



National Billing Partners Takes Cardiology Practice From Administrative Chaos to Financial Success

Background

A nine provider cardiology practice, in business for more than a decade, has become a successful practice seeing approximately 47,000 patients a year and generating close to \$11 million in revenue.

Challenge

Despite its success with patients, the practice struggled on the back-end with above average staffing turnover in the billing department, an outdated practice management system and inconsistent collections on accounts receivable.

One of the organizations largest hurdles was the turnover it saw in its billing administration. This constant turnover ultimately resulted in a lack of supervision, which led to further billing and collections process inefficiencies. In fact, in-house billing methods were costing the practice 12 percent of its total revenue.

On top of internal inefficiencies, the organization also faced external challenges with recent changes to Medicare reimbursement rates, which hit the cardiology specialty hard. The practice was now facing a significant reduction in its primary revenue streams as a result.

It soon became clear that complying with industry challenges while optimizing their revenue needs was beyond the company's core area of expertise. That is when the practice looked to a comprehensive billing, collections and practice management provider that could turn this company's financial struggles into cash flow success.

Strategy

Enter NBP, which was brought in to conduct an initial practice assessment that would determine the true extent of loss in revenue and potential for improved collections.

Following its initial assessment, NBP found the practice to be operating 40 percent less efficiently than its cardiology peers at the state and national levels. In fact, NBP determined the practice was leaving an estimated \$3 million uncollected annually.

A key factor contributing to the accounts receivable losses boiled down to a disorganized billing and collections process. In fact, the average claim was outstanding for 65 days with 40 percent of the total AR outstanding for more than 120 days.

With the first step of identifying the problem areas achieved, NBP took a comprehensive and personalized approach to improve and streamline the practice's revenue cycle management.



To do this, NBP conducted an in-depth review of the current billing process and identified the primary improvement targets. NBP began by bringing in a team to work internally to support and empower the existing staff. This direct initiative allowed the cardiology practice to catch up on outstanding and incorrectly billed claims, generating an immediate increase in revenue.

“Our clients routinely realize total insurance days in accounts receivable as less than 30, with amounts aging greater than 120 days comprising 10 percent or less of total receivables.”

~ Nancy Moore, President & COO, NBP

Once current on billing, NBP worked with the staff to improve overall accounts receivable management by identifying best practices and developing streamlined processes.

The NBP team then worked with the entire practice staff—including physicians and nurses, to update coding, improve insurance verification processes and implement internal system updates of the practice management system and electronic medical records (EMR).

NBP also provided recommendations in regards to insurance contract renegotiation and guided the practice through daunting federal and state insurance documentation requirements. Additionally, NBP worked with the cardiology partners to create financial projections for future practice operations to help the practice stay on track and achieve financial stability.

Results

By partnering with NBP, this cardiology practice was able to increase revenue, streamline operations and greatly improve overall efficiency.

The immediate action by NBP produced an instantaneous inflow of cash and reduced staff anxiety significantly. Within three months, the practice was able to decrease the average days a claim was in accounts receivable from 65 days to 32 and increase their collections by \$300,000. At the six month mark, the practice had reduced the outstanding balances in AR greater than 120 days from greater than 40 percent to 21 percent of the total accounts receivable.

By implementing best practices, this cardiology group was able to enjoy a collection ratio of 98.1 percent and reduce its in-house billing expenses to less than five percent of the practice’s total revenue. As a result of its partnership with NBP, the practice was able to turn financial chaos into cash flow success and allow the physicians to turn their focus back to their true passion— practicing medicine.