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**Strategies for
Financial Success**

IMPROVE YOUR PRACTICE'S FINANCIAL WELLNESS
WITH A STRATEGIC PLAN OF ACTION

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Strategies to help you prepare for long-term financial strength and sustainability

The strength of your revenue cycle is vital for long-term financial sustainability and influences all parts of your practice. It is critical to understand how to strengthen the revenue cycle and create a plan for success.

This strategy guide helps you prepare for a healthier revenue cycle through best practices.

Backed by our team of Revenue Cycle Experts, our proactive strategies keep the synergy of **People, Processes, and Technology** at the forefront of your operations.



Practice Assessment

EVALUATE YOUR PRACTICE'S PERFORMANCE AND OPERATIONS



Pro Tip

Consider certification through the American Academy of Professional Coders (AAPC) or the Medical Group Management Association (MGMA)

Analyze last year's metrics

A thorough analysis helps you identify problem areas and trends and quantify the impact. Meaningful data helps establish your baseline and measure progress.

When reviewing your year-end reports, ask yourself:



1. *What trends do I see? For denials, adjustments, and write-offs? Unapplied credits (especially patients!)?*
2. *What impacted these results?*

Review workflows

It's important to align **People, Processes, and Technology**. Analyze your current workflows and make modifications if needed to ensure process optimization and appropriate alignment with staff.

Evaluate staffing

Do you need to realign your staff to capitalize on their skills? Review your staff and evaluate their skills and make sure their current roles are best aligned with the business needs.



▶ Define Goals

CREATE SIMPLE AND SPECIFIC GOALS TO BE ON TRACK FOR BETTER FINANCIAL HEALTH

Define Goals

Goals allow to focus on the most critical areas and provide clear direction for your staff.

Begin with a verb

Starting your goals with actionable words focuses the mind on **being proactive**. To help structure your goals, refer to the *SMART Goals* listed on the right.

Use clear, specific wording

Establish clear, concise goals to encourage everyone in your practice to work towards the same outcomes.

Focus on *what*, not *how*

When defining goals, focus on accomplishments. Keep the goal's details precise and actionable!

SMART GOALS



Specific

What do you want to accomplish? Who is included?
When does this goal need to be accomplished?



Measurable

How will the goal be measured?



Attainable

Is the goal realistic and achievable?



Relevant

Is the goal related to your organization's business objectives?



Timely

When do you want the goal to be fully accomplished?
What are the milestones along the way?



Define Goals

Limit the number of goals

Choose goals with the most impact as time and energy are limited. They should inspire and motivate teams; too many goals can be overwhelming and discouraging.

Communicate the goals and the why

Everyone should be aware of the goals and understand how they relate to the company's mission.

Make it personal

Goals should be personal for each team member. Ask yourself: How will achieving these goals positively impact the individual and their role?

Did you know?



Over 1,000 studies repeatedly demonstrate that **setting high and specific goals is linked to increased task performance, persistence, and motivation, compared to vague or easy goals.**





Establish Key Performance Indicators

DEFINE THE METRICS THAT WILL DRIVE YOUR PROACTIVE STRATEGIES

Establish Key Performance Indicators

Prioritizing your practice's financial health should be top of mind to proactively maintain a healthy revenue cycle. Keeping a constant pulse check on your revenue cycle is a healthy habit and tracking and monitoring several key performance indicators (KPIs) is the answer.



Days in accounts receivable (A/R)

Total A/R

(Annual Charges/365)

Days in A/R will show you the **efficiency** of your revenue cycle and billing operations.

Best practice:

- Preferable: [30 to 40 days](#)
- Minimum: below 50 days



Aging periods

A measure of A/R rollover (aging rate) **that shows outstanding claims** by breaking down claims based on the number of days they've been in receivables.

It can vary based on specialty, payer mix, and financial policy.

Patient and insurance A/R rollover at different rates. For example:

- Insurance: 0-60, 60+
- Patient: 0-90, 90+



Unapplied credits

Total Credits

Aged A/R

A measure of A/R offset and shows monies collected before a performed service.

Best practice: Review overpays and prepays to ensure insurance provisions and patient credits. By not providing credits back, you may run into compliance issues.

High credits often point to a poor workflow, especially within payment posting.



Revenue per visit

Total Net Revenue

Visits

Revenue per visit shows the average reimbursement for each patient encounter.

This metric is great for trending and comparing your practice to an industry benchmark.



Collections ratio

The Collections Ratio will show you **how much you are collecting** compared to your allowed charges.

Gross Collections:

Total Net Revenue

Visits

This shows payer and patient behavior with your charge master.

Net Collections:

Revenue

Charges-Adjustments

This shows payer and patient behavior with your contracts.



Proactive A/R Review

START LOOKING AT YOUR A/R WITH A STRATEGIC LENS

Proactive A/R Review

Once you've established the KPIs to track, it's time to strategize the best practices for a *proactive* review of your A/R.

- 1 Define the data to collect**

Describe the analysis and data required to create the KPIs. Data is a powerful tool for identifying problem areas and trends and quantifying their effects. It will also help establish your baseline and measure progress.
- 2 Be mindful of missing data**

Why is certain data missing? What can be changed to get that data moving forward?
- 3 Compare data to benchmarks and historical performance**

Benchmarking your performance against industry standards and best practices can help you evaluate your current position and desired level of performance. Additionally, tracking your historical performance can provide insight into your progress and trends over time.
- 4 Create a visual that is easy to understand and share with others**

Visibility, accessibility, and readability communicate data and share key findings. Staying aligned starts with a shared visual! Whether it is an Excel sheet or your system's built-in reporting, ensure you and your staff have access.
- 5 Set intervals for reviewing performance**

Regularly monitoring your practice's financial performance is crucial to stay aware of its overall health.



**Organize a Committee for
Ongoing Governance**

CROSS-FUNCTIONAL TEAMWORK FOR IMPROVEMENT

Organize a Committee for Ongoing Governance

Over the last few years, COVID-19 brought many unprecedented challenges. As practices are finding a new normal, now is the perfect time to review old policies, procedures, and workflows and set new goals for your practice.

Where do you begin? Start with bringing together your cross-functional teams in a ***Committee for Ongoing Governance***. Then, develop a general outline for the practice and begin segmenting the ideas under each team.



Pro Tip

Be sure to represent each team, including your business partners (like Greenway Health!). And celebrate your progress and wins **TOGETHER!**

How to Form and Maintain the Committee for Ongoing Governance

- 1 Build a dynamic committee**

Form an optimal cross-functional team by including members from the clinical, front office, and billing areas and possibly members from other departments.
- 2 Carefully choose members**

Effective and reliable team members will have certain valuable traits. Select people based on the following criteria:

 - **Personality** – Good communicator, trusting, relationship builder, consistently improves workflows, performance, and outcomes.
 - **Skill set** – Subject matter expert, knowledgeable on current workflows.
- 3 Capacity planning**

In what capacity will your committee operate? How many members do you need? How often will the committee meet? What will the agenda include? Make sure to establish all details for the foundation of the committee.
- 4 Leverage business partners**

Consider including your business partners as key members, as they contribute significantly to your business operations and can provide valuable expertise and consultation.
- 5 Celebrate progress!**

Besides getting down to business, celebrating progress and wins are great motivators and help to increase morale.





**▶ Checklist to Prepare for
Financial Excellence**

STAY ON TRACK TO ACHIEVE FINANCIAL EXCELLENCE

FREE TOOL

Preparing for Financial Excellence Checklist

Once your goals are complete, use a checklist with tasks, target dates, and responsible parties to keep everyone aligned and accountable. Make sure to keep the list visible so everyone can see the progress and identify any productivity gaps to help you adjust responsibilities and target dates to meet your goals.

Here are some tips to consider when using our handy checklist:

- **Target dates** – Be reasonable and create a realistic time frame.
- **Plan to adjust** – Be flexible to adjust when needed.

To help kickstart this process, download our *Preparing for Financial Excellence* checklist [here](#).

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Preparing for financial excellence for your practice is essential to drive an efficient revenue cycle.

Use this checklist to keep track of key tasks and to stay accountable for your practice's success!

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Preparing for Financial Excellence in 2023

Practice Name: _____
Committee Members: _____

PRACTICE MANAGEMENT	RESPONSIBLE PARTY	DUE DATE
SYSTEM - NEW RELEASES		
<input type="checkbox"/> Implementation of new functionality from 2022 new releases		
COMPLIANCE		
<input type="checkbox"/> Coding audits (quarterly or bi-annually)		
<input type="checkbox"/> HIPAA, OSHA and emergency preparedness annual refresher		
APPOINTMENTS		
<input type="checkbox"/> Analyze appointment type, appointment locations and no-shows		
<input type="checkbox"/> Update the no-show policy for 2023		
PATIENT FLAGS ADMINISTRATION		
<input type="checkbox"/> Manage, delete, add patient flags, and alerts		
MASTER CHARGE SCHEDULE OR FEE SCHEDULE		
<input type="checkbox"/> Compare the charge schedule to the allowables from larger payers and Medicare - increase where appropriate		
A/R LOOKUP TABLE		
<input type="checkbox"/> Review adjustment types - add or inactivate adjustment types		
PATIENT A/R		
<input type="checkbox"/> Update the 2023 policy on collection on time of service payments		
<input type="checkbox"/> Post the policy where it is visible to patients		
<input type="checkbox"/> Update patient balance and payment plan policy for 2023		
<input type="checkbox"/> Update Dunning messages on patient statements		
RECONCILIATION		
<input type="checkbox"/> Journal reconciliation		
<input type="checkbox"/> Visit or encounter reconciliation		
CLINICAL	RESPONSIBLE PARTY	DUE DATE
RECONCILIATION		
<input type="checkbox"/> Reconciliation of open orders, open task and unsigned documents		
TEMPLATES/FORMS		
<input type="checkbox"/> Remove inactive medications		
<input type="checkbox"/> Update or create favorites tabs in orders/charges		
HEALTH REMINDERS		
<input type="checkbox"/> Identify open care gaps at the point of care from patient summary		
<input type="checkbox"/> Use of IPA patient care reports for population broadcast messaging		
<input type="checkbox"/> Clinical alerts results for population broadcast messaging		



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