MGMA Performance and Practices of Successful Medical Groups

2012 REPORT BASED ON 2011 DATA
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Here we are. The 14th edition of the MGMA Performance and Practices of Successful Medical Groups is filled with original ideas to improve your practice’s performance.

The ten practices featured share innovative ways to simultaneously increase your bottom line; improve efficiency; and enhance patient, provider, and staff satisfaction. Data, data, data is the pathway to successful operations. You can learn from the data provided by these practices and more through MGMA-ACMPE’s data repositories. After all, that is what we do every day, manage a busy practice. Here are ways to assist you with change and transformation.

One practice shares some innovative benchmarking ideas to assist them in managing their busy practice. We do not know what the changes will be as we move forward, but this we do know, there will be change. How to manage it will be the key to a successful practice. We are faced with fewer physicians, fewer resources and yet are expected to manage our practices as if nothing has happened. These articles share innovation that you can employ to assist you in meeting the demands.

One practice shares its story discussing innovative flexible staffing as a way to control costs. Staffing costs are always our highest cost. How can we manage that and still provide excellent patient care? Find out. We have another practice that looks at outsourcing, and yet another talks about the decision making process and how it can add value to every day operations. Customer service is always at the top of our list and one article features a discussion on how to promote the customer. We have another practice who recognized the value of shared decisions and management in the running of their daily operations, and yet another who developed benchmarks for utilization for their own practice. And yes we see one practice who believes in horizontal management to operate their clinics and promote high productivity.

MGMA-ACMPE strives to provide practices with the benchmarks they need to determine success. Clearly, if you look at this year’s stories, smart practices are using data as an integral part of their day-to-day decision making. Evidence based management is what our physicians use every day to take care of patients, and it will become increasingly critical to managing the successful medical practice of the future. Our goal is to arm you with the data you need to make your practice successful and to share innovative ideas from practices that perform at the highest levels. This year’s Successful Medical Groups Report will not disappoint. Congratulations to all who earned this distinguished honor!

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Introduction

Purpose

Each year, MGMA-ACMPE provides key benchmarking data on better-performing medical groups and identifies the business practices and behaviors these groups employ to achieve success. This year’s edition of Performance and Practices of Successful Medical Groups continues to define success for medical group practices in both financial and operational terms.

Description

In this report you will find

• Better-performing practices data derived from respondents of the 2012 Cost Survey, as well as an online survey that questioned practices on eight performance areas originating from the MGMA-ACMPE Body of Knowledge for Medical Practice Management;

• A hot topic article that describes how one practice successfully used the Toyota Lean Production method to improve clinic processes and cut patient encounter cycle time (and FTE time) by almost 40%;

• Success stories profiling individual medical groups selected as better-performing practices; and

• Key indicators that allow you to measure your productivity in four performance categories.

Data Collection

Successful medical groups were selected from 2,119 respondents to the 2012 Cost Survey (this selection excludes practices with fewer than three physicians.) Those practices selected for one of the performance categories — profitability and cost management; productivity, capacity, and staffing; and accounts receivable and collections — were also considered for the patient satisfaction performance area if they completed the online Performance and Practices of Successful Medical Groups survey and indicated that they conducted a patient satisfaction survey within their practice.

Report Organization

This report consists of:

1. Hot Topic — article detailing how a practice cut patient encounter time by almost 40%.

2. Success Stories — interviews with representatives of select medical groups detailing the tools and tactics they used to achieve “better-performer” status.

3. Benchmarking Performance — tables of key benchmarks by specialty and practice type for four performance areas: (1) profitability and cost management; (2) productivity, capacity, and staffing; (3) accounts receivable and collections; and (4) patient satisfaction.

Additional Information

The glossary features definitions of terms used in the report, a list of abbreviations and acronyms, and the states included in the geographic sections. The appendix contains the formulas and methodology used in the report, selection criteria, and editing techniques.

Important Notice and Disclaimer — Confidentiality

The information contained in this report is presented solely for the purpose of informing readers of ranges of medical practice charges, earnings, productivity, staffing, and revenue reported by MGMA-ACMPE member and nonmember organizations. These data may not be used for the purpose of limiting competition, restraining trade, or reducing or stabilizing salary or benefit levels. Such improper use is prohibited by federal and state antitrust laws and will violate the antitrust compliance program established and enforced by the MGMA-ACMPE Board of Directors.

MGMA-ACMPE publications are intended to provide current and accurate information and are designed to assist readers in becoming more familiar with the subject matter covered. MGMA-ACMPE published this report for a general audience as well as for MGMA-ACMPE members. Such publications are distributed with the understanding that MGMA-ACMPE does not render any legal, accounting, or professional advice that may be construed as specifically applicable to individual situations. No predictions or warranties are made concerning the application of legal or other principles discussed in MGMA-ACMPE publications to any specific factual situation, nor is any prediction made concerning how any particular judge, government official, or other person will interpret or apply such principles. Specific factual situations should be discussed with professional advisors.

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Only summary statistics will be published. A summary statistic will be reported only if there are sufficient responses to be statistically reliable and if the anonymity of those submitting data is protected. In compliance with the MGMA-ACMPE policy, an asterisk (*) denotes data that have been suppressed to ensure confidentiality.
Better-performing practices generate more revenue. These practices reported approximately $148,000 to $340,000 per FTE physician more in total medical revenue. Several factors contribute to higher revenue, including but not limited to higher productivity, sound operational efficiency, and the types of services the practice provides.
Most better-performing practices reported less total operating cost as a percentage of total medical revenue. Only in Anesthesiology did a practice categorized as “Other” report a similar percentage as its better-performing counterparts.
Better-performing practices create operational efficiencies to ensure strong provider productivity. The better-performing practices reported more than 12,000 procedures in every category (excluding Anesthesiology).
Better-performing practices collect their receivables more quickly than their peers. In the groups listed above, better performers had approximately 7 percent to 8 percent of their total A/R in the 120+ day category. This was a slight decline compared to last year when total A/R in this category was 7 percent to 10 percent. In contrast, the non-better-performing groups (“Others”) reported between 15 percent and 18 percent of their A/R in the 120+ day category, also a decrease compared to last year (19 percent to 35 percent).
Key Findings

Bad Debt Due to FFS Activity per FTE Physician

Missing opportunities to collect on past-due accounts can make or break a practice. Consequently, better-performing practices have less bad debt. The chart above illustrates the better-performing groups range which was approximately $4,600 to $19,000 in bad debt compared to non-better-performing groups (“Others”).
### Demographics

<table>
<thead>
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<th>State</th>
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<th>Others</th>
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## Demographics

### Better-Performing Practices Demographic Data

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<td>Productivity, capacity, and staffing</td>
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Success Stories

Hot Topic
Using Lean to Redesign Your Team  3

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