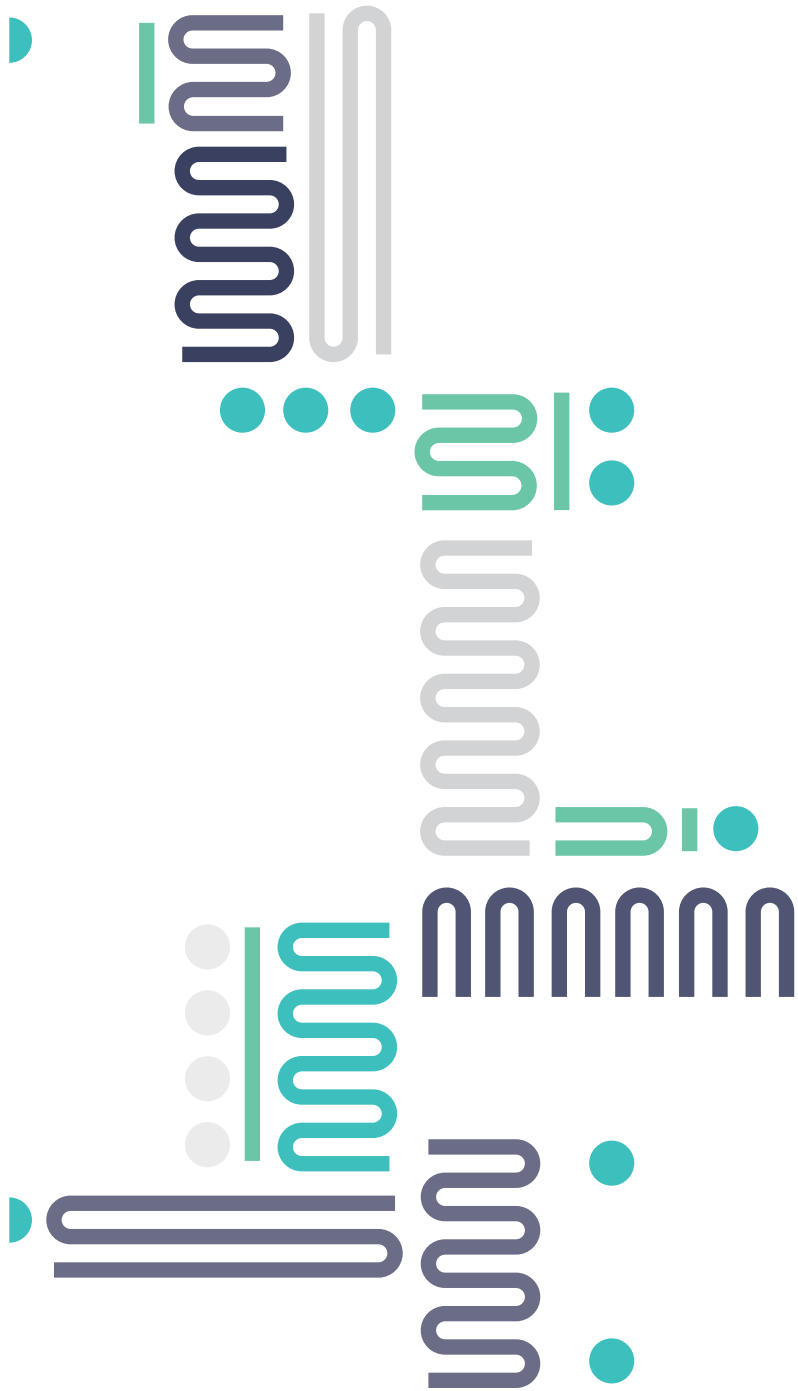


Winning Strategies for Healthcare Practices

STEPS FOR THRIVING
IN A PANDEMIC



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Introduction

We are all living through an era in which the global pandemic COVID-19 is changing how humans interact with one another forever. Many businesses have suffered a devastating blow to their ability to service customers and generate necessary revenue. Even independent medical and dental offices have experienced long-term effects resulting in pay cuts, employee furloughs, a reduction in hours and government funding just to stay afloat. The good news is, there are steps your practice can take to not only survive these challenging times, but thrive.

Recently, [LightPoint](#) and [DataDX](#) came together to offer a Guide specifically for medical and dental practices featuring multiple strategies to boost their business. David Boxberger, CEO of LightPoint and Eric Schultz, VP of Business Development are highly adept in the business of healthcare because they have been specializing in the needs of medical offices for decades. They have been on the frontlines of the ever-evolving healthcare experience and have assisted their medical clients throughout this pandemic. Joining them to offer another level of expertise was Todd Hoopingarner, President of Solutions Healthcare Management, who has successfully advised multiple medical offices through the last several months. The collective goal was to provide some guidance to those who are struggling to stay independent and open during this economic crisis. We hope it helps!

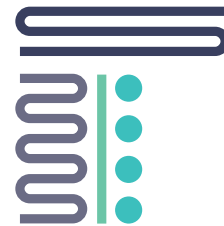
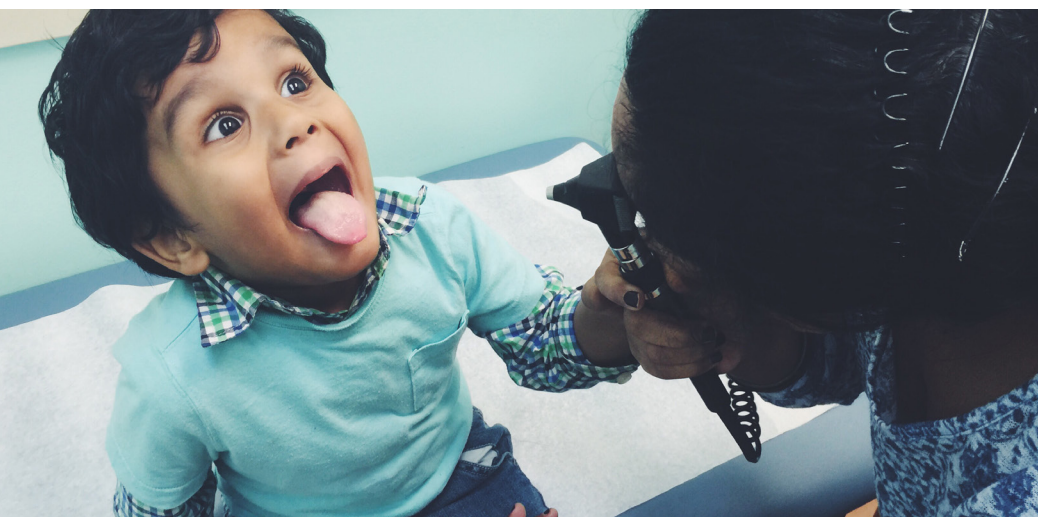
How has COVID-19 Changed Healthcare?

A QUICK LOOK BACK

As we worked hand-in-hand with medical practices to help navigate their next steps throughout the initial shutdown, two key phases emerged that are worth noting for reference.

THE ACUTE PHASE

In the first weeks of stay-at-home orders and statewide shutdowns, many healthcare offices saw up to a 75% reduction in office visits and procedures. Patients were hesitant to come in because they perceived a doctor or dentist's office to be a danger zone of infection. That equates to a massive amount of lost revenue, especially for those dentist offices that had to shut down completely. This phase led to lay-offs, furloughs and dependence on government loan assistance to make it through. One positive outcome was the spin up of telehealth sessions to ensure patients could still access medical treatment despite the quarantine.





THE REOPENING PHASE:

Once medical facilities were given the green light to begin opening their doors again, they were met with complex new safety guidelines which brought additional expenses. These included new social distancing and cleaning requirements which had to be implemented before the office could resume operations. Additionally, bringing back staff led to a whole series of new questions and concerns necessary to facilitate a safe return. Staff that were able to resume onsite duties were often overworked by taking on the tasks of employees who had not been cleared to return yet. Some offices continued to develop their telehealth utilization while others scrapped the technology by opting to resume in-person visits only. There was a return of revenue but most averaged only about 80% of their pre-COVID-19 numbers.

During the Reopening Phase and in the spirit of offering consultation, LightPoint and DataDX surveyed hundreds of their medical office clients to uncover the biggest concerns currently facing healthcare operations during COVID-19. Surprisingly, they found that the biggest concerns settled on the future of healthcare rather than the acute obstacles of the pandemic.



Concerns Moving Forward

TWO MAJOR QUESTIONS AROSE AS A RESULT OF OUR INTERNAL RESEARCH:

Is my practice ready for future business closures or stay-at-home orders that may happen as a result of the ongoing fight to contain COVID-19?

This is an extremely practical concern considering the massive losses of revenue during the first shutdown! With another wave of fresh COVID-19 cases predicted to hit in the months ahead, fears of another round of closures and stay-at-home orders are valid. Adding to this concern, there is no indication that the government will be in a position to offer the same level of future assistance. Those practices that have implemented well thought out changes are faring the best and expect future growth despite COVID-19.

Is my practice poised to respond to the inevitable changes to healthcare delivery that will come once the COVID-19 public health crisis is under control?

Recent years have developed many new ways of delivering healthcare to patients, including telehealth technology and virtual medical appointments. COVID-19 has shifted this need into high gear and healthcare offices are finding they are best served by getting ahead of the curve. In fact, the Centers for Medicare & Medicaid Services (CMS) have expanded access to telehealth in a variety of ways which strongly indicates virtual medical visits are here to stay.¹ Additionally, there is no reason to believe that even without the pandemic threat in the future, patients will want to revert back to the traditional medical office experience. Therefore, making permanent adjustments to meet the future need is the best path forward.

¹ 5 huge ways the pandemic has changed telemedicine. (2020, August 26). Retrieved October 06, 2020, from <https://www.ama-assn.org>

Long-term Outlook

There are some common concerns that every medical practice should be aware of in the coming months. These are trends that have been clearly identified and leaders in healthcare should keep them in mind moving forward. These include:

Balance Sheet Losses or Gains: Many medical practices began to pay closer attention to their balance sheets because COVID-19 significantly impacted them during the Acute Phase. Since those initial losses, some offices are beginning to see net gains as a result of their effort to make permanent adjustments to accommodate our “new normal”. No matter how your practice’s balance sheet has fared thus far, it is important to give your bottom-line greater scrutiny to inform your business decisions moving forward.

Increased expenses due to new PPE and other costs: Medical offices have seen the price of personal protective equipment (PPE) like masks and gowns skyrocket at a time when they are required to purchase more than ever. Additional costs have been imposed with aggressive cleaning protocols necessary to keep staff and patients safe and these are expenses that must be accounted for in the future.

Lower production levels (patient visits, procedures): Even though many practices have been able to come back to near pre-COVID revenue levels, the trend towards diminished production is certain to persist into future quarters. Further, a future wave of infection rates could bring another three-quarter revenue loss and this time, several offices could end up shutting their doors permanently unless some major changes are made.

Increased uninsured patients: With higher unemployment and diminished benefits plaguing multiple industries as a result of the pandemic, medical billing has become especially complex. Accounts Receivable departments in healthcare offices are facing unprecedented challenges with so many patients losing their jobs and becoming uninsured simultaneously.





POTENTIAL OUTCOMES

Increased levels of provider retirement: Those physicians who have been teetering on the edge of retirement are finding COVID-19 is causing many providers to leave their practices. This phenomenon requires transition plans for shareholders and active physicians who will need to install replacements.

Increased numbers of mergers and acquisitions: Many offices are going through a process of merging or becoming acquired by larger providers that are more capable of surviving the decline in revenue. This takes a lot of navigating to ensure your practice selects the right partner aligned to your goals.

Practices joining MSOs/DSOs: Medical and dental offices joining managed services organizations has become increasingly commonplace as a strategy for surviving the unpredictable future. This is a trend likely to continue as independent practices strive to remain un beholden to larger healthcare entities.

Increasing interest in private equity: Some practices are seeking investments so they can continue operations and survive the pandemic. Practice leaders should be very thoughtful with regards to selection of private equity firms and engage their networks for advice in this process.

Increased interest in health system affiliation: When faced with a lack of capital, some medical offices are choosing to join a hospital or other major health system affiliation in order to stay afloat.

Five Tips for your Healthcare Business

The good news is, there are positive steps you can take to create a much brighter future for your medical practice. Below are several tried and true tips to help guide your business's next phase and come out ahead by avoiding some of the more common pitfalls.

01

Revenue Growth Concepts

Just because your practice may be facing a hole in your balance sheet, there are still growth opportunities you can take advantage of.

First and foremost, leveraging partnerships that have been formed throughout your practice is an essential asset during these challenging times. It is time to over-communicate to your patients, hospital partners and other allied health professionals to accelerate referrals. Sometimes, just getting the word out that you are open and observing proper protocols to ensure safe patient visits can go a long way towards boosting visits and procedures. This can be achieved by communicating with partner physicians and patients via website announcements, targeted emails and patient visit updates.

Another great growth opportunity is cautiously investing in your practice. This may seem counter-intuitive, but we find that many thought leaders in healthcare are now taking an opportunity to step back, reassess and invest in the future. This can take many forms and should be approached with a deep focus on your needs. For example, as touched on previously, now may be the right time to invest in telehealth capabilities since in-person patient appointments are down and virtual appointments have increased upwards of 175 times according to a recent, McKinsey & Company Report. Case in point, telehealth can help you expand your service geography and give you access to a whole new set of potential patients. Taking the time to break down where every dollar comes from and where it goes can help you make wise investments for your future success.

02

Find and Keep the Right People

Now is the best time to make sure you have the right people on your team and that you are giving them good reason to stay. This goes beyond weighing individual attributes and is much more geared towards creating a well-oiled machine of cohesive employees working together. Taking this step means evaluating who your best team members are and making the choice to let go of those weighing your business down. From there, you have room to hire people who are the right fit both during this crisis and well into the future when we're on the other side of COVID-19. Once you identify your best performers, do everything you can to make sure they know you appreciate them and celebrate them. Losing a great employee because they felt insignificant or undervalued is costly to any organization

"The team
with the
best players,
wins."

Jack Welsh



03

Leverage Technology & Outsource

All practice leaders should be taking a hard look at what their core function is as an organization and anything that does not fall into that category should be outsourced. When the economy was better in years past, many practices internally managed ancillary functions that were not core to treating their patients, and as a result perhaps staffed at a higher level than is necessary to function today. What COVID-19 has revealed is that when your business takes a 50% or more hit to your revenue overnight, you still have those employees on the payroll. Outsourcing non-essential functions allows you to scale up or down in real time so you only are paying for what your business needs. Now is the time to reevaluate what is essential to keep in-house and what makes sense to outsource.

SOME OPPORTUNITIES TO OUTSOURCE:

IT Services There is no reason to keep information technology (IT) staff on the payroll when you can save money with higher-quality IT management by hiring a Managed Service Provider (MSP).

Billing Services Many practices are saving time and money by outsourcing their billing services.

Scheduling Services Business leaders can save high dollar hours every week by outsourcing scheduling, especially when running multiple locations.

Mail Services Even saving an hour a day opening and sorting mail to determine what is essential and then get it to the proper recipient can save money for an office.

Where else could you possibly look to outsource? We recommend sitting down with your key staff members and identifying any areas where you could potentially impact your bottom line through outsourcing.

04

Clean Revenue Cycle

Making sure you are never leaving any loose change in your revenue cycle could mean the difference between staying open during this pandemic and closing for good. There are a few actions you can take right away to move the ball in the right direction.

First, whether you use a service or keep billing in-house, you should have an expert reviewing your fee schedule for optimization. This ensures you do not miss opportunities for generating revenue at such a critical time. Additionally, healthcare payers had two great quarters the first half of 2020 with far less money going out than coming in. Because payers are required to spend the majority of that revenue on clinical care rather than administrative efforts, this is a perfect time to renegotiate your contract with them. Finally, it is also a good idea to put your uncompensated care policies in writing so that it never appears that you have an unfair system of care. Transparency goes a long way towards building trust with your patients and fuels referrals.



05

Create Scenarios for Your Practice

We all know that planning is critical to an organization's success, and it is especially crucial now. At this point in time, the future is unpredictable, so planning for all possible outcomes is best practice.

Develop Possible Scenarios & Mitigation Plans for Each of the Following Cases:

- **Rosy** - Best case
- **Moderate** - Could be better
- **Dark** - Not so good

Poll your staff and outside experts to gauge what the future may look like in the next 6-18 months and develop scenarios to give your team renewed focus in the midst of this pandemic chaos. Make sure your decisions are data driven so that goals are feasible and you do not risk impacting morale with perceived failures. These scenarios should incorporate every metric your business can measure. Whether that includes how many patients are treated or how much revenue is generated, each category should be heavily scrutinized. This will help your staff and stakeholders buy into a shared vision of what you are working towards. It is also important to revisit these scenarios periodically to make certain they are still relevant. Should a plan become clear it is no longer serving your collective vision, tweaking it or scrapping it altogether and starting over should be your next step. Now more than ever before is the time to understand every aspect of your business in detail.

"Plan your
work and
work your
plan."

Napolean Hill

Conclusion

Healthcare practices have clearly been hit hard financially and the challenges are very real. As COVID-19 continues to make its way into our homes and businesses, mitigating the impact involves thoughtful planning, input from employees and other constituents, a deep analysis of your data, and creative ideation. Changes you make now will ensure your success in the future, and medical offices do not have to be left in the dark.

Fortunately, there is help available to navigate your next steps. [DataDX](#) and [LightPoint](#) are here to help your healthcare practice thrive rather than just survive this pandemic.

[DataDX](#) is a healthcare software company with products designed by medical and dental leaders to help streamline your practice. Their goal is to keep independent offices achieve long-term stability and success. info@datadx.com

[LightPoint](#) is an IT Service Company specializing in healthcare practices throughout the Pacific Northwest. Their mission is to be the most friendly and efficient IT partner they can be for their medical and dental clients. info@lightpointnw.com



LEARN MORE

To learn more about how your healthcare business can grow this year while so many are struggling, reach out to DataDX and LightPoint for a free consultation today.