



COMMON SENSE PEARLS TO INCREASE YOUR PROFITS

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Overview

- Budgeting and controlling overhead
- Collection process
- Benchmarking comparisons
- Protecting the bank balance
- Fraud

The Budget and Overhead

- Budget – Monthly benchmarking
- Collections
- Expenses
- Health insurance/late payment penalties/accounts payable

Expense Budgets

- High Expense Categories
 - Personnel Costs – Salaries, Benefits, HR Management
 - Insurance
 - Rent
 - Medical & Pharmaceuticals Supplies

Maximizing Revenue

- Provider Eligibility
- Patient Eligibility
- Charge Capturing
- Timely Efforts

Controlling Accounts Receivable

- Collecting Time of Service Payments
- Claim Follow-up
- Claim Denial Management
- Self Pay Payer Mix

Benchmarks

- A/R Aging
- Gross Collection Percentage
- Net Collection Percentage
- Days in A/R

Monthly Practice Recap

2010	Charges	Payments	Adjustments	% collected	End of month Patient Recv.	End of month2 Cash Balance	End of month3 Bills Payable	Date of 1st payroll For Next Month
January	225,520	125,400	90,210	0.56	219,910	91,077	37,800	2/4/2010
February	272,500	140,335	98,650	0.51	253,425	78,350	34,825	3/4/2010
March	335,000	175,930	180,330	0.53	232,165	93,825	40,555	4/1/2010
April	400,125	210,190	195,300	0.53	226,800	115,320	36,444	5/13/2010
May	227,000	124,850	115,825	0.55	213,125	125,080	41,777	6/10/2010
June	265,870	56,780	135,320	0.21	286,895	50,890	89,625	7/8/2010
July	293,850	105,000	132,235	0.36	343,510	15,780	79,660	8/5/2010
August	286,100	115,325	137,500	0.40	376,785	25,488	64,123	9/2/2010

Protecting/Controlling the Bank Balance

- Is any practice embezzlement-proof?
- Owner/Physician should be watching and be involved in practice financial processes

Who Prepares Checks to Pay Invoices?

- Office Administrator
- Office Bookkeeper
- Office Payables Clerk
- Physician/Owner

Who Signs the Checks?

- Who signs the checks?
 - Physician/Owner should *always* sign checks
 - Invoice should be marked as paid to prevent being resubmitted for personal gain (embezzlement)
 - Is supporting documentation attached to checks being signed?

Where are the monthly bank statements sent?

- Duplicate statement should be sent to Physician's home
- Physician should review checks that have cleared
- Gain knowledge of vendors in order to recognize unusual expenditures
- Safeguard against vendors being overpaid, supplies over-ordered, returned for credit and a check being requested

Is Your Practice Susceptible to Fraud?

- It can happen to you!!!
- Economy and problems families face open up the possibility
- If fraud suspected
 - Hire a firm with forensic division at once
 - Preserve the evidence
 - Prevent cover-up

Tax Credits

- The New Health Reform Law
- The New HIRE law
- E.H.R. credit
- State of Georgia retraining credits and healthcare premium credits

Disclaimer

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