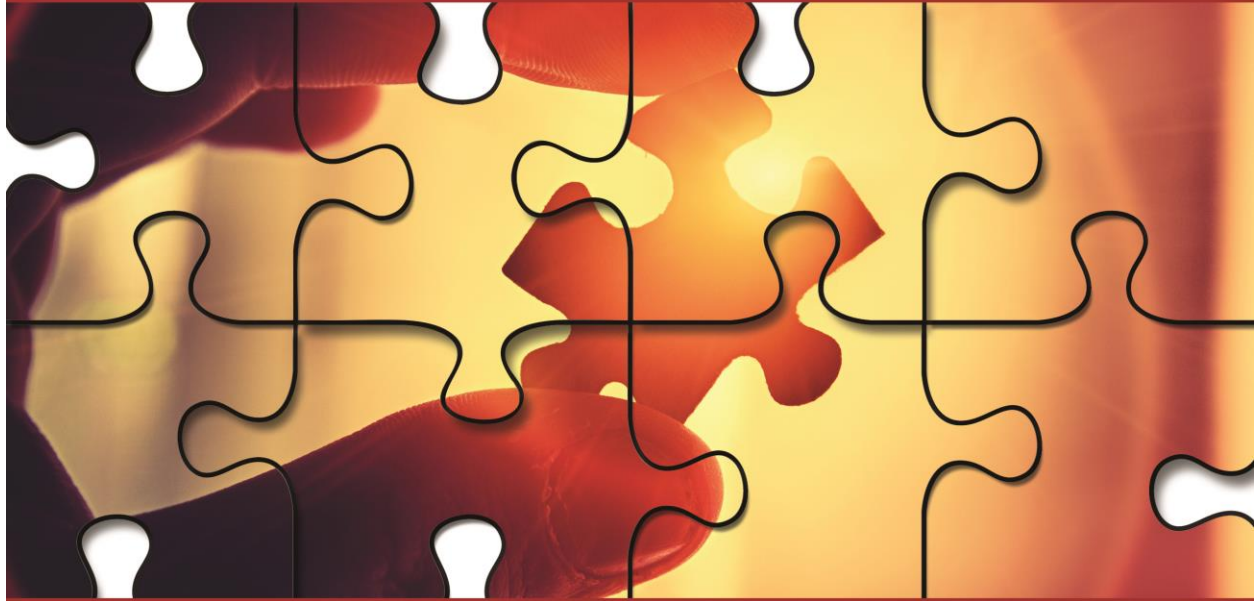




PUTTING THE PIECES TOGETHER: PREPARING FOR 2016 GI REIMBURSEMENT



Enhance Revenue Diversity

Paying close attention to your practice's efficiencies can keep your business operationally and fiscally healthy. Just as you monitor the vital signs of your patients, assessing and monitoring key operational aspects of your practice will help you better understand the status of your practice's financial health. Enhancing your revenue diversity by adding new service lines may be a solution to help maintain or improve your financial health.

Five Things to Consider for Enhancing Revenue Diversity

1. Adding new clinical service line(s) to your practice

Launching new clinical service lines in your practice may be a way to combat declining reimbursement and increased overhead costs. Before adopting new services into your practice, make sure that the services align with your mission, vision, and the types of services your practice offers and your patients need. Today's public appreciates the one-stop shopping model that avoids having to go to several places for additional services. The good news is that there are several clinical services associated with the practice of GI that your practice can investigate adding to its portfolio.

2. Determine the need for a service

The first step to determine the feasibility of adding a new clinical service line begins with an assessment of your market. Assess the need for the service by understanding the market demographics for this service in your area, access or convenience issues that cause gaps in services, and competition. Identify services that you are currently referring to other providers or health systems. Review and calculate the volume of these services. Consider these services as potential new clinical service lines. If the volume is high and the return on investment (ROI) is good, consider bringing the service in-house.

3. What GI services could I offer?

Be innovative when researching new clinical service lines and choose wisely. The most profitable new service line will align with the core services offered by your practice. Services that have been successfully integrated into GI practices include anesthesia, laboratory, pathology, motility tests, imaging services, anorectal manometry, and obesity management and nutrition counseling, to name a few. To minimize the risk of adding a new business line to your practice, research potential future reimbursement changes for the service. Typically, the success of adding a service is related to the ability to establish a low-cost environment with high throughput. Increased throughput typically drives down average cost and, therefore, increases average income.

4. Explore the financial aspects for a new service line

Before launching a new clinical service, it is important to develop a pro forma that will provide you with a financial picture for providing this service. Your pro forma should help you determine if this is a realistic service for your practice to offer. It should help you examine the revenue and expense for the new clinical service line or product. Revenue assumptions should not be made until you have completed a professional return on investment (ROI) calculation. Determine if the service is reimbursable by insurers in your area or if this will be a cash payment. Estimate and include all upfront costs to introduce the service. Will new equipment need to be purchased? Do you have the space to perform the service? Renovation and construction cost need to be considered and included in the pro forma. Project the type and number of staff you will need to perform the service. Make sure you have the capacity in your schedule to give ample time to manage the new service or consider hiring additional employees. Understand the ongoing expenses associated with the service such as medical supplies, space or equipment rentals, and maintenance of equipment. Lastly, calculate the return on your investment. Know how many patients you will need to use the new service for your practice to break even and show a profit.

5. Consider possible barriers and risks

National and local laws, compliance regulations and licensing requirements may impact your ability to launch certain clinical service lines. Before adopting a new clinical service, understand staffing credentialing, scope of practice, and other statutory laws for technicians or ancillary staff. Determine if Conditions for Coverage, Conditions of Participation or Certificate of Need (CON) regulations are a consideration for your service. Confirm that offering the new series does not violate any federal laws such as the Stark law that addresses self-referrals. Consult your healthcare attorney on the legal implications before incorporating a new clinical service line.