

Physician Practices: Seven Ways to Grow Practice Revenue





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Introduction

Not every private practice physician is ready to give up caring for patients in private practice in favor of becoming part of a health system. Many physicians prefer to maintain their independence and continue to treat their patients as they see fit.

My role as a health care attorney is to provide legal and strategic advice to physicians and their groups on how to build and maintain their successful medical practices, ensure their independence, continue to treat their patients as they see fit, and avoid common compliance issues.

A key part of that responsibility is to help physicians find ways grow their practice revenue. And the good news is that physicians have options available to them to increase their revenue while minimizing certain expenses and risks of loss. Here are seven steps that physicians can take now that will immediately benefit their practices.

“Private practice physicians are at a cross roads in their practices... We counsel practices in evaluating the full spectrum of possible integration options and guide the practice through structuring a relationship that is beneficial and sustainable for the practice and the hospital.”

Partner with Hospitals to Increase Revenue, Patient Volumes, and Practice Stability

Strategic partnering with hospitals is one of your best sources of additional revenue.

Private practice physicians are at a cross roads in their practices: their goal is to remain independent and in private practice, but their local hospitals continue to step up recruitment efforts aimed at further integrating the physicians into the hospital systems. Fortunately, a range of integration options exist – from contracting with a hospital as an exclusive provider of all services in a specialty service line to participating in a hospital’s shared savings program.

Many hospitals remain interested in entering into a professional services agreement (“PSA”) with a specialty practice to provide all specialty services to its patients. The practice is paid under a productivity methodology that is compliant with the federal fraud and abuse laws. A PSA provides a good amount of security in terms of patient volumes.

Alternatively, a practice may enter into a coverage agreement with a hospital to provide exclusive call coverage to that hospital. This allows the physicians to remain in private practice while increasing patient volumes by having the right to exclusively treat patients who present at a hospital on nights and weekends. The hospital benefits by ensuring that physicians will be available to treat these patients.

Finally, a practice may agree to participate in a hospital’s accountable care organization (“ACO”) or other Medicare shared savings program. These programs allow the practice to strengthen its ties with the hospital while maintaining its private practice. To the extent that the organization is able to realize savings through increased coordination of care and population health management efforts, the practice shares in those saved dollars.

We counsel practices in evaluating the full spectrum of possible integration options and guide the practice through structuring a relationship that is beneficial and sustainable for the practice and the hospital.



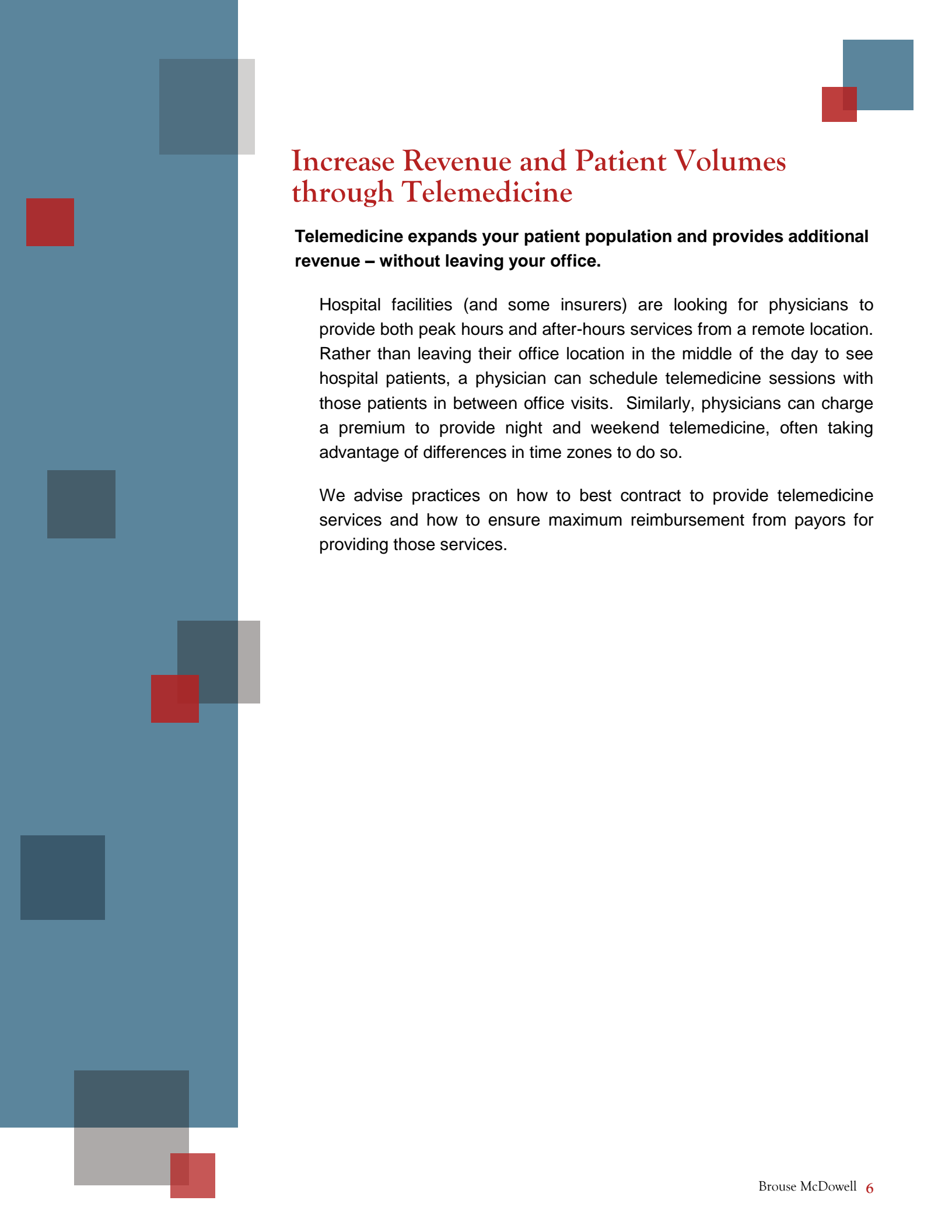
Increase Revenue through Ancillary Business Lines

Ancillary services lines, like diagnostic imaging or surgery centers, boost income without the need for revenue sharing.

Rather than looking to strengthen relationships with hospitals, many practices continue to look to increase revenue (and improve patient care and maximize patient convenience) by integrating additional services into the practice. For example, this can include adding diagnostic imaging and lab services so that patients can quickly obtain the tests they need and the ordering physician can promptly and easily receive results or investing in an ambulatory surgery or care center, which provides greater physician oversight over the scheduling and delivery of surgical care. Practices continue to hire mid-level providers to serve as physician extenders to provide less intensive care, allowing the practice to see and treat more patients each today while decreasing patient wait times.

For services not covered by insurance or Medicare/Medicaid, practices are increasing organizing membership-based concierge practices to provide the non-covered services on a cash pay basis. This type of concierge practice captures cash business and often offers increased and flexible hours in exchange for the membership fee.

These types of ancillary ventures present significant potential federal Stark Law and Anti-Kickback Statute compliance issues as well as challenging reimbursement issues. We structure these ventures to minimize potential regulatory problems while supporting the practice's patient care and business goals.



Increase Revenue and Patient Volumes through Telemedicine

Telemedicine expands your patient population and provides additional revenue – without leaving your office.

Hospital facilities (and some insurers) are looking for physicians to provide both peak hours and after-hours services from a remote location. Rather than leaving their office location in the middle of the day to see hospital patients, a physician can schedule telemedicine sessions with those patients in between office visits. Similarly, physicians can charge a premium to provide night and weekend telemedicine, often taking advantage of differences in time zones to do so.

We advise practices on how to best contract to provide telemedicine services and how to ensure maximum reimbursement from payors for providing those services.



Meaningfully Use Electronic Medical Records (EMR) to Increase Medicare Reimbursement

Electronic medical records adoption provides meaningful use of payments and guards against recoupment of payments by Medicare and commercial payors.

Practices continue to implement and meaningfully use EMR systems in their practices – if for no other reason than to avoid Medicare offsets for failing to do so. As EMR systems improve – and practices learn to efficiently use the systems through implementation and practice, the hiring of scribes, or the use of dictation software – physicians in private practices are beginning to treat EMR systems as a tool to effectively manage patient medical records and minimize documentation issues and errors (and resulting potential for recoupment of payments).

We review and negotiate EMR vendor agreements to avoid potential reimbursement issues and work with scribing services vendors to ensure that the services provided are accurate and in accordance with physician expectations



Reduce Declining Reimbursement Levels

Entering into new shared savings programs and other reimbursement models can increase payments for services already being provided.

As reimbursement levels decline (or in a best case scenario remain constant) in the face of increasing costs, physician practices should look for opportunities to participate in affordable care organizations and other shared savings programs that allow the practices to reap financial benefits from the structural shift toward a focus on population health management. In evaluating these types of opportunities, practices must carefully consider the participation agreements presented by the organization. Our role is to negotiate those agreements to maximize the practice's portion of the shared savings realized as well as the practice's role in governing and managing the organization.

Practices should also bear in mind that they should periodically renegotiate their fee-for-service managed care contract. We regularly negotiate with payors on reimbursement rates and other material terms of these agreements.



Structure and Manage Your Practice to Reduce Costs and Risks

Minimize unnecessary practice expenses through advantageous and legally compliant template documents.

Every practice should have template contracts in place that it can pull off the shelf when it hires a new physician or non-physician, or when entering into a recruitment arrangement with a new physician and a hospital. Similarly, when presented with a services or coverage agreement from a hospital or a vendor, the practice needs to know that the contract and relationship will not leave them open to unnecessary or avoidable financial risk and legal liability. Our role is to negotiate these agreements on behalf of the practice to ensure that the interests of the practice and its physicians are protected.

We also support the day-to-day management of the practice by ensuring its policies and procedures comply with patient protection laws as well as labor and employment laws.



Avoid Spending Unnecessary Time and Money on Common Compliance Problems

Minimize legal and compliance challenges by developing and maintaining compliance programs.

Because health care is a very heavily regulated profession, business and contractual arrangements that would be sensible and permissible in other professions are often illegal in the health care arena. We guide physicians and their practices through that regulatory and legal thicket (for example, the Stark Law, Anti-Kickback Statute, HIPAA, antitrust, and other federal and state laws) so that they can meet their practice goals while avoiding costly and inconvenient potential legal pitfalls.



Michael VanBuren – Health Care Attorney

Helping Physicians Create Their Ideal Practice

I provide legal and strategic advice to physicians and their groups on how to build a successful practice, ensure independence, treat patients as they see fit, and avoid common compliance issues.

My clients appreciate that I take a personal interest in their practices and goals. The majority of my clients stay with me throughout the arc of their careers and the life-cycle of their practices, from initial practice set-up and subsequent growth through retirement and/or the sale of their practices.

I weave together the practical and the personal. As a pragmatic lawyer, I am always looking for the most effective and efficient way to complete a transaction. I also care deeply about the practice of medicine, the state of healthcare in America, and patient care.

Helping Hospitals and Healthcare Facilities Thrive

I help hospitals and healthcare facilities grow successfully while minimizing legal and compliance challenges. I provide creative, careful, and efficient advice on a broad range of strategic transactions, including mergers, acquisitions and joint ventures.

An important part of my practice is helping clients minimize and avoid the myriad legal, compliance, and regulatory challenges that occur daily. This task is made easier by a strong understanding of the healthcare industry and how hospitals and medical facilities operate.

Contact Information

If you would like to find out how we may be of service or if you have a quick question, please feel free to give me a call or email me at:

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Brouse McDowell Health Care Group

Brouse subscribes to a cross-disciplinary approach to our health care practice, engaging specialists who are able to counsel and advise clients in the areas of organizational design, regulatory compliance, reimbursement issues, corporate financing, labor and employment, real estate, taxation and employee benefits, mergers and acquisitions, life science patents and licensing, joint ventures and strategic alliances, and litigation.

Our broad spectrum of expertise allows us to deal with the complex problems that may arise in today's health care businesses and turn them into opportunities.

Our health care practice regularly assists clients in the following areas:

- Practice acquisitions and related transactions
- Health care joint ventures
- Physician and hospital alignment strategies
- Stark and Anti-Kickback issues
- Medicare, Medicaid and private insurance audits and appeals
- Physician employment agreements
- Regulatory approval, accreditation and licensing issues
- Medical staff issues
- Patient care issues
- Managed care contracting issues
- Dialysis provider issues and transactions
- HIPAA and patient privacy issues