Staffing an Oncology Practice
Art or Science?

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When the Medicare Prescription Drug Improvement and Modernization Act (MMA) was implemented in 2003, the reimbursement landscape significantly changed for community-based oncology practices. Today, practices continue to experience the effects of this legislation, including additional "paperwork" caused by pre-authorization requirements, increased denials, and medical record requests. Decreases in Medicare reimbursement rates have also had a ripple effect, driving down payments from non-government payers who often pay a percentage over Medicare rates and typically follow Medicare guidelines.

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With drug margins already thin, oncology practices are seeking ways to "tighten their belts" while still ensuring optimal reimbursement. For many oncologists and administrators, these challenges have raised the question of how to appropriately staff their practices, particularly when it comes to non-clinical staff. Every oncology practice is different, but here are a few strategies that can help your practice operate as efficiently as possible, with the right staff in place to ensure high quality patient care.

Operational Leadership

Most oncologists are in the business of practicing medicine because they love patient care. That said, in any oncology practice, a myriad of administrative and business functions must be completed, including:

- Human resource responsibilities
- Facilities management
- Financial management
- Payer contracting
- Strategic planning for growth
- Revenue cycle management.

Investing in the proper non-clinical support for these business functions can make a practice more profitable. Typically, oncology practices with four or more physicians invest in a practice administrator, while practices with fewer than four physicians usually hire an office manager for administrative functions. The practice administrator provides leadership in developing, planning, and implementing the practice's plans for the physicians. He or she also directs the practice at a high level, ensuring compliance with all regulatory agencies governing healthcare delivery and managing the overall marketing activities of the practice. Office managers are typically responsible for the supervision of day-to-day operations, including staff training, billing, and collections.

With so much emphasis on capturing every possible billable dollar, the value of non-clinical staff in a practice has increased dramatically. Each staff member plays an important role in the revenue cycle, and good communication and efficient execution of responsibilities are key to a practice's profitability.

Leverage Your Non-clinical Staff

Generally, non-clinical staff is responsible for overseeing the "front-end" and "back-end" functions of the practice. Front-end functions mostly occur before the patient is treated. They include registration, scheduling, insurance verification, financial counseling, check-in, coding, check-out, and collection of co-pays. The back-end functions occur after the patient has been treated. These include cash application, charge entry, payer billing, patient statements, reporting and analysis, denial management (including appeals), contract management, and account follow-up. For some practices, grouping tasks that do not require face-to-face contact with patients, such as insurance verification and registration, with all back-end functions can improve productivity without compromising the patient experience. This "centralization" is a fairly new concept to healthcare but can be particularly effective for practices with multiple locations, in which case, the centralization usually occurs at a central billing office (CBO).

Of course, it is also important to periodically review processes and have policies in place for controls within the revenue cycle. For example, charge entry and cash application functions should be separated—one person should not be responsible for both functions. These controls create efficiency and reduce process risk.

In many practices, a big opportunity for reducing lost potential revenue lies with non-clinical staff accurately performing front-end functions. Practices must have solid processes for verifying insurance, collecting co-pays, and gathering information for effective billing and collections to make sure they are current with patient changes.

Non-clinical staffing levels are generally driven by the number of physicians in the practice and the volume of new and established patients per physician. One study found that between 2005 and 2007, the average number of oncologists per practice increased from 2.9 to 4.3.[1] During this same time, the number of new patient visits to each

oncologist increased by 22 percent, from an average of 300 in 2005 to 388 in 2007; the number of existing patient visits to each oncologist increased by 29 percent, from 3,841 visits in 2005 to 5,139 in 2007.[1]

Clearly, practices with more physicians and patients will require more non-clinical staff to schedule appointments, register patients, and collect the proper information and co-pays at patient visits. Hematology and oncology practices that participated in a 2007 benchmarking study reported an average of 7.3 FTE staff per FTE physician.[2] The Medical Group Management Association (MGMA), Practice Support Resources (PSR), and the American Medical Association (AMA) provide benchmarks of four to five support staff per FTE physician. As with any benchmarks, practices may need more or less staff, depending on their unique circumstances.

Likewise, the higher the revenue and the greater the number of patients, the more account follow-up will be required to collect revenue. A good rule of thumb to use is $2 million per patient account representative, which can be calculated by the total amount of accounts receivable outstanding minus the amount of current accounts receivable (0-30 days). However, many variables affect this equation, such as patient population, range and complexity of services provided, and sophistication of billing automation. For example, practices that have the capability to scrub their claims prior to submission will not experience the same delays in payment as practices that do not have a quality claim scrubber. Accurate claims lead to prompt payment, reduced follow-up, and fewer rejections and denials.

The Turnover Effect

As in any business, staff turnover can negatively impact an oncology practice. Typically, entry-level positions and those that only require a basic skill set without significant additional training, such as a receptionist or a scheduler, experience higher turnover. Regardless of the reason, turnover can disturb the continuity of patient care, cause unwanted pressure and stress for physicians and non-clinical staff, and increase costs due to recruiting and training.

While practice leadership can take many actions to reduce staff turnover, a concentrated focus on cross-training non-clinical staff with like functions should be considered. For example, the financial counselor may be cross-trained on insurance verification given that the financial counselor

Adopt an Automated System

Oncology practices that bill manually should give serious consideration to moving to an automated process. A manual charge capture process is extremely labor intensive and is vulnerable to human error. The process involves paper charge tickets, time-consuming computer entries, multiple reports, and paper trail charge audits. An automated charge capture process eliminates paper inefficiency and helps to ensure that every charge is submitted, increasing practice revenue. It also improves coding compliance by applying real-time code edits at the time of charge entry. By entering charges correctly the first time, practices dramatically reduce billing questions and eliminate rework.

With the sophisticated technology that is available today, implementing an electronic medical record (EMR) and a practice management system or billing software program can improve processes and efficiency in an oncology practice. These automated solutions, which enable easy electronic retrieval of information—such as medical records for denied claims—reduce claim delay and expedite the cash timeline.

An automated system may not necessarily reduce a practice's non-clinical staffing needs; however, simplifying manual processes can allow management to use employees' skills in other key areas that can ultimately help improve the revenue cycle. For example, weekly review of a report that identifies denials can lead to possible corrections or resolutions that can ultimately result in capture of potentially lost revenue. Reviewing a days-in-receivable report on a monthly basis can spark appropriate follow-up with payers and/or patients who are falling behind in payment. Automated systems also allow non-clinical staff additional time to stay abreast of regulatory changes that impact revenue and the practice's bottom line.

While relieving some manual functions, automation can also create new operational responsibilities. Auto-eligibility and claims scrubbing allows the practice to focus more on exceptions and less on manual repetitive tasks, such as checking claim status and eligibility. Non-clinical staff supporting these functions may be redirected to support denial management, identifying opportunities for denial prevention, improved staff productivity, and a reduction in lost revenue. Payment variance modules also enable your non-clinical staff to identify underpayments and overpayments. In both cases, issues are identified *prior to* causing cash flow dilemmas at your practice.

Before implementing an automated solution, it is important to realize that the technology alone will not produce improved efficiency or productivity—it must be implemented on top of good processes. For example, if a practice does not have a process in place for consistent collection of accurate patient information on the front end, then automation will not improve the ability of the practice to submit accurate claims to payers the first time. As such, practice leadership should review and possibly refine its processes prior to implementing an automated system. The same is true when a practice experiences changes in growth or staffing levels. Processes and reports should be updated to ensure pertinent information is being collected and reviewed.

To be truly successful, your practice's culture and people must *be ready* for an automated system, and practice leadership must develop a strategy for integrating the new technology within the practice. This strategy should fit the work culture and keep staff and physicians involved in the process.

Partner for Progress

A viable option for many oncology practices is to partner with a third-party billing or revenue cycle management service. Practices that are located in volatile employment markets or are having difficulty keeping up with regulatory changes are good candidates for outsourcing, since these obstacles can impact the day-to-day operations of the practice.

A number of vendors provide a wide range of services designed to improve processes, billing and coding, and a practice's bottom line. When partnering with an outside vendor, oncology practices should look for companies or organizations that:

- Have oncology-specific billing and coding expertise
- Offer staff training
- Provide routine notifications of ongoing regulatory changes at local, state, and national levels.

Clearly, the third-party vendor or management service should have enabling technology, along with a compatible practice management system. These factors alleviate the burden of practice staff having to retrieve and send medical records needed for claim appeals to the revenue cycle management service. Oncology practices should also consider partnering with a company that can provide benchmarking, long-range planning, and development strategies for enhancing business potential, even as the healthcare landscape continues to change. Such partners can provide valuable information about how other oncology practices are handling responsibilities and bring new ideas that create additional efficiencies in your practice.

But perhaps the most significant benefit to partnering with a third-party revenue cycle management service is that it allows an oncology practice to focus on clinical care and other key practice initiatives.

will provide the patient with a treatment cost estimate based on verification of insurance benefits. The check-in staff and check-out staff may also be cross-trained due to their proximity within the practice along with similarities in front office responsibilities, such as co-pay and co-insurance collections.

Invest in a Dedicated Coder

Because of today's complicated and ever-changing reimbursement requirements, oncology practices must pay particular attention to billing and coding accuracy and compliance. Whether the practice is billing and coding manually, or has a sophisticated software system, designating an individual to monitor missed or lost charges may be the single most important step in improving profitability. An experienced, certified coder can identify and extract billable services from medical records, ensuring that *all* billable services are captured.

Depending on the size of the oncology practice, the same non-clinical staff position—for example, the dedicated coder—may be responsible for monitoring payment variances. A significant amount of revenue can be captured when practices have processes and staff in place to quickly identify and appeal claims paid at less than the contract rate. In addition to the importance of capturing revenue, practices should think about the long-term benefits of measuring overall contract performance with their payers. When it's time to renegotiate those contracts, practices benefit from having solid data that supports their requests.

Most practices find the compensation for a dedicated coder is earned back two to three times more by capturing charges that may have been left unbilled or billed incorrectly. Coder salary survey information is available through the American Academy of Professional Coders (AAPC) at: *www.aapc.org*. Salaries for coders will vary by years of experience, specialty, and geographical location.

While staff turnover is often seen as negative for an oncology practice, it can, in fact, be a positive. Sometimes turnover is not the result of staff leaving the practice, but rather caused by changes within the practice due to growth or opportunities for professional advancement. For example, the addition of a new physician may create the need for additional front and back office staff. Perhaps an individual who worked at the front desk can be promoted to another role within the practice, such as cash applications. Someone working in account follow-up may shift to financial counselor. This type of turnover can increase morale within the practice and goes a long way in creating a desired working environment.

Finding a Balance

Determining appropriate non-clinical staffing levels is not art or science alone, but rather a combination of both. Non-clinical staffing needs will be unique to each practice, depending on the size of the practice, the number of patients being treated, and the level of technology available at the practice.

Administrative and direct patient care responsibilities are equally important to ensuring the highest quality of total patient care. Even patients who receive top-notch medical care can be left with a bad feeling if they do not get the answers they need regarding their financial responsibility or have difficulty scheduling appointments. Ultimately, optimal non-clinical staffing for a practice will be based on the timely and accurate completion of key administrative functions, and the ability to provide high-quality care to patients.

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