them across our network. We're now a much more optimized organization. And even a 1% improvement in a key process can have a major effect on the bottom line."

MD Coder's Effect on Expenses

> ℹ️ USP began their engagement with us in August of 2016. At the time, they had multiple offices across the United States, and a central administrative hub where all billings were processed. MD Coder has helped with their growth by contributing to revenue in the following two specific ways:
> - Reduction of Office Expenses
> - Reduction of "Unknown Unknown" Risk

Reduction of Office Expenses

"It's significant," said Tanner, when asked about the impact of MD Coder's cost-savings from an expense-reduction POV. "I don't have an exact number for you – yet – but we don't even have a central processing facility anymore, to put things in perspective. It's huge."

That is not a typo. MD Coder has allowed USP to close an *entire office*, while growing as an entity at-large. Think of the effect that something like this would have on a company's bottom line. Rent, wages, utilities, supplies. Gone, as expense items. USP, on a consolidated basis, now no longer needs to allocate a percentage of the central billing hub's activities to each satellite office. Each satellite office, in effect, is a practice in itself, and now has the capability to produce entity-level financial statements without involvement from the central billing hub.

Reduction of "Known-Unknown" Risk

A coincidental point warranting its own section is that USP's central billing hub was located in Florida. Florida, as you may have heard, is prone to being struck by hurricanes.

Hurricane Irma, coincidentally, hit hard the part of Florida where USP's central billing hub was located. This hub held a mountain of confidential patient records, billing and financial records, everything of the sort.

Imagine, for a moment, the chaos that would've surely ensued, had USP's billing hub still existed in a location that was on the path of Irma. Imagine the patient records destroyed, the years of financial transactions reduced to shreds. It would've been a disaster (pardon the pun), and if you're an organization still dependent on paper in a location subject-to any sort

of natural or unnatural "known-unknown," it's worth asking if the exposure to such an event is worth it.

In our opinion, and in USPs, it is not.

Conclusion

Since implementing MD Coder, USP has standardized and optimized operations for a national network of physiatrist offices that have since made sizable gains in financial performance, made possible by the operational efficiencies gained by MD Coder.

MD Coder's focus is on leveraging workflow to maximize profitability by making it easier and faster to capture charges and bill clients, while simultaneously reducing expenses through technological advantages.

We have displayed above that if you're even concerned that you're missing 1 – *one* – charge annually, you have a logical motive to sign up for MD Coder, since the annual expense can be less than the value of a single missed charge.

This is a tool *for* physicians, *for* practices. We're confident that MD Coder will be able to drive the processes that will result in better operational performance across the board, leading to, ultimately, a more profitable firm. And, like we said earlier, there's no reason that high quality care *and* high practice profitability need to be mutually exclusive.