



8 Ways to Run a More Successful Independent Medical Practice





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Introduction

If you're managing an independent practice or providing care as a provider, what does success look like to you? How do you measure it? And how do you know when you're doing something right so you can do it again?

You may also ask:

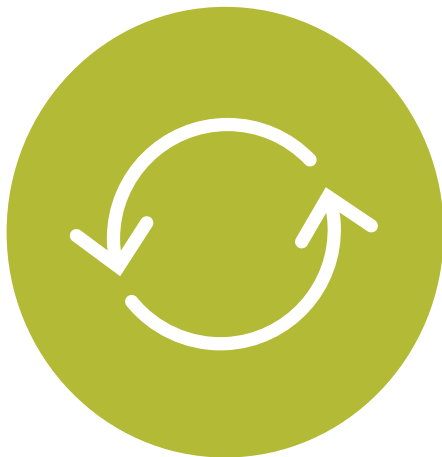
“Are independent practices really that different from those owned and operated by a hospital?” 

The answer is yes.

A recent practice survey confirmed some really important findings. According to the survey, there are four unique needs that require independent providers to think and operate differently than hospital-employed providers.¹

¹ Kareo Customer Survey

Here are the 4 unique needs:



You need to get your practice “on rails”

As a busy and fast moving independent practice, you need an operational plan (including modern technology and processes) that helps you avoid mistakes and distractions, allowing time to focus on providing outstanding patient care.



You need to know your practice

To run a successful independent practice, you need to understand the health of your business. This includes knowing how to measure your operations against other similar practices as well as against industry averages.



You need to look for right-sized resources

You're not a big hospital or large medical group. So you shouldn't be using resources built for one. Instead, use resources purpose-built for the workflows and staff needs of a smaller practice. Right-sized means created without all the bells and whistles you don't need and offered at a price you can afford.



You need to be patient-centric

As an independent practice, you are highly focused on the needs of your patients. It's smart business as patients are increasingly acting like consumers—with more choices and tools to evaluate providers and practice staff. You need features that allow you to engage with your patients during the visit and to build loyalty in between visits.



More than half of all independent physicians say that their top goal is managing their practice more efficiently or cost effectively.² At the same time more than one-third say practice growth is very important.³ So how can you grow to serve more patients while keeping costs in check? How do you give great care and get paid every dollar you are owed?

It's not always easy to be your own boss, but it is a lot more rewarding. And there are some ways to make it easier and increase your chances at successfully running an independent practice.

Here are eight ways to keep your name on the door:

- 1 Keep Your Finger on the Pulse
- 2 Get Integrated
- 3 Go Paperless
- 4 Be Mobile
- 5 Automate Your Billing
- 6 Collect Patient Payments
- 7 Shine Online
- 8 See Patients As Consumers

“Digital technologies that enable real-time claims management and payment, automate dictation and coding, and improve physicians’ communication with each other and with patients could lower overhead costs and enable more efficient practice.”

Jeff Goldsmith, Ph.D., Associate Professor Public Health Sciences,
University of Virginia – *The Future of Medical Practice: Creating Options
for Practicing Physicians to Control Their Professional Destiny*

2 Med Data Group
3 Great American Physician Survey



1 - Keep Your Finger on the Pulse

Do you know how your practice compares to your peers? Are you doing as well as possible? There are key performance indicators (KPIs) you can use to ensure that you are doing as well as you could be. And there are ways to track the results of your efforts to grow your practice. To be successful today you need to know exactly where you are, where you are going and how to adapt.

Keeping your finger on the pulse requires the tools to get you the right data in the right format at the right time.

Ideally, you need: 

1. A dashboard that provides easy-to-manage tasks so you can stay on top of getting paid
2. In-depth reporting tools and billing analytics that show you exactly how you are doing
3. The ability to access your tasks and reporting from anywhere at anytime

Once you know where you are you can set goals to improve. Here are some industry standard best practices you can shoot for:

1. Less than three days from time of service to claim submission
2. Average days in A/R less than 40
3. 85-90% of claims paid in 45 days or less
4. No more than 15% of A/R over 120 days
5. Total unpaid claims less than 4%
6. Denial rate of 4% or less
7. Net collection rate of 96% or better

By improving the overall efficiency in your practice through automation and mobility, you get to know the true health of your practice. Then, you can work to achieve metrics like these.



“We were floundering, we had no way to track anything, or see a picture of our financial health. Since we began using [our software], we have significantly reduced our overhead related to scheduling and claims processing, we are receiving claims payments in as little as five days and are reaping the benefits of knowing trends and statistics through its superb built-in reporting.”

Kate Lewis, Co-Owner, The Speech Path

How Are You Doing?

How well do you know your practice?

Ask yourself these questions:

- ☒ Do you know your basic KPIs like days in A/R and denial rate?
- ☒ Are you getting your claims submitted fast enough?
- ☒ Are you collecting everything you are owed

If you answered “NO” to these questions, you could benefit from better reporting, task management, and tools to streamline your processes.

2 - Get Integrated



4 BlackBook

Are you still logging into multiple systems to manage your practice? Or entering patient data more than once? Then you are probably losing time and money that could be more useful somewhere else.

It's time for an upgrade, but make sure it's the right upgrade. Here are some critical things to consider when choosing or updating your software:

1. Look for complete data integration. There is no reason to enter information into multiple systems.
2. Choose an end-to-end platform that meets all your practice needs. You need a single patient database and the ability to manage your scheduling, billing, clinical documentation, patient communications, and practice marketing.

3. Make sure it is right-sized to your practice. There are plenty of things that a hospital or large multi-specialty enterprise needs that a smaller independent practice does not. You don't have time to wade through the extras to get what you need. Look for a platform designed for practices like yours.

[A seamlessly integrated platform can make life easier for everyone in your practice.](#)

For several years, the research group BlackBook has been asking practice managers and physicians about the potential impact of a platform like this. Their most recent survey confirms that 90% of practice managers believe that an innovative, seamless RCM/PM/EHR system would ensure long-term practice independence, and greatly improve productivity and profitability.⁴

“There’s a battle being waged in health IT. If you’ve seen the latest feature grids comparing medical software, you know what I mean—page after page after page of product features. You’d have to have a photographic memory to be able to truly compare products with a list that long because no one can remember them all. What’s worse is that the majority of these features simply aren’t relevant to most independent practices.”

Dan Rodrigues, Founder and CEO of Kareo

How Are You Doing?

Are your practice processes seamless?
Ask yourself these questions:

- Can you get the information you need and complete critical tasks in a single system?**
- Does your software have exactly what you need and not a lot of stuff you don’t?**

If you answered “NO” to these questions, it might be time to upgrade to a right-sized, integrated platform.

3 - Go Paperless

When it comes to being paperless, healthcare has been a little behind the rest of the world. Most people now receive and pay paperless bills and board planes with digital tickets. For better or worse, we communicate via text and email and not letters and postcards. The reason is that paperless is faster, more efficient, and cost effective.

A recent survey showed that patients have similar expectations of service from healthcare providers as they do from non-healthcare providers.⁵ To some degree that means changing with the times and moving into the digital age to meet their expectations. But



it isn't just about what patients want. Automating your practice will improve your bottom line.

You can eliminate paper in almost every area of your practice and automate many common tasks, freeing staff to focus on the things that can't be automated. 

⁵ McKinsey.com
⁶ healthaffairs.org
⁷ MGMA

From scheduling to Workers' Comp claims to prescriptions to bank deposits, you can go paperless. You can reduce a wide range of tedious manual tasks like printing and mailing claims, duplicate data entry, and unnecessary phone calls.

The financial benefits can be substantial. One study estimated that a practice that uses billing and EHR software can increase revenue by more than \$30,000 a year per provider.⁶ Add text and email reminders and you can factor in another \$25,000 in revenue per provider per year. Paper charts alone cost as much as \$8 per chart. Total Healthcare for Women, an independent Ob/GYN in Texas, estimates they cut their charting supply costs by nearly \$5,000 a year with their EHR.

Then there are all the time savings and efficiencies that are gained. When you automate tasks like claims submission or use electronic prescribing and lab ordering, you free staff to focus on more complex tasks like working denials. Only about one third of practices follow up on denials.⁷ The rest just let that money go. Your staff shouldn't be printing and mailing claims or statements and answering unnecessary phone calls about prescriptions when they could be working denials and getting you paid.

“One of the biggest pluses [of the EHR] has been no more lost charts. I used to walk around looking for charts all the time and we had stacks of records everywhere.”

Eric Pokky, Practice Manager,
Total Healthcare for Women

How Are You Doing?

Could you benefit from a paperless office? Ask yourself these questions:

-  How much are you spending on supplies each month? Paper, charts, fax, printers, stamps, etc.?
-  How much time is your staff spending on the phone with patients, pharmacies, and labs each week?
-  How much money do you write off each year because of denials or rejections that were never followed up on?

If the answer to all of these questions is “too much”, then it's time to go paperless and automate your practice.



4 - Be Mobile

Two-thirds of Americans own a smartphone.⁸ Most people use mobile devices every day to communicate with friends, make purchases, or find a restaurant. Your mobile device offers more than just convenience and entertainment. It can make your work life easier and more rewarding.

Every member of your practice staff can now use mobile solutions to manage their workflow. 

Physicians can sit with patients and engage them in their visit as they quickly tap and swipe through a template or dictate on an iPad. Not only does this end the age of swivel chair fatigue, it allows providers to look patients in the eye. You can easily show the patient a trending graph for blood pressure or BMI or watch a short video on a procedure. Mobile devices also allow physicians to manage tasks on the go. You can check things off your to-do list while moving between visits. No wonder physicians who use mobile EHRs report high satisfaction.⁹

For practice managers and billers, mobile allows anytime anywhere access that enables them to work from virtually any location. In the same way a physician sometimes needs to access a chart when away from the office, administrative staff sometimes need to access financial information. Mobile allows them to do just that.



“I carry my iPad with me and often use it to quick reference labs with patients—I just pull it out and we look at bloodwork, discuss an MRI, or review whatever testing I’ve done. Sometimes, we’ll review notes and treatment plans on it. My assistant also uses it when she takes vitals, and enters the data there. The easy access through the iPad has made everyone at our office more efficient.”

Aldo Scopelliti, MD

How Are You Doing?

Could mobile improve your workflow?
Ask these questions to find out: 

- ☒ Are you spending more time looking at a monitor than at patients?
- ☒ Do you spend too much time trying to complete tasks after hours?
- ☒ Are staff stuck at their desks with no flexibility to access work from home or the accountant’s office?

If you answered “YES” to these questions, then it’s time to get mobile to improve your workflow.

⁸ PEW Research Center
⁹ Software Advice EHR Report

5 - Automate Your Billing



There are two things that keep your practice open—seeing patients and getting paid. And the truth is that getting paid has many challenges. Improving reimbursement was named the top challenge by nearly 20% of independent practice owners.¹⁰ From gathering the right information at scheduling to accurately coding the visit to tracking the claim, there are a lot of places where things can go wrong. Add to that the constant industry changes like ICD-10 and it can get pretty overwhelming.

¹⁰ Great American Physician Survey

¹¹ BlackBook

¹² ClaimRemedi, Inc. vis CPCA

The more you can automate and use best practices, the better chance you have of getting paid quickly and correctly. 

Eighty-nine percent of physician practices agree that their billing and collections systems and processes need upgrading.¹¹ The first step is to find a solution that can automate billing from end to end, eliminating as many places where errors occur as possible. Automate eligibility verification, use an EHR or electronic charge capture to submit an electronic superbill directly to your biller, scrub 100% of claims, and track claims from submission to payment.

Using billing tasks and features like no-response claim tracking can help ensure that no claim goes unpaid or underpaid. To ensure accurate payments, keep fee schedules up to date and use electronic remittance advice to post payments electronically. Underpayments result in a 7% loss of net revenue for the average practice,¹² but it doesn't have to happen in your practice.

If managing all this in-house has become too much of a burden, then consider outsourcing. A good billing service can provide skilled, highly trained billers who know your specialty and all the best practices to get you paid.

“Our practice is much more efficient, and I have more time to concentrate on other practice management tasks as the ease of flow from the EHR to the billing software enables me to accomplish, review, and get the billing done in a more timely manner without having to worry about resubmitting claims.”

Cynthia Willette, Office Manager, Haight Pain

How Are You Doing?

Are your practice processes seamless?
Ask yourself these questions:

- ☒ **Do you know what happens to your claims after you submit them?**
- ☒ **Are you sure you are getting paid what you are owed by your payers?**

If your answer is “NO” then it might be time to upgrade your billing software or service.



6 - Collect Patient Payments

Patient-due amounts now make up 35% or more of your practice A/R, but only one-third¹³ of patient dollars are being collected up front. Once a patient leaves your practice, your chances of collecting all that you're owed goes down dramatically. After 90 days you will only collect 50%.

Improving patient collections can have a big impact on your long-term success. By collecting more up front and automating your collection process, you can significantly increase payments and reduce time in A/R.

The ideal patient collections process should look something like this:

1. Create a patient financial policy and ask all patients to sign at their first visit and every year thereafter.
2. Verify eligibility at least once for every patient before every appointment, and ideally more than once.
3. Collect copays and any outstanding balances at check-in. If information is available to help collect deductibles, co-insurance, or an estimated payment, collect that as well.
4. Set up credit card on file to process payments up to an approved amount. For example, patients can sign an

authorization for you to charge up to \$150. Once the patient due amount is known, charge the card, and send an electronic receipt.

5. When credit card on file isn't an option, send an electronic statement as soon as the patient due amount is known with a link to pay online.

[Automating patient collections, especially payments with credit card on file, can significantly reduce your cost of collections.](#) 

Some experts estimate that just credit card on file can reduce collection expenses to under 5% and reduce average days in A/R to <35.



“It cost about \$2 per patient statement for me to do it manually and we weren’t getting as many payments. The cost [electronically] is less than half that and we’ve seen an increase in payments and shorter turnaround time.”

Estee Pummel, Billing Manager,
Lifestyle Eye Center

How Are You Doing?

How is your patient collections process?
Ask yourself these questions:

- ☒ **Do you collect at least 90% of copays at check in?**
- ☒ **Do you send out statements as soon as you know the patient due amount?**

If you answered “NO” to these questions, then it’s time to upgrade your patient collections processes.

¹³ availability.com

7 - Shine Online

Whether you know it or not you already have an online reputation. You are listed on rating and review sites across the web. What those sites say and how you present yourself on the web are more important than ever. The majority of patients—84%¹⁴—say they use online reviews to evaluate healthcare providers.

Taking control of your online presence and learning how to shine online is critical to keeping your current patients and finding new ones. 

Here are four keys to maximize your online presence:

1. Create a website that is actionable and engaging. Patients are more loyal to a provider who offers a patient portal, and many patients say they want online scheduling and secure communication with their doctor.¹⁵
2. Set up social media accounts to interact with patients outside the exam room. According to Forbes, some practices are gaining as much as 20% of their new patients from online publishing, including social media.¹⁶ You need to be there, and be active. Post regularly, respond to patient comments, and be sure you share reviews as well.

3. Claim your online listings and make sure they are accurate and up to date. In the old days, you had to do this manually, but today there are solutions that will do it for you. When you get your listings up to date, you improve your search rankings as well.



4. Generate more positive patient reviews online. No one likes to ask for reviews, especially not healthcare providers. However, you need them to improve your search rankings and appeal to new patients who find you online. Using marketing automation software to follow up with all patients after their visit allows you ask for reviews and then syndicate positive reviews to multiple sites easily.

Dr. Scott Kramer used marketing automation to generate 251 positive social media reviews over 36 months, and his reviews are read three to five times per day and generate an average of one potential patient phone call per day.

How Are You Doing?

How is your online reputation?
Ask yourself these questions:

-  Do you know if you have ratings on reviews online? Are they good or bad?
-  Can potential patients find you online and schedule an appointment?

Is the answer to these questions “NO” or “I don’t know”? Then it’s time get some help with your online presence.

¹⁴ Software Advice
¹⁵ Medical Economics
¹⁶ Forbes



8 - See Patients as Consumers



What patients expect from a healthcare provider has changed dramatically in recent years. More than 50% of patients say they value great customer service in a healthcare provider.¹⁷ Many patients have indicated a preference for increased convenience and access through email and text communications, online scheduling, social media, and more. And these aren't just things they think are nice, they would consider switching providers to get them.

Luckily, enhancing patient engagement has benefits for your practice, too. Nearly half of patients would like to have online

scheduling. Every appointment scheduled online eliminates a four-minute phone call into your practice, freeing staff to focus on the patients at the front desk.¹⁸ Reduce phone calls even more with secure electronic communication with patients.

Saving time is great, but these features can also increase revenue.

Patients want text and email reminders. Using them ensures patients show up for the care they need and reduces your no-shows by up to 50%. Preventing just one no-show a day results in \$25,000 in revenue per year.

You can improve the patient experience by providing the tools patients are looking for like online scheduling, email and text communications, a secure portal, and more. And it doesn't have to be at a financial loss.

If you aren't sure this is really what your patients want, ask them. Patient surveys are a great way to gauge patient experience and satisfaction and make improvements to your practice. You might be surprised by what you learn and how that knowledge can impact your success.

“In a short time, we have seen our no shows drop 70-80%, and I’m gaining direct visibility into the patient experience.”

Daniel Soteldo, Practice Manager,
Westgate Skin and Cancer

How Are You Doing?

Do you have a consumer-friendly practice?
Ask yourself these questions:

- Do you offer tools that enhance the patient experience like online scheduling, patient portal, and text communication?
- Are you getting the ratings and feedback you’d like to see in patient satisfaction surveys?

If you answered “NO” to these questions, it might be time to ask your patients what they want and give it to them.

17 McKinsey.com
18 appointment-plus.com



Conclusion

There's no question that these are challenging times in healthcare. Independent practices are in the best position to face these challenges and succeed because they are more nimble. Your practice can more easily and quickly make changes to adapt like upgrading or integrating your technology. And your size means you can also deliver the more affordable, personalized, patient-centric care that consumers demand and deserve. Don't be afraid to embrace change. Use the suggestions in this guide to help you get where you need to go to thrive.



About Kareo

Kareo is the only cloud-based and complete medical technology platform specifically designed to meet the unique needs of independent practices. Today we help over 35,000 providers run a more efficient, profitable practice while deliver outstanding patient care. In 2016, Kareo introduced the first technology solution that helps independent practices find more patients, manage their care with a fully certified and easy to use EHR, and get providers paid quickly – all in one complete and integrated platform. Kareo has received extensive industry recognition, including the Deloitte Technology Fast 500, Inc. 5000 and Black Book's #1 Integrated EHR, Practice Management and Medical Billing Vendor. With offices across the country, our mission is to help independent practices succeed in an ever-changing healthcare market. For more information, **visit www.kareo.com**.



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