

# What are the Financial Challenges in your Practice – And How Do You Know You Are at Risk?

With the ever-evolving healthcare landscape, practices are focused on providing high-quality, cost-effective care for their patients, as well as what they need to do to receive the maximum possible reimbursement. How can you take a step back and look at your practice as a whole when you are focused on new reporting requirements and measuring your performance?

There are several challenges that can have a significant financial impact on your practice, including inventory management, controlling practice costs, revenue cycle and clinical challenges. In this series, we will focus on areas that influence your practice's success.

## **Inventory Management**

Inventory control is the number one practice expense. The number of processes alone when administering a drug treatment can be unwieldy and provide opportunities for inaccurate charge captures, waste and shrinkage. With drug inventories in the millions, even the smallest errors add up to thousands of dollars.

Questions to ask your practice:

- How are you managing your drug costs? Do you have inventory control processes in place?
- If you have multiple locations, who has drug oversight in the other locations, and overall?
- Are you using a demand ordering system based on patient schedules?
- Have you created a controlled formulary?
- Are you using real-time data for a more accurate capture charge?
- Are your systems automated and interface to potentially eliminate manual entries – and more opportunities for errors?
- Do you have a reporting system that allows for things like inventory turnover, cost analysis by treatment protocol, unused product levels or shrinkage?

## **Revenue Cycle Health**

The reality of the revenue cycle is a multi-step process that includes starting with the patient and eligibility for benefits, patient co-pays, referrals and authorizations, claim submissions and managing denials and appeals – with each cycle repeating itself.

Questions to ask your practice:

- Does the front desk staff have the training and time to understand what information to get from the patient, especially understanding eligibility verification and referrals?
- Are your patient records completely up to date with insurance information and demographics?
- Do you have an upfront co-pay collection policy?

- Do you have a dedicated staff person to work with patients on their financial obligations, as well as helping the patients to find additional sources for patient assistance?
- Are your charges filed within 24 to 48 hours? And are those charges “clean” so they follow payer requirements and clinical guidelines?
- Is your business office recognizing denials at least once a week?
- Are there processes in place for resolution around denied charges?
- Have you eliminated controllable denials that come from coding errors, bundling or registration errors?
- Are you controlling your Accounts Receivable process by calling payers for claim resolution?

Understanding your processes and creating action plans regarding how to improve the operations and financial side of your practice helps to mitigate risk. Next week’s article will address clinical challenges and controlling your practice costs.

For information on how the business optimization team can help your oncology practice, send an email to [consulting@iononline.com](mailto:consulting@iononline.com) or visit us on the web at <https://www.iononline.com/Solutions/Business-Optimization-Consulting-Services>.