

Practice management software

Increasingly, practitioners have limited time and workflow becomes more important.

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Practitioners starting out have to manage their time properly because of limited resources. As the practice grows, tasks are delegated and systems become more intense. However, systems and controls often tend to stay the same and do not keep pace with the growth. This phenomenon has to do with the fact that when starting out, the practitioner managed the practice and had a good understanding and grasp of all aspects of the business. But as the patient base grew, there was no choice but to delegate tasks, often through multiple generations of staff. During this phase, time and professional pressures prevented a review of the systems, resulting in inadequate controls, checks and balances evolving over time.

Controls, if implemented correctly, are simply a matter of routine and how your workflow is managed. It is these controls that maximise the administrative efficiencies in the practice, which as a result systematically increase your practice's profit potential, minimise losses and shrinkage and allow the practice to grow organically.

The workflow starts with the appointment. Much of this routine is based on the principles of time management. In reality, it is your receptionist or assistant who will make the booking. So, it's a good idea to get an indication from the patient as to how long the appointment may be. You may not realise it, but many patients who come for a routine visit quickly get annoyed if they have to wait for a consultation. This is in direct contrast to the patient who has to see you in an emergency, and is only grateful for your time, professional skills and attention.

Tips on Time Management

- Define the crux of your job and ensure that you spend most of your time on it.
- Set deadlines for tasks and ration your and your staff's time.
- Determine whether tasks are relevant or can be postponed.
- Deal with your top priority items when you are fresh and at your best.
- When a task arises, see if you can delegate it, before taking it on.
- Create a demand for your time by letting others know your time is precious. It allows others to compete and negotiate for it.
- Reinforce your behaviour by thanking those who are brief and to the point. Show that you disapprove of time wasting.

Much of the administrative trauma found in a practice is due to incorrect patient information. This is particularly relevant when one considers the high write-off ratios specialists like pathologists have, simply because they don't have the right billing information on hand. The trick here is to use the time productively when the appointment is being made. If it's a new patient, get as much of the patient billing information beforehand as you can. If it's a returning patient, simply verify the patient details.

Make technology work for you

Most modern practice management software (PMS) packages allow you to search for a patient by means of a variety of criteria, so there should be no excuse to avoid this exercise. Patients don't mind being asked to verify their medical aid details, or telephone numbers. It is also a good idea to use the appointment booking opportunity to verify the patient's cell number, as SMS technology can work wonders for the practice.

In terms of basic Roman Dutch law, there has to be the concept of contractual capacity in place. This is the ability for two parties to be in agreement so that a contract or relationship can take place. It is rare that you as a practitioner would have contractual capacity with the patient's medical aid. The relationship is normally between you and the patient. In terms of common law, patients are therefore liable to settle all accounts, even though they may be contracted to a medical aid or third party funder.

It is therefore essential that the practice has a policy in place to ensure that the patient is aware of your terms and conditions. It doesn't have to be a complicated document and can be as simple as a patient information form where the patients details are entered, along with the details of the person responsible for payment. The trick is to ensure that the form clearly states that the patient is ultimately responsible for payment, and that it is signed and dated.

Do it right the first time

By instructing your receptionist, or better yet, displaying a sign to inform patients of your standard terms and that you expect payment within a certain time frame, you immediately lay the groundwork for a sound business relationship. Most patients are aware that medical aids normally pay bills after 3 months, and therefore assume that these are your terms. Studies have shown that a standard form completed at the time of taking a new patient on reflecting your terms is ineffective (while essential) as a means of highlighting payment terms. Signage or reinforcement by staff has a more positive effect.

Practice software

The policy should be extended to ensure that once-off patients are included in the administration framework. Practices in coastal and holiday areas are well aware of their high bad debt occurrences for treating once-off patients. Not only does this have an impact on your administration by having to produce and post additional statements, but it also has a negative effect on cash flow and increases costs. Once-off patients should be told at the beginning that treatments are on a cash or credit card basis and that credit is only extended to regular patients.

Common law states that an agreement is reached between two parties when, among others, there is no coercion, a willing giver and receiver relationship, any party has not been declared unfit by the high court, and the parties are over the age of 18. Accordingly, you have no contractual capacity with the medical aid as a third-party funder, so make sure your patient is aware of the billing and paying relationship.

It makes no difference whether the patient is a walk-in patient or an appointment patient; in all cases, every patient should have one of these forms signed, which could be doubled up as a data capture form for the PMS. The form should contain:

- the patient's full name, contact address, e-mail and cell number
- full details of the person responsible for paying the account
- the medical aid number and whether the patient is a dependant or primary member
- a declaration stating that the patient is liable for the account, and his/her signature.

Capturing the information is essential to prevent future accounting problems. The most common mistakes made when capturing account data are to enter the medical aid membership number incorrectly, to omit whether the patient is the primary member or a dependant and to get the postal code wrong. All have serious consequences and costs associated with getting it wrong.

Pedantic is perfect

One of the most common problems found in a practice is a lack of reconciliation of the patients seen and the billing. This is primarily because the practitioner is rarely the one who enters the billing information, rather leaving it to the receptionist or administrative assistant. This results in a number of consultations not being billed. To control this loophole, a simple method of printing the bookings for the day, which are then placed on the practitioner's desk, serves a number of purposes:

- it gives the practitioner an opportunity to see what his/her day looks like and how he/she can plan
- it allows fill-ins to be added onto the diary
- it allows the practitioner to enter the treatment, which is then checked against billings for the day.

A good PMS will allow quick and easy printing of the daily schedule, showing the empty gaps that can be filled in with walk-ins. Using this system is simply a matter of routine, where a printed sheet is placed on the practitioner's desk each day. At the end of the day, the sheet can be compared with the daybook and a list of posted transactions for the day, which will quickly identify any missing entries.

After the consultation, the patient normally returns to reception. Certain administrative functions could have happened during this time, including the verification of medical benefits for large procedures. But it is also your time to assess whether you are running on schedule. If you feel you are running late, then use technology to your advantage.

All good PMS allows you to shift your diary slots. If, for example, you are running 15 minutes late at 11h00 and feel you will catch up at 15h00, with a quick click of a button, you can SMS all patients who have appointments between 11am and 3pm to let them know you are running late. This has a distinct advantage:

- you create good lasting relationships, with very little cost incurred, by showing consideration for your patients
- you relieve the pressure on yourself
- you can manage the time aspect of your appointments better.

Never underestimate how much harm poor administration can cause. This is especially true if you consider that:

- the average practice never hears from 90% of its dissatisfied patients
- for every complaint you hear, there are at least 9 others you don't hear from
- the average dissatisfied patient tells at least 5 others about it
- one in 20 dissatisfied patients tell at least 20 others about it
- 70% of unhappy patients will return if you address the matter
- 95% of unhappy patients will return if you solve the matter
- most issues could have been avoided with proper administration.

It is during this time, when the patient returns to the reception, that your administration is at the highest risk of failure and exposed to a lack of controls, especially cash substitution and reversals, whether they be intentional or not.

Cash substitution is the process where cash is replaced with a credit card slip or cheque, ensuring the total deposit amount agrees, but you are out of pocket. A patient who does not require a receipt, or where a credit is passed offers an opportunity to replace the cash on hand with a voucher. Controls need to be in place to minimise the risk.

But the risk is not limited to money. Your reputation can be at stake as well.

- If you offer a discount for immediate settlement, and neglect to do so, the chances of the patient pointing it out are minimal, but the possibility of losing a patient, or the incident becoming known in the community is high.
- If you do not have a set policy in place regarding settlement of accounts, you will never have uniformity, resulting in bad debts and write-offs.
- If a patient-liable levy needs to be collected, and it's ignored at this point, it will likely cost you more in administration costs to collect than it's worth.

Medical aids that require patient levies are also contributors to negative cash flow, in that the costs to treat a patient belonging to the scheme are more than those of other medical aids. Firstly, you have the additional administrative burden of either writing off the levy, or printing and submitting statements to both the medical aid and patient. The whole process can be simplified by identifying the medical aids that impose levies and collecting the levy at the time of consultation. Not only does this streamline your administration, but it also reduces administrative costs. Make a point of setting up your PMS to calculate these levies and put steps in place to collect them at the time of consultation.

Steps need to be put in place to avoid these pitfalls, and staff must be trained adequately to ensure that the practice is not exposed to these risks.

Filing is an important part of the process, and if a non-electronic filing system is used, then ensure that there is a cross-reference to the physical file. Many PMS systems allow this functionality.

Storing large quantities of paper is problematic and has its own set of problems. The cost to a practice in not being able to retrieve information quickly can mount. You only need an irate patient to walk out because a card has been misfiled, to start counting the costs. These can creep up quickly, especially when you consider that:

- retrieval of information is slowed down and can result in unnecessary duplication of patient records
- the cost per square metre and the shortage of valuable and expensive space

- a large quantity of stored paper presents a serious fire hazard
- statutory requirements exist in respect of certain data, for example payroll files and tax invoices, which need to be kept for several years.
- Any account that is unpaid and not claimed will be sent via EDI if activated in your PMS.
- If it is unpaid within 120 days, it can be resubmitted. The PMS will indicate that it is a resubmission.
- If a rejection is received, attend to it immediately. Generally, a zero would have been substituted for an 'O', or an incorrect dependant number provided. Attend to the rejection immediately, as it will never be submitted again until it is corrected.

Implementing a successful and proper filing strategy depends on a number of fundamental principles:

- Each practice differs, with no two practices having the same administrative requirements. The ability to identify your practice's filing needs will allow you to design and implement an efficient strategy.
- Regularly challenge your current working practices and find new and innovative ways to deal with problems that could arise.
- Explore new ideas by thinking ahead.
- Keep up to date with technology.

Implement a routine

As the day progresses, so does this routine, which culminates in the end of day process. From an administrative point of view this is the process that probably requires the most attention.

First start up by cashing up. The PMS will give you a list of receipts for the day. This includes those that have come in electronically by a direct deposit, in the mail and those collected throughout the day. A good PMS package will differentiate the type of deposit, listing the value of credit card transactions, cash and cheque payments (among others). This should agree with the deposit slip. If it does not, then the first red flag of the day has appeared, and requires immediate investigation. Most cash substitution scams can be identified very quickly if attention is given to the daily deposit slip.

After receipts, routine functions such as the submission of electronic data interchange (EDI) claims, and the associated rejections must be handled. Most practices today no longer use a single EDI service provider, but dependant on their practice, can use up to four. The correct sequence for handling all EDI rejections is important:

While the daily management becomes a matter of routine, there are also weekly and monthly procedures in the practice. It would be useful to have a table of daily, weekly and monthly procedures.

Maximise quiet time

Administration also has a role to play in the practice when there are quiet times, especially in relationship management. While professional knowledge plays a large role in patient loyalty, ensuring your patient returns to you, it also takes a positive attitude to keep your patient. With little effort and by working smartly, you can ensure a high level of patient loyalty and at the same time ensure that the costs incurred in obtaining new patients falls away. This is especially true if you consider that you never hear from more than 90% of your unhappy patients. One of the ways of doing this is to use technology such as SMS, where with just a few key strokes can keep patients up to date – e.g. you can inform those who were last diagnosed with influenza 6 months ago that you have the latest flu vaccine! Not only are you offering a valuable service to your patients but it also helps your practice during down times.

Often practices may become so involved in daily procedures, that certain functions are not performed – including the printing and posting of statements. By establishing a fixed routine, you not only streamline your administration, but ensure continuity. For example, the last Wednesday of each month could be set aside for printing statements, the second Monday of each month for credit control, and so on.

If you are not yet using an electronic switch to submit medical aid claims (EDI), consider changing your mind. Over 10 000 practices are using EDI and statistics reveal that the national average for collection is 20 days from date of submission. If you are submitting more than R15 000 a month to medical aids, EDI is a winning solution that pays for itself.

With the demands on practices today, it is difficult to do without a computerised system. An efficient system will be able to produce an aged analysis by medical aid. Using this report, you should identify the medical aids that have continual balances. This report should then be used as a basis for follow-ups. More sophisticated systems allow you to print reports based on the outstanding transactions by medical aid for the patient portion. This report can be faxed through to the medical aid as a consolidated medical aid statement, ensuring quick settlement and improving cash flow – it should be part of a weekly routine.

If good management is about people then good administration is about routine. The middle line is about good practice management – one that includes getting to know about administrative and management reporting. One such example is the monitoring of your debtors collection period. If you do not keep an eye on the collection period of debtors and they become lax, it can have an extremely detrimental effect on the liquidity of the practice. The collection period relates to the number of days for which accounts are outstanding on the debtors' book and gives you a good indication of the efficiency of the practice.

The average collection period can be calculated by dividing the credit billing per month by the average debtors' balance. If the average debtors' balance is R48 000 and the credit billing is R40 000 – the average collection period is 1.2 months. It takes 1.2 months for you to receive your money from time of treatment.

By instituting routine in the practice, you take the first step towards systematically improving your profit potential.

In a nutshell

- Time becomes increasingly difficult to manage as a practice grows.
- Introducing workflow controls can improve time management enormously.
- Correct patient information is vital to efficient practice management, not least because this improves the billing system.
- Inform your patients of your terms and conditions of payment up front, preferably with signs in your reception area.
- Ensure that once-off patients know that they must pay cash up front, particularly in holiday areas.
- Introduce a system of reconciling billing with patients seen each day.
- Use an SMS system for patient reminders and to tell patients if you are running late.
- Practice management software allows you to automate most of these functions and leads to better overall practice management, which, in turn, leads to better patient care.