

MEDIUM LEVEL: MORE DETAIL FOR PRACTICES WHO WANT TO ADDRESS MOST PRACTICE AREAS

FINANCIAL CONSIDERATIONS

1. *Consider the Cash Needs of the Practice and Available Funding Sources*

As practices reopen, revenue and patient volume may increase slowly and unevenly.

Physicians should carefully consider their cash needs for reopening, and all available funding sources, both private (bank loans) and public (such as SBA loans or government grant funds).

2. *Address Accounts Payable*

Organize your accounts payable and develop a plan to repay any vendors to whom you deferred payment including rent, utilities, vendors, Centers for Medicare and Medicaid Services (CMS) advanced payments, or any other payor advanced payment or loans.

Maintain open lines of communication with payors and vendors that you may need to defer payments due.

3. *Plan to Meet Existing Obligations*

Practices should review contractual obligations from managed care payors, such as timely filing limits for claims and appeals, or submission of any encounter and/or quality data required.

It is also a good idea to check employment agreements, vendor contracts, and lease agreements.

Reviewing these agreements and contracts for any clauses regarding termination, late payments, late fees, interest, etc. can save bigger headaches down the road.

Maintain open lines of communication with payors and vendors on reporting or other obligations that you may not meet.

4. *Develop a Monthly Budget*

This will help on a go forward basis as things move to normal business.

Practices can identify what costs the most on a monthly basis and adjust, as necessary.

5. *Talk to Vendors*

If vendors know that the office is reopening, and will have revenue again, they may be willing to negotiate reduced rates, deferred payments or other considerations.

Practices should contact vendors and see what they are offering in the way of help with startup or re-establishment of the medical practice.

6. *Tackle Accounts Receivables Consistent with Ramping up Your Practice*

As the office reopens, practices should continue or re-start collection activity and implement an internal process to follow up on outstanding claims.

Office staff can pull financial reports (Insurance Aging, Patient Aging, Adjustment Report, ideally starting in the 60 day and older aging buckets).

The goal should be to make sure every claim has been followed up on covering patient schedules for the upcoming one or two weeks.

7. *Verify Patient Contact and Insurance Information*

When patients return to the office, their life circumstances may have changed.

Office staff should confirm patient contact information, including address and phone number.

Patient insurance eligibility and benefits should be checked to determine if eligibility is effective, or if copay and deductible amounts have changed.

If patients have an outstanding balance, practices can offer payment plans. It is important to communicate with patients at the time of confirming appointments.

8. *Analyze Revenue Streams*

Billing staff should understand the Days Revenue Outstanding (DRO), which is the average number of days it takes to collect on the practice's accounts receivable.

It is important to have an accurate understanding of revenue streams as payments may have been delayed, compared to past revenue trends, or incorrect due to payor delays in implementing telehealth requirements or other related factors.

Evaluate the necessity of the care based on clinical needs. Providers should prioritize surgical/procedural care and high-complexity chronic disease management; however, select preventive services may also be highly necessary.