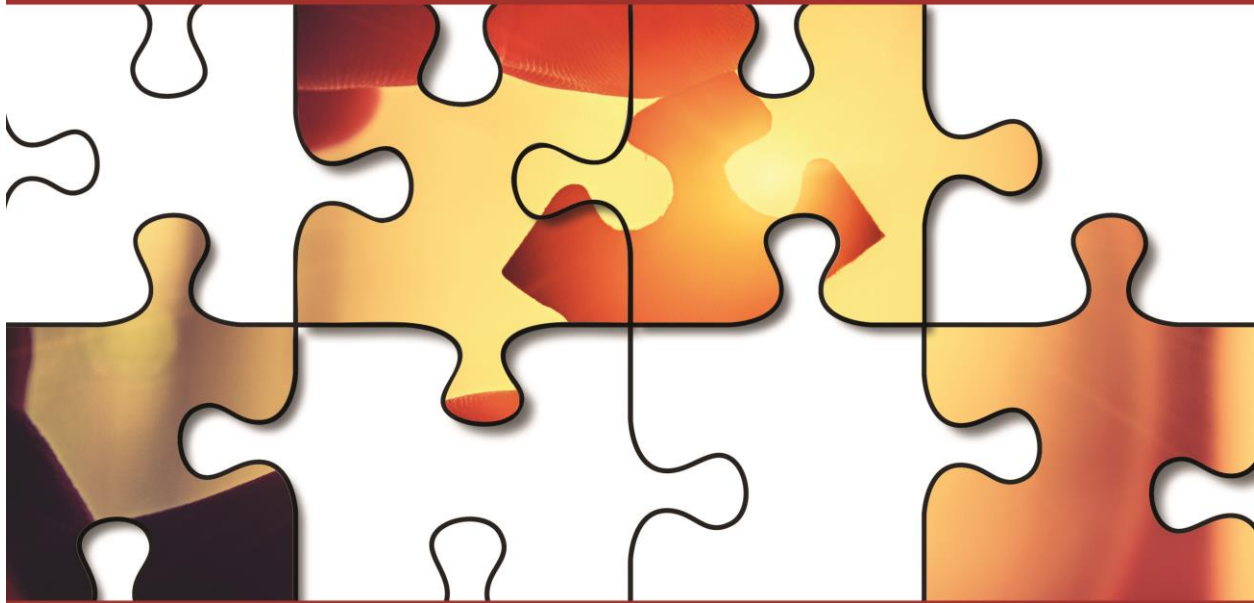




## PUTTING THE PIECES TOGETHER: PREPARING FOR 2016 GI REIMBURSEMENT



### **Develop Expense Management Strategies**

Paying close attention to your expense management strategies can be a way to 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. Developing expense management strategies is critical to the business side of your endoscopy practice.

#### **Five Tips to Develop Expense Management Strategies**

##### **1. Understand your current expenses**

Understanding your current expenses for each area of your operation is essential for identifying items that can be reduced or eliminated to lower your overhead expenses. Overhead for the average medical practice typically is 60 percent of the budget. Regular monitoring and awareness of expenditures can help control your expenses which will help keep costs lower and can lead to a healthier bottom line. Use standard financial monitoring tools (i.e., balance sheet, income statement, budget reports) to track revenue and expenses. Costs can be categorized as direct, fixed, or variable. Variable costs fluctuate based on patient volume and non-budgeted expenses. Monitor your financial reports monthly for variances. Sudden expense changes should be examined for future budgeting. Create an annual budget using historical spending information and benchmarks.

##### **Resources**

- **ACP Article:** [Financial Management Tools](#)

##### **2. Examine staff benefits**

Annually assess your staff compensation and benefits. Compare your compensation and benefits packages to others in your area. To control costs, some offices provide additional vacation time for

staff instead of higher annual salary increases. Research insurance carriers in your geographic area to ensure that you are providing the best insurance plan for your budget. If the plan exceeds your budget, the staff contribution may need to increase.

Survey your peers to ensure your staff compensation and benefits are fair for your practice type and within the standard pay ranges for your geographic area. This will confirm that your benefits package is competitive.

### **3. Monitor medical and administrative supply costs**

Office space may be at a premium and should be optimized to meet the needs of the providers and patients. Having adequate storage space is often an issue that can be remedied by having supplies delivered as needed. Avoid having excess inventory, which often results in medical supplies expiring. Use a competitive pricing source for administrative and medical supplies. Evaluate group buying organizations such as a Group Purchasing Organization. Carefully monitor the costs of your supplies and watch for any changes in routine expenses. Review accounts payable by vendor to track any discrepancies. Keep an inventory list and regularly perform a scheduled audit of your supply items. Standardizing the room set-up will contribute to supply management and allow staff and providers to operate at peak performance when in the exam room.

#### **Resources**

- **ASGE Video: Group Purchasing Organization (GPO)**  
<https://www.youtube.com/watch?v=u3ctUWTgMQ4&feature=youtu.be>

### **4. Implement patient payment guidelines**

In order to minimize uncollectible debt, inform patients of their estimated contribution for the service and the expected amount needed on the day the service is provided. Explain your payment policies before the visit. If the patient's responsibility is substantial, a payment plan may be offered. Educate your staff about the payment policies and expectations. A promissory note should be available in lieu of a payment plan. Payment policy information can also be sent prior to the appointment so there will be no surprises on the day of the visit. Training your staff to feel comfortable with the payment policy will ensure the policy is enforced. Providing a script for staff may be helpful to keep your message consistent with the goals of your collection policy.

### **5. Consider outsourcing tasks to optimize staff time**

Using an outside collection agency for bad debt may be an option for your practice. Because it can take a great deal of staff time to work older outstanding debt, consider moving outstanding debt to a collection agency. Each day the account ages, the less likely you will collect the debt. Staff time may be further optimized by outsourcing payroll, benefit management, and information technology support.

#### **Resources**

- **ASGE Course: [Practice Management 101](#)**