




## Ideas for improving Orthopedic profits

Presented by:  
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### Agenda



- Enhancing the management of your practices' revenue cycle
- Expense Management
- Ancillary Services
- Customer Satisfaction Plan
- Marketing and Promoting your services

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### Revenue Cycle Management



### Coding Initiatives

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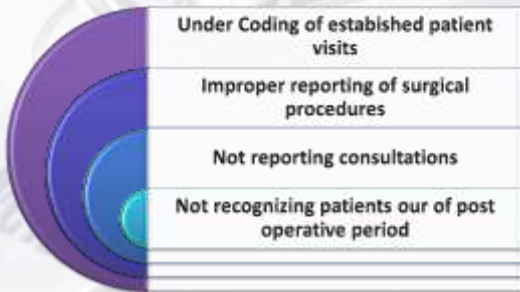
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## Common Areas of Lost Revenue




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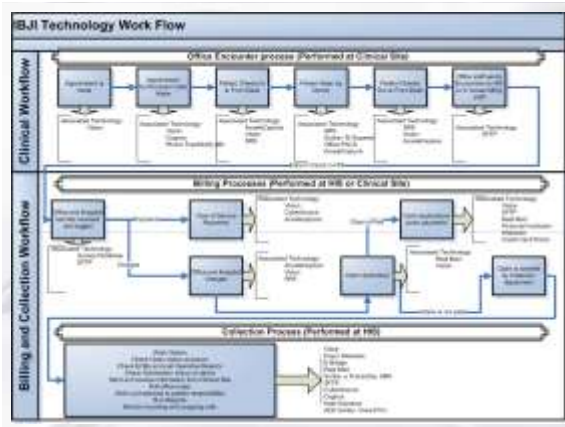
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## Revenue Cycle Management



## Benchmarks

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## Benchmarks

Benchmark	Median
Number of Days Outstanding	45.76
Percentage of Accounts Receivable	
0 – 30 Days	53.44 %
31 – 60 Days	17.15 %
61 – 90 Days	7.72 %
91 – 120 Days	5.59 %
120 + Days	12.61 %
Percentage of Denials	5 %
Percentage of Rejections	5 %
Payment Posting Lag Time	2 Days
Office Charge Posting Lag Time	2 Days
Surgical Charge Posting Lag Time	2 Days

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## Payor Mix

Payor	Median
Medicare	28.00 %
Medicaid	3.00 %
Commercial	55.00 %
Workers Comp	10.00 %
Self Pay...etc.	4.00 %

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## Monthly Management Report

LOCK BOX DAYS	19 Jan-10	19 Feb-10	23 Mar-10	22 Apr-10	20 May-10	22 Jun-10	21 Jul-10	22 Aug-10	21 Sep-10	20 Oct-10	20 Nov-10	23 Dec-10
CHARGES POSTED	771,032	836,739	720,780	839,050	762,575	469,702	872,448	728,279	737,843	917,421	787,123	620,731
ADJUSTMENTS	(302,093)	(644,128)	(653,343)	(522,299)	(592,022)	(495,368)	(337,407)	(761,834)	(516,877)	(470,335)	(579,822)	(644,745)
NET BILL	368,939	192,610	67,437	316,751	170,553	(25,666)	535,041	(33,555)	220,966	447,086	207,301	(24,014)
RECEIPTS	171,621	203,588	226,804	204,950	227,935	201,878	144,072	253,966	188,642	191,861	231,814	246,089
INTEREST PAYMENTS	-	-	-	-	-	-	-	-	-	-	-	-
CAP / OTHER RECEIPTS	-	-	-	-	-	-	-	-	-	-	-	-
RECEIPT ADJUSTMENTS	-	176	1,327	405	702	242	314	541	65	346	655	1,382
NET RECEIPTS	171,621	203,412	225,477	204,545	227,233	201,637	143,758	253,426	188,577	191,514	231,160	244,707
Effect on A/R	217,318	(10,801)	(158,040)	(112,206)	(56,680)	(227,302)	361,283	(286,980)	32,389	255,571	(23,859)	(268,720)
GROSS % COLLECT	96.63%	98.62%	92.76%	110.15%	118.92%	137.50%	84.40%	126.08%	81.21%	100.00%	69.95%	106.25%
NET % COLLECT												
ADJUSTMENT %												
DAYS OUTSTANDING	31.00	29.84	24.31	27.84	26.53	19.87	36.29	24.41	22.86	32.08	30.43	21.56
MONTHS OUTSTANDING	1.03	0.99	0.81	0.93	0.88	0.66	1.21	0.81	0.76	1.07	1.01	0.72

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## Monthly Management Report

LOCK BOX DAYS	2010	2010	2009 YTD	2009/2010 YTD	TOTAL	2009/2010
	252	YTD TOTAL	MONTHLY AVERAGE	MONTHLY AVERAGE THRU DEC	2009 LLC MONTHLY AVERAGE	MONTHLY AVERAGE VARIANCE
CHARGES POSTED	9,063,723	755,310	782,960	(27,649)	782,960	(27,649)
ADJUSTMENTS	(6,690,274)	(550,023)	(582,223)	32,200	(582,223)	32,200
NET BILL	2,463,449	205,287	200,737	4,550	200,737	4,550
RECEIPTS	2,493,220	207,768	212,462	(4,694)	212,462	(4,694)
INTEREST PAYMENTS	-	-	-	-	-	-
CAP / OTHER RECEIPTS	-	-	-	-	-	-
RECEIPT ADJUSTMENTS	6,155	513	905	(392)	905	(392)
NET RECEIPTS	2,487,065	207,255	211,558	(4,302)	211,558	(4,302)
Effect on A/R	(23,616)	(1,968)	(10,821)	8,853	(10,821)	8,853
GROSS % COLLECT	28%	28%	27%	0%	27%	0%
NET % COLLECT	101%	101%	105%	-5%	105%	-5%
ADJUSTMENT %	-73%	-73%	-74%	1%	-74%	1%
DAYS OUTSTANDING						
MONTHS OUTSTANDING						

## Monthly Management Report

### A/R AGING BY POSTING DATE OF THE ABOVE FIGURES

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
0 - 30 DAYS	682,339 85.51%	701,507 89.12%	513,045 81.59%	660,443 89.09%	599,690 87.60%	386,628 84.54%	775,375 91.37%	460,416 81.98%	505,850 85.16%	744,784 87.67%	740,245 89.68%	403,822 72.60%
31 - 60 DAYS	50,841 6.37%	35,107 4.48%	61,607 8.79%	21,575 2.91%	42,954 6.27%	18,911 4.14%	23,182 2.73%	59,124 10.53%	33,776 5.69%	42,947 5.06%	32,414 3.89%	90,872 16.31%
61 - 90 DAYS	25,814 3.24%	23,839 3.03%	16,533 2.63%	16,179 2.19%	17,149 2.50%	24,163 5.29%	9,965 1.17%	9,074 1.62%	21,894 3.65%	24,891 2.91%	16,547 2.00%	28,928 5.19%
91 - 120 DAYS	3,072 0.38%	7,158 0.91%	17,944 2.85%	11,718 1.58%	8,114 1.19%	13,686 2.99%	21,394 2.52%	7,528 1.34%	7,026 1.19%	18,951 2.23%	14,525 1.76%	15,367 2.76%
121 - 150 DAYS	4,956 0.62%	2,192 0.28%	5,219 0.83%	9,177 1.24%	2,906 0.42%	4,603 1.01%	12,476 1.47%	19,429 3.46%	6,945 1.17%	6,034 0.71%	17,294 2.09%	13,203 2.37%
+ 150 DAYS	30,904 3.87%	17,323 2.20%	14,737 2.34%	22,190 2.99%	13,797 2.02%	9,317 2.04%	6,200 0.73%	6,041 1.08%	18,709 3.15%	12,163 1.43%	4,688 0.57%	4,780 0.86%
TOTAL	797,926	787,125	629,085	741,291	684,611	457,309	848,591	561,611	584,000	849,571	825,712	556,992

## Expense Management



## Orthopedic Surgery, Not Hospital or IDS Owned

	(Per FTE Physician) MGMA Median Benchmark 2009 Report	(as a % of Total Medical Revenue) MGMA Median Benchmark 2008 Data	(Per FTE Physician) MGMA Median Benchmark 20010Report	(as a % of Total Medical Revenue) MGMA Median Benchmark 2009 Data
Total Gross Charges	\$ 2,715,461	233.70%	\$ 2,921,078	
Total Medical Revenue	\$ 1,190,254		\$ 1,205,503	
Total support staff cost	\$ 286,968	24.01%	\$ 283,317	
Total business operations staff	\$ 70,578	5.89%	\$ 70,056	
Total front office support staff	\$ 58,050	4.57%	\$ 60,629	
Total clinical support staff	\$ 46,279	3.79%	\$ 47,634	
Total ancillary support staff	\$ 32,734	2.96%	\$ 33,463	
Total employee support staff benefits	\$ 59,660	4.96%	\$ 54,261	
Total contracted supp staff	\$ 5,003	0.44%	\$ 2,975	

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## Orthopedic Surgery, Not Hospital or IDS Owned

	(Per FTE Physician) MGMA Median Benchmark 2009 Report	(as a % of Total Medical Revenue) MGMA Median Benchmark 2008 Data	(Per FTE Physician) MGMA Median Benchmark 20010Report	(as a % of Total Medical Revenue) MGMA Median Benchmark 2009 Data
Total general operating cost	\$ 266,485	23.12%	\$ 275,203	
Information Technology	\$ 15,929	1.31%	\$ 16,756	
Drug supply	\$ 22,620	1.83%	\$ 20,763	
Medical and surgical supply	\$ 18,236	1.51%	\$ 14,269	
Building and occupancy	\$ 67,797	5.78%	\$ 75,199	
Prof Liability Insurance	\$ 29,594	2.45%	\$ 25,875	
Radiology and Imaging	\$ 12,040	0.96%	\$ 9,830	
Other ancillary services	\$ 15,432	1.20%	\$ 16,538	
Total nonphysician provider cost	\$ 66,090	5.76%	\$ 64,103	
Total medical revenue after operating and NPP cost	\$ 563,606	47.32	\$ 582,384	
Total Physician cost	\$ 535,374	47.33%	\$ 535,163	

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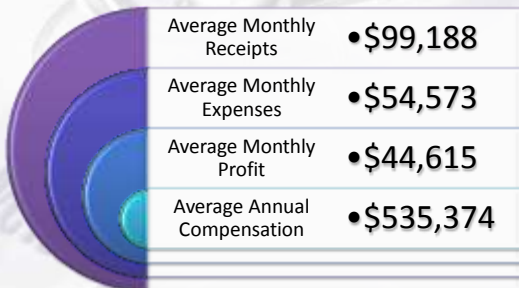
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## Expense Management




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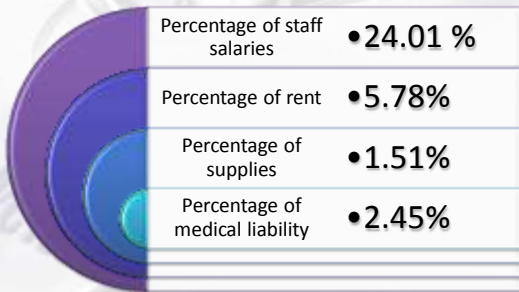
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## Expense Management




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## Ancillary Services




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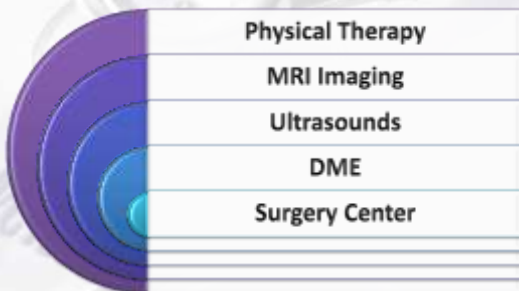
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## Ancillary Services




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### Implementing a Total Customer Service Satisfaction Plan




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### Customer Satisfaction Plan




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### Customer Satisfaction Plan



Making it convenient for your customers to do business with you and your staff

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## Identify Your Customers




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## 7 Key Areas of Business Results



Customer Satisfaction
Productivity
Economics
Quality
Organization Climate
People Growth
Innovation

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## Why is Customer Satisfaction so Important

A Satisfied Customer:

Means:  
Continued or  
increase in Referrals



Profits

Means:  
A Return Visit /  
Exam

New  
Opportunities

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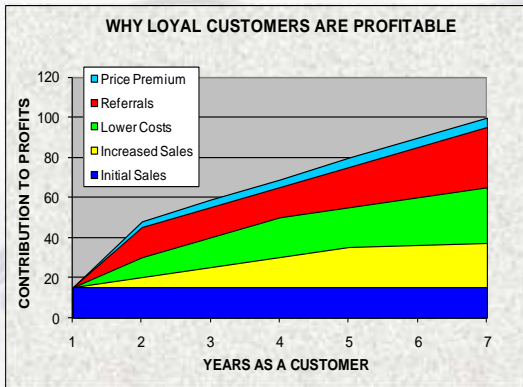
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**Customer Recovery**

**Definition:**

- “The idea that an unhappy customer can be salvaged or recovered and returned to being a happy customer”

**Research:**

- 70% of customers will return if you solve the problem timely
- 95% of customers will return if you solve the problem on the spot.

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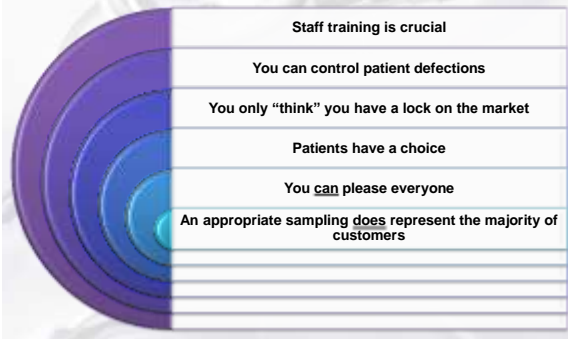
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## 9 Realities of Total Customer Satisfaction




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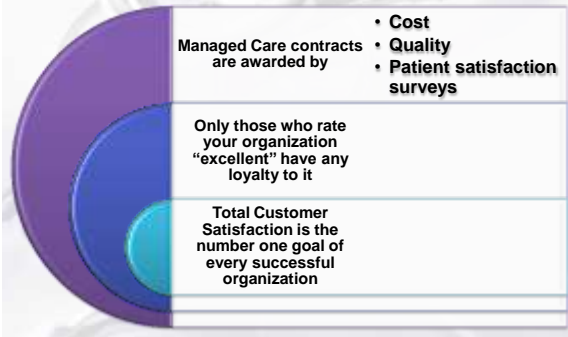
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## 9 Realities of Total Customer Satisfaction




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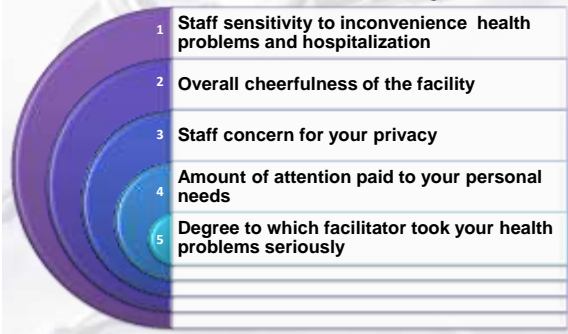
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## Top Ten Factors that Influence Recommendations of Hospital




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### Top Ten Factors that Influence Recommendations of Hospital




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### Total Customer Satisfaction



How do you measure it?

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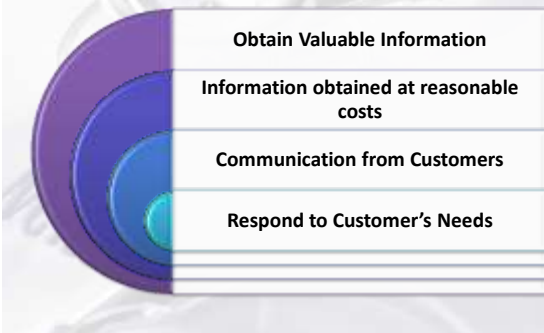
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### Customer Satisfaction Surveys




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### Patient and Referring Physician Surveys




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### Implement the 3C Card

#### The 3 Cs

- Comments ☒
- Comments ☒
- Criticisms ☒

Distribution should be at all reception areas, waiting rooms and exam / diagnostic rooms

No Comments is **NOT** Good

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### Practice Development and Marketing



Recognizing the Importance of  
Developing and Implementing a Social  
Media Plan

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Social Media...positioning your brand  
where your patients are.



"Word of Mouth...One Click  
at a Time"

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Social Media...positioning your brand  
where your patients are.

#### Why?

- Choice in care now begins with a Google Search, Twitter Chat, or a Facebook update
- SEO success...Fill the page with your expertise, patient testimonials, educational videos, etc.
- If you lack a presence where your patients do their research, you do not exist
- If you're not engaged...your competition is

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Social Media...positioning your brand  
where your patients are.

#### Who?

- There are more than 100 million Twitter and more than 500 million Facebook users.
- The fastest growing demographic for Facebook and other social media: **Those age 50 and over**
- **THESE ARE YOUR PATIENTS!!!**

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## Social Media...positioning your brand where your patients are.

### Brand Management

- What are people saying about your brand?
- Brand ambassadors spreading the word...both patients and your employees
- Unsatisfied patients venting to the world....damage control

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## Social Media...positioning your brand where your patients are.

### Recipe for Success

- Position your organization as the expert in your field
- Add a human element
- Multi-touch marketing in the social arena (use multiple sites)
- Add videos...the search engines love them, your patients trust them
- Stay active and consistent...commit to success!

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**Good Luck and Enjoy Your  
Success!**

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