Attributes of Successful Medical Practices
Medical practices are vastly different in many ways, depending upon their location and the population of patients they serve, as well as their size, structure and specialty. While these differences may seem significant, there are traits that successful medical practices share.

This MGMA data overview reveals characteristics of strong, dynamic, successful practices that meet the needs of today’s patients, and examines healthcare industry and medical practice management trends.
MGMA observes that successful medical practices:

- Foster an environment in which medical practice executives and clinicians successfully collaborate

- Use data and benchmarking tools and monitor healthcare industry trends to drive business decisions

- Ensure competency by hiring medical practice staff and executives who are board certified through the American College of Medical Practice Executives

- Navigate the complex regulatory environment and understand its effect on physician practices

- Invest in the future to enhance the patient experience and quality of care provided to position themselves for long-term sustainability
Medical practice executives and clinicians successfully collaborate

MGMA believes that fostering strong partnerships between practice administrators and physicians will result in the highest-quality patient care.

Successful practices understand the business of care delivery — that is, how to bridge business and clinical functions to provide safe, efficient and effective care to better engage their patients. Strategically aligning these functions and working as a team helps to ensure practice success.

More medical practices are examining new and innovative ways to do business and align the business and clinical functions of the group, which requires teamwork, strong communication and cohesive leadership.

Laura Palmer, MGMA senior industry analyst, shared with *Physicians Practice Magazine*¹ in March 2014 that “in my experience, practice administrators and physicians have differing areas of focus. Providers want to see and care for patients, and they depend on their sophisticated staff for support for operational issues. But now, collaboration between providers and administrators will be required to design human, technology, information and patient-engagement systems that integrate more of the clinical aspects into the traditional operational purview of administrators.”

Consider how strategically aligning and integrating the business and clinical functions of a medical practice can enhance the safe, efficient and effective care being delivered and better engage patients.
The Evolving Practice Management Profession

Our practice is better designed to monitor and manage chronic diseases.

I design systems to engage patients and provide more access to providers.

We use technology and innovative staffing models to enable and manage the coordination of care.

We collaborate to help our patients have better outcomes and ensure payments within value-based models.

Business of Care Delivery

Seamless Integration of Clinical and Business Operations
Use data and benchmarking tools and monitor healthcare industry trends to drive business decisions

MGMA asserts that successful medical practices incorporate and leverage data into strategic and operational discussions and business decisions, and benchmark their organizations with national metrics and indicators. Having this type of information readily available, and understanding that industry trends can help physicians and practice executives make data-driven decisions, positions the practice for long-term success.

Todd Evenson, MGMA vice president of data solutions and consulting services, suggests that “medical practices introduce data as often as possible to help make and support business decisions. To run an efficient and effective business that meets patients’ needs, practices need to capture and understand many metrics and use the information in meaningful ways. Using data and indicators such as those found in MGMA benchmarking reports puts a practice on the fast track to success.”

Use MGMA data and other national metrics to drive business decisions.

MGMA data and research spotlights recent and emerging industry trends. Highlights include how medical practices align and integrate with other healthcare entities. Recent findings also detail information related to physician recruitment and compensation trends, highlight the most intense and applicable challenges of running a medical practice, and establish benchmarks for medical practice costs and revenue.
Trends and data analysis

Medical practices favor informal integration with other healthcare organizations over formal mergers.²

40% of medical practice executives indicated that they have or are planning to informally integrate their practice with other healthcare organizations.

27% of medical practice executives indicated that they have or plan to formally integrate by merging with another physician-owned practice or by selling practice ownership to a hospital or health system.
Trends and data analysis

Physician recruitment efforts

The environment to recruit and retain physicians continues to be highly competitive and has increased first-year median guaranteed compensation for providers. Physicians were also offered signing bonuses and paid relocation expenses to join new practices. Enhanced physician benefits were motivated by impending provider shortages and implementation of health insurance exchanges.

Physician compensation trends

Medical practices reported gradual shifts toward provider pay tied to quality and patient satisfaction metrics in 2013. According to the MGMA Physician Compensation and Production Survey: 2014 Report Based on 2013 Data, primary care physicians (who indicated that they were not part of an accountable care organization or a patient-centered medical home) reported that an average of 5.96% of their total compensation was based upon measures of quality. Specialists reported that an average of 5.70% of their total compensation was based upon quality metrics. Some specialties, including anesthesiologists, internists and hospitalists, reported that a higher percentage of their total compensation was tied to quality metrics. MGMA surmised that physician compensation would increasingly be tied to these metrics as reimbursement aligned more closely with quality and cost measures.
Trends and data analysis

The challenges of running a medical practice

Respondents to the MGMA *Medical Practice Today: What Members Have to Say* research revealed their biggest daily professional challenges and disclosed their struggles to adapt to rapid changes, legislative pressures and fiscal uncertainty. According to 542 respondents, the most applicable and intense challenges of running a group practice include:

- Preparing for reimbursement models that place a greater share of financial risk on the practice
- Preparing for the transition to ICD-10 diagnosis coding
- Dealing with rising operating costs
Trends and data analysis

Medical practices report increased spending on total business operations staff

Medical practices responding to the MGMA Cost Survey: 2014 Report Based on 2013 Data reported increased spending on total business operations staff per full-time-equivalent (FTE) physician. Multispecialty practices reported $52,009 in median costs associated with total business operations staff. This includes general administrative staff, information technology staff, general and patient accounting staff, and managed care administrative staff. This may be a result of practices placing greater value on employing staff with expertise in the business of care delivery and their ability to strategically align the organization’s business and clinical functions.
Trends and data analysis

Medical practices designated as “better performing” emphasize cost management, productivity and patient satisfaction

Organizations deemed “better-performing medical practices” by the MGMA Performance and Practices of Successful Medical Groups: 2014 Report Based on 2013 Data excelled in four performance management categories: profitability and cost management; productivity, capacity and staffing; accounts receivable and collections; and patient satisfaction.

MGMA also observed that better-performing medical practices:

1. Advertise and market their practice more at community health fairs and screenings, and send letters and postcards to referring physicians.

2. Report less bad debt due to fee-for-service (FFS) activity per FTE physician. Multispecialty groups report $11,361 less in bad debt than other practices.

3. Include questions on their patient satisfaction surveys that assess appointment availability (51.68%), overall experience (55.03%), physician communication style (40.27%) and recommendation of the practice to others (46.31%).

4. Report a lower patient no-show rate (4%) compared to other practices (4.25%)
MGMA believes that practice administrators and executives should consider board certification in medical practice management. Board certification helps to validate that practice executives and key personnel have the knowledge and skills to excel in managing a medical group practice in today’s complex and quickly evolving environment. Credentials in medical practice management include CMPE and FACMPE.
MGMA believes that successful medical practices understand the implications of healthcare regulations and legislation to their organization. Practice administrators and executives can turn to resources such as the MGMA Government Affairs Department, based in Washington, D.C., for information and analysis of complex regulatory issues.

In “10 things physicians should know about practice managers7,” in Physicians Practice Magazine, Stephen Dickens, JD, FACMPE, MGMA 2013-14 board chair, risk management specialist, State Volunteer Mutual Insurance Co., Brentwood, Tenn., writes that practice administrators are an asset to a medical practice because they can “navigate the complex regulatory environment. There are a plethora of federal regulations that practices need to be aware of and adhere to, and medical practice managers and executives can ensure groups remain in compliance and keep to-date with the evolving regulatory environment. Setting aside time for staff to learn about and understand applicable regulations will help to minimize your practice’s risk in the long run.”
Invest in the future to enhance the patient experience and quality of care provided to position the medical practice for long-term sustainability.

Practice administrators and executives face incredible challenges, but the environment also offers flexibility to explore new technologies, processes and tools that can increase efficiencies and improve operations and patient outcomes. This doesn’t necessarily require a large financial investment; rather, successful practices refuse to sit idle, and constantly apply lessons learned to meet patients’ needs.
About MGMA

The Medical Group Management Association (MGMA) helps create successful medical practices that deliver the highest-quality patient care. As the leading association for medical practice administrators and executives since 1926, MGMA helps improve members’ practices through exclusive member benefits, education, resources, news, information, advocacy, and networking opportunities, and produces some of the most credible and robust medical practice economic data and data solutions in the industry. MGMA advances the profession of medical practice management with its industry-leading board certification and Fellowship programs through the American College of Medical Practice Executives.

Through its national membership and 50 state affiliates, MGMA represents more than 33,000 medical practice administrators and executives in practices of all sizes, types, structures and specialties. MGMA is headquartered in Englewood, Colo., with a Government Affairs office in Washington, D.C.

Sources


