

5 ESSENTIALS on how to STAY INDEPENDENT

How to choose an
EHR & PM partner
to maximize financial
performance



It's harder than ever to run a successful independent medical practice. As value-based reimbursement becomes more common along with the fee-for-service model, in order to receive payment, physicians will need to demonstrate clinical outcomes while providing seamless care.

“Physicians are under added pressure to care for more patients, while providing higher quality care at lower costs”



Practices must also figure out how to meet complex mandates, such as Meaningful Use, prepare for an influx of newly insured patients, and handle a rising proportion of self-pay patients—all while providing excellent patient care. Practices without a strong financial performance or organization may be unable to decide their own course and unfortunately, may find themselves unstable financially, with the need to merge or sell their practice to a hospital.

Many physicians become independent to go into business for themselves. They want better control over their schedule and future, or to not be controlled of others. At its core, remaining independent means directing the course of your future.

What does independence mean to you?

When remaining independent, it's important to acknowledge that independence may mean different things to different practices. For some, independence means staying competitive as a solo or small practice when there are major pressures to consolidate. For other practices, it means competing directly with hospitals by adding services at lower costs and greater convenience. Setting your own course and sticking to that plan is tougher than ever. Regulatory burdens, reimbursement cuts, revenue cycle management and malpractice costs are a constant challenge for independent medical practices.¹ What does independence mean to you and your practice?

- Practice on your own terms
- Full control over financial health and schedule
- Ability to make informed, strategic decisions that affect you personally
- Connected and integrated with hospitals while maintaining independence
- Flexibility to run your practice the way you want

After the passage of the Affordable Care Act (ACA), physicians are under added pressure to care for more patients, while providing higher quality care at lower costs. In the meantime, these factors need to be reached while practicing in an environment of increased reporting and potential liability, with declining reimbursement. In today's environment, independent practices face additional reform challenges.

Managed growth. Managing potentially crippling overhead, spiraling IT costs and the difficulty of retaining talent in an ever-increasing competitive landscape.

Changing payment models. As pay-for-performance reimbursement replaces the fee-for-service model, physicians need to demonstrate clinical outcomes and provide seamless care in order to receive payment.

Multiple mandates. Practices that want to avoid hefty penalties must attest to Meaningful Use Stage 2 and handle the transition to ICD-10 to ensure timeliness of claim payments.

New population of patients. According to the Congressional Budget Office, by 2016, the ACA is expected to reduce the number of uninsured by 25 million, with an increase of 12 million in Medicaid enrollment.²

Increased patient responsibility for payment.

With the implementation of online state health insurance exchanges, which came into effect October 1, 2013, practices must be prepared for a larger population of patients with high-deductible plans and self-pay liabilities.

“Physicians spend over 22% of their time on non-clinical paperwork”

Due to increasing administrative burdens, physicians today work the same number of hours, 53 hours per week, but earn less money. In a 2012 survey, the Physicians Foundation found that physicians spend over 22% of their time on non-clinical paperwork, and 62% of physicians said they provided \$25,000 or more every year in uncompensated care.³

Just as independent medical groups are struggling to stay independent, hospitals are in acquisition mode. Under new payment models, hospitals and healthcare systems are recognizing the need to capture referrals. Today, only about 40% of family doctors and pediatricians remain independent, according to the American Medical Association.⁴ If trends continue the way they've have, more than 75% of newly hired physicians will be hospital employees within the next few years, according to a survey by Merritt Hawkins.⁵

What practices need to stay independent?

Is it possible to remain independent and control the course of your practice in the new healthcare environment? The answer is yes. It is possible to not only survive, but also thrive, as an independent medical practice. The one caveat, you need comprehensive EHR and practice management (PM) systems in place to have the best opportunity to succeed.

The five essentials on how an EHR will help you stay independent include:

1. Strong financial performance
2. Competitive edge
3. Connectivity & clinical integration
4. Improved practice efficiency
5. Adaptability to change



#1 Strong financial performance

Independent practices need to maximize efficiency and financial performance and be prepared to handle new methods of reimbursement.

Traditional revenue cycle management solutions are not sufficient to meet the demands of practices in a new, value-based healthcare system. New models of reimbursement require that revenue cycle software track and submit cost and quality data, as well as receive and appropriately distribute compensation based on practice performance. In addition, independent physicians may not be able to maintain the efficiency and profitability of their practices while keeping pace with reform. It's no longer feasible for staff to spend hours sorting through changes enacted by commercial and government insurance payers, tracking claims and managing appeals—all while giving patients the attention and care they require.

Streamline administrative responsibilities

Independent practices should look to a practice management partner with both front-end and back-office knowledge and support that can be seamlessly integrated into the workflow of the practice. This allows physicians and staff to streamline their administrative responsibilities, boost productivity and focus on patient care. The right vendor partner should handle tasks such as patient scheduling, claims submission and tracking, and automatically research and implement real-time updates to payer rules, using their own staff and data to drive improvements for everyone in their network.



#2 Competitive edge

As an independent practice, you must be an attractive choice for patients and referral partners. In addition to a strong financial performance and clinical outcomes, you must promote a culture of patient engagement.

Creating an innovative, patient-friendly environment

There is not enough time and resources to perfect and perform innovative outpatient procedures, and not enough visibility into practice data to convince payers to reimburse for certain procedures.

Cloud-based services give physicians more time to pursue ongoing training and to perfect innovative procedures in an outpatient setting. Robust practice data helps convince payers to reimburse for new procedures. Cloud-based software gives you the tools to know where your practice can save money with the data to back up those claims. This is a huge competitive edge.

And having more time and financial stability allows you to add even more new procedures, such as advanced surgeries and outpatient procedures.

Patient engagement is a goal of major healthcare reform initiatives including Meaningful Use, PCMH and ACOs. For example, Meaningful Use Stage 2 will require providers to enable patients to view online, download and transmit their health information. Providers must also use secure electronic messaging to communicate with patients. Failure to meet these measures will result in penalties. Practices that achieve the threshold for these measures will be eligible for incentives.

“Cloud-based software gives you the tools to know where your practice can save money with the data to back up those claims.”

Streamline administrative tasks

The right technology and services are central to successful patient engagement. Patient portals enhance patient-provider communication and enable patients to check test results, refill prescriptions, view educational materials and review their medical record. Patient portals streamline administrative tasks such as registration, scheduling appointments and patient reminders. Cloud-based technology allows practices to generate electronic statements and facilitate online payments. In addition, a patient portal that supports live operator and automated messaging can foster better patient retention and loyalty in the face of increasing competition. Together, technology and patient communication services can help satisfy patients who

demand convenient, 24/7 access to their health information, and can increase revenue with more efficient self-pay collections and incentive payments for meeting Meaningful Use Stage 2 requirements.

It is also important to consider how easy it is for referral partners to do business with your practice. Cloud-based services offer a single, shared instance of software, which is continually updated to provide the latest advances in technology. These kinds of solutions provide an instantly updated, streamlined order process for your clinical partners. In addition, your practice gets full visibility into order patterns and patients get better care.

#3 Connectivity and clinical integration

One of the driving forces in healthcare reform is the lack of coordination among providers.

One study found that in 49% of referrals, the receiving physician was given no information, and in 55% of referrals, the ordering physician received no information back from the receiving physician.⁶ Lack of care coordination can result in fragmented healthcare, treatment errors, preventable hospital readmissions and unnecessary costs.

Some independent practices assume that sharing patient information effectively requires providers to be on the same EHR. This is not the case. Integration and exchange of data is critical, but doesn't mean giving up independence to join a hospital's EHR.

Independent practices have great options for giving providers the right patient information, allowing for choice and independence, and enabling interoperability among affiliated entities. Cloud-based, service model solutions can meet these types of requirements. Cloud-based systems are strong enablers of interoperability among a wide range of systems.

- All information is stored in a secure site and accessed via the Internet
- The cloud partner has care management system to blend data from multiple sources
- Creating interfaces for participating providers is more cost effective

“Independent practices have great options for giving providers the right patient information and enabling interoperability among affiliated entities.”

Achievement of quality care goals

An electronic connection needs to be built only once from the platform to each trading partner. Cloud-based solutions enable a single source for appropriate users on the network. Independent practices can choose the EHR that works best for them while benefitting from true integration with vendors, partners and others in the network. Connectivity and data exchange enable independent practices to meet payment reform requirements, cut costs for duplicate testing and redundant care, and ensure that physicians have the data they need at the point of care, to achieve the quality care goals some payment reforms will set.

#4 Improved practice efficiency

Cloud-based services give the needed flexibility to review charts or renew prescriptions anytime from a laptop or mobile device.

What's more, a partner that can take care of all administrative work, that otherwise would keep a physician away from their patients and their family, helps increase practice efficiency.

How to succeed under risk-based payment reform

Improved practice efficiency does not have to mean formally joining an ACO or other risk-based quality program. But no matter what, independent practices must focus on improving quality and efficiency to ensure they continue to be competitive and receive referrals from ACOs and other risk-based entities in their region. To do this, physicians who want to remain independent need the right tools for tracking patient outcomes and provider performance, coordinating care and managing payments from a risk-based contract. Independent specialists need to be attractive to those operating in a risk-based environment by becoming quality-focused, low cost providers.

To succeed under risk-based payment reform, independent practices need:

- An EHR that streamlines workflow for the practice, gives providers access to evidence based guidelines, and offers intelligent work delegation to maximize practice efficiency.
- Secure communication and interoperability with multiple clinical partners, including seamless and secure data exchange with local ACOs, to meet care coordination requirements.
- Health information technology that facilitates tracking and monitoring of patients both within and outside the practice, so practices can measure and report on patient outcomes. Future reimbursement will be linked to patient outcomes and care quality.

#5 Adaptability to change

Change will happen. It's one thing that is certain in the current healthcare environment. Independent practices need to be ready to adapt to new payment models, new clinical care models, declining reimbursement and initiatives such as Meaningful Use and transitioning to ICD-10.



Optimizing clinical and financial performance is critical for building a thriving independent practice. A static practice will not survive. The key to thriving in the current environment is by partnering with a flexible, robust cloud-based EHR and PM system. This partnership will allow you to anticipate and stay on top of new requirements without a large and ongoing investment.

Cloud-based service partners that align their incentives with yours are best positioned to help steward you through all the changes to come. They offer built in, behind-the-scenes support to research and anticipate changes without extra cost.

Capture new revenue opportunities

You need the people, processes and resources of a partnership with an EHR and PM supplier. Resources are already in place to optimize collections, eliminate workflow inefficiencies, aggregate disparate data and provide deep visibility into your business processes, clinical activity and referral patterns. Your practice has access to advanced data to capture new revenue opportunities, along with industry benchmarks and best practices, which help your practice run at its full potential. You get better visibility and transparency into business processes, with targets for improving your organization's workflows and cash flows, translating into increasing value over time.

The successful independent practice of the future needs tools and services to help manage growth and support efficiency, care coordination, patient engagement and the transition to value-based payment models. Practices should look for a partner whose incentives are aligned with theirs, and offer cost-effective, flexible and robust solutions to stay independent. A partner should offer cloud-based services, including a combination of software, clinical knowledge and back-office support, with low upfront costs. A good partner has the capability of helping your practice adapt to future payment models and continues to stay updated on industry changes.

One such product to assist practices with an advanced reporting suite is AdvancedInsight™ by AdvancedMD. Private practitioners can make informed financial decisions based on accurate, real-time data to gain a 360-degree view of your practice's financial health. AdvancedInsight lets you uncover hidden

revenue opportunities in your Big Data. Historically, only hospitals and other enterprise-level systems have been able to tap into Big Data to gain business intelligence. Access AdvancedInsight for more information.

Benefit from best practices to avoid common mistakes

Your practice will benefit from best practices within the extensive network of independent practices that an EHR and PM partner has. Each of their customers add intelligence about payer standards, denials, pay for performance opportunities and many other reimbursement issues, allowing all practices within the network, to maximize reimbursement and avoid common mistakes.

What to look for in a patient portal supplier:

- User-friendly features, including online bill pay, secure messaging and patient registration
- Built to optimize your practice
- The right balance of online, live and automated services
- Compliant with new mandates, including ICD-10 and Meaningful Use Stage 2
- Integration with your medical billing and EHR systems
- Low up-front costs and low financial risk
- Easy and continuous upgrades
- Excellent training and ongoing support

The more participants there are on the network, the smarter the entire system gets. Due to the size and scale, a cloud-based service can take costly administrative work away from you and either automate it or execute it at scale, to reduce your costs and overhead. Additionally, a partner will offer highly knowledgeable experts, including healthcare professionals and project managers, to advocate for practices and share information. Cloud-based services, with a combination of software, knowledge and back-office support, help practices stay independent.





Intelligent division of labor.

With a co-sourcing approach, your partner works on behalf of your practice. You can offload the burdens of tasks like patient scheduling, billing and denial management, while benefitting from built-in, behind-the-scenes support to research and anticipate changes such as Meaningful Use and ICD-10 conversion.

Continually updated software.

The cloud-based partner offers one version of software, continuously updated across the network. Fresh information is embedded directly into the user's workflow. Without added cost, your practice has access to expert research to capture new revenue opportunities, along with industry benchmarks and best practices, which ensure your practice is running at its full potential.

Low upfront costs.

Cloud-based software has no hefty licensing fees, no costly upgrades and no maintenance fees. What's more, it should be continuously updated at no extra charge.

Painless efficiency.

A cloud-based service can embed updates into workflows where they are easy for staff to capture or act on. This means information is available within the workflow to allow providers to make high value, high quality clinical decisions at the point of care. In addition, the cloud-based network can continually update and revitalize workflows based on industry best practices or new standards and guidelines.

On-demand data.

Data ties into every aspect of payment reform. Cloud-based solutions provide more than just data reporting. They give your practice actionable insight into your financial performance and your population's health. This allows your practice to identify patients for outreach, intervene to improve health and reduce utilization, and track compliance and performance against contractual quality goals and published guidelines—all required for success in value-based payment models.

They listen to you.

A vendor partner is a true partner when they regularly solicit your feedback on how they are performing, through NPS and transactional surveys. Another popular method is if they have an internal customers-only online forum, allowing you to submit your ideas on what you need to improve your practice.

Conclusion

EHR and practice management software are critical components to improving the financial performance of your practice.

Moving your practice to the cloud will liberate you from the burdensome hidden costs of client-server software ownership while improving the way you practice medicine. The powerful AdvancedMD all-in-one software suite replaces 5+ systems and harnesses the power of cloud technology to create a modern, private practice with improved financial performance. Learn how AdvancedMD will maximize your financial health by delivering the freedom and flexibility of life on the cloud.

AdvancedMD resources

About AdvancedMD. AdvancedMD is a leader in all-in-one cloud electronic health records (EHR), practice management, medical scheduling, medical billing services as well as a pioneer of Big Data reporting and business intelligence for small, independent medical practices. As one of the earliest providers of cloud-based medical office software, AdvancedMD offers speed and cost savings related to software upgrades that are automatic and inclusive with a monthly subscription. AdvancedMD proprietary claims scrubbing produces 95%+ first-pass acceptance compared to the industry average of 70%. AdvancedMD EHR, certified as a Complete EHR under Meaningful Use 2 requirements, provides the independent physician with clinical solutions to manage patient care from anywhere with improved workflow efficiency and operational control. Clients receive automatic and offsite backup, as well as ongoing updates to meet regulatory compliance. For more information, visit advancedmd.com.

7 ways the cloud can elevate your practice. Learn the seven ways cloud technology lets physicians build high-performance private practices capable of handling the demands of the ever-changing healthcare landscape. This guide identifies the basics of cloud software and why it is an effective solution for [eliminating the hidden costs of supporting in-house software](#).

The EHR switch prep plan. Many practices are finding that their first EHR system lacked the functionality and vendor support to help them meet Meaningful Use requirements, prepare for ICD-10 and streamline workflow. Although EHR shopping can seem daunting, providers can't waste time with an EHR that simply doesn't work for them. If you are considering an EHR switch, read our Prep Plan, which will provide you with tips for a [better EHR shopping experience this time around](#).

Learn why medical practices love AdvancedMD. You need medical office software that allows you to do more... [that's why we built AdvancedMD](#).

See why you'll love AdvancedMD. [Schedule a no-commitment personalized demo](#).

¹ The Physicians Foundation. October 2010. Health Reform and the Decline of Physician Private Practice. www.physiciansfoundation.org

² Congressional Budget Office. "CBO's May 2013 Estimate of the Effects of the Affordable Care Act on Health Insurance Coverage," Table 1.

³ The Physicians Foundation. September 2012. A Survey of America's Physicians: Practice Patterns and Perspectives. www.physiciansfoundation.org

⁴ Goodnough, A. March 2, 2014. "New Law's Demands on Doctors Have Many Seeking a Network." New York Times. <http://www.nytimes.com/2014/03/03/us/new-laws-demands-on-doctors-have-many-seeking-a-network.html>

⁵ Zamosky, L. April 25, 2013. "Independent Physician: 6 steps you can take to remain independent—for now." Medical Economics. <http://medicaleconomics.modernmedicine.com/medical-economics/content/tags/independent-practice/independent-physician-6-steps-you-can-take-remain>

⁶ "Coordinating Care – A Perilous Journey through the Health Care System," Thomas Bodenheimer, M.D., The New England Journal of Medicine, March 6, 2008, p. 1065.