Everything You Need to Know About Next-Generation Medical Practice Management Solutions

For Medium-size and Large Ambulatory Healthcare Providers

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Everything you need to know about Medical Practice Management Solutions – and how to select the right one for your organization.

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Every medium-size and large healthcare practice today needs a medical practice management (PM) solution that delivers optimal results. The technology serves as the very lifeblood of the organization, facilitating interactions and transactions between patients and information.

A next-generation solution helps ensure that all facets of the practice run like a well-oiled machine — streamlining workflow, improving information access, enhancing patient healthcare quality and driving better financial outcomes. Without the right solution, it becomes virtually impossible to run a modern-day practice in an efficient and effective manner, let alone maximize revenue and profitability in what may be a highly competitive environment that, increasingly, is also beset by regulatory controls.

Every existing practice already has a PM solution of one kind or another already in place. The question is whether it is delivering optimal results. According to research conducted for this Smart Decision Guide, more than half (53%) of practices across all sizes and categories currently plan to upgrade their PM capabilities. One reason has to do with the perceived shortcomings of their current solutions in terms of features and functionality, including lack of integration with other technologies. Many practices want to take advantage of anytime, anywhere access enabled by mobility and cloud-based deployment. Needing to better track the health outcomes of patients and maintain compliance with ever-changing government regulations and industry standards are, for many practices, other compelling reasons to upgrade to a next-generation solution.
At the same time that so many existing healthcare practices are upgrading their PM capabilities, new practices are springing up en masse. They, too, need to implement the right technology infrastructure to run their front- and back-office functions and all other facets of their businesses. Before making the critical purchase decision, the buying team, which is typically comprised of office managers, IT staff and, in some cases, the physicians themselves, needs to feel confident that whatever technology platform they choose, it will be equipped to meet their needs now and in future.

Selecting the right PM solution can be a daunting task. The marketplace is teeming with a vast array of options, many of them backed by reputable solution providers. Comparing and contrasting the differing features, functions and capabilities of the various solutions and assessing the relative benefits is not easily done without a solid framework for evaluation. Moreover, prospective buyers need to gain clarity around their own needs and priorities. The exercise requires a significant amount of introspection.

This Smart Decision Guide offers a roadmap to success for both existing and new healthcare practices currently in the market for a next-generation PM solution. It includes actionable insights for evaluating the options available to them and practical guidance for making the right selection based on their specific wants and needs. It also includes pointers for maximizing the value of the investment once the new PM solution is up and running.
Choosing the right medical practice management solution is a critical undertaking. After all, its functionality and usability are sure to have a direct correlation with the practice’s overall productivity and long-term financial success. PM technology capabilities have evolved dramatically in recent years, partly in response to the passage of federal healthcare laws. Software that can organize medical records and patient information and speed the completion of common tasks like scheduling new appointments and processing billing and insurance claims was once seen as cutting-edge. Today these capabilities are considered to be table stakes.

The benefits of next-generation solutions range from optimizing process workflow and resource management to streamlining operations and enhancing revenue cycle management. Some solutions feature automated task management functions. Others include advanced scheduling capabilities designed to optimize the utilization of staff, rooms and equipment. Some solutions include cutting-edge information storage and retrieval technologies. Others come with data analytic tools that can be used to generate key insights into claims data, payment activity and reimbursement patterns.

Importantly, many PM solutions offer seamless integration with electronic health records (EHR), public registries, decision support databases, and other third-party information sources. Most solutions are designed to maintain compliance with government regulations and healthcare mandates. These mandates include the latest privacy and security requirements related to...
healthcare information handling and exchange, and critical changes to HIPAA electronic standard transactions, HITECH Act, Omnibus Rule and ACA requirements. Next-generation PM solutions also support ICD-10, which, as every beleaguered office manager knows all too well, recently went into effect in the United States, bringing sweeping changes to medical coding and compliance processes. Practices that submit claims with incorrect ICD-10 codes are beginning to see those claims categorically rejected, resulting in delayed reimbursements that can have a significant impact on cash flow. Next-generation solutions can ensure compliance with current and future regulatory requirements and healthcare reform mandates.

Next-generation PM solutions have evolved almost beyond recognition in terms of sophistication and comprehensiveness — in some cases, morphing into unified information, communication and management platforms. That said, no two PM solutions are exactly alike. In fact, the front- and back-office features of different solutions can vary in fundamental ways. So, too, can the requirements and priorities of individual practices. Matching the right practice to the right PM solution generally requires research, knowledge, patience — and, again, the right framework for assessment.

The fact that 68% of small practices, and 76% of medium-size and large practices, cite “significant” or “dramatic” business improvement with a next-generation PM solution speaks volumes of the benefits, which can include substantial gains in efficiency and revenue. These tend to go hand in hand. Better insurance billing management, for example, means speeding payment velocity and shortening posting lag time by upwards of one-third.
Other benefits typically include built-in analytic and visualization tools that can chart trends in reimbursement patterns and patient subgroup behavior. The insights may point to a host of new revenue and cost reduction opportunities. Next-generation solutions can lessen the time needed to store and access medical charts, reduce (or completely eliminate) transcription costs, and improve documentation for highly compensated codes. The solutions can improve process efficiency while giving managers greater operations visibility. Making information more easily accessible, and reducing errors, invariably results in increased employee satisfaction. Importantly, these solutions can also help enhance the patient experience and overall quality of healthcare care they receive, translating into greater loyalty and retention.

Research Data Point

What are the biggest benefits one can expect to gain with the right Medical Practice Management Solution?

- Increase practice revenue and profitability: 93%
- Reduce practice operating costs and inefficiencies: 89%
- Improve physician and staff satisfaction: 77%
- Comply and stay up-to-date with regulatory mandates: 66%

Research findings are derived from the Q1 2016 survey on Medical Practice Management Solutions.
There are a number of things to keep in mind when embarking on the journey that leads to purchasing a next-generation medical PM solution. These include the differentiators of must-have capabilities around patient registration, appointment scheduling and insurance and patient billing, which have become increasingly integrated and automated (with many solutions offering built-in CPT and ICD coding assistance and claim scrubbing). The basic components of a modern-day PM solution are easily understood by anyone who sits behind the front desk of a practice. Some of these components are discussed in the next chapter. Concepts like cloud deployment, workflow automation, interoperability and advanced data analysis, may require greater explanation. Following are brief descriptions.

**Cloud deployment.** The impact of the cloud on healthcare IT has been enormous. It has reduced IT maintenance costs while empowering physicians, office managers and others with “anytime, anywhere” access to patient and operational information, including patient records, claims processing status, and schedules and backend processes across office locations. According to research conducted for this Smart Decision Guide, more than two-thirds (68%) of practitioners consider the advantages of the cloud to be a “good” or “very good” reason to upgrade from an on-premise system. The level of management control and visibility is unprecedented. Other benefits include automatic off-site backup, protecting against data loss, and instant technology upgrades related to core features as well as ever-changing security and regulatory requirements.
Workflow automation. With a next-generation PM solution, healthcare practices can now automate and streamline practically all of the business processes and administrative tasks that were formerly handled in a manual and time-intensive manner. The solutions can simplify and expedite processes, beginning with patient scheduling and registration, in a way that only a few years ago would have been an office manager’s pipe dream. The solutions can automatically serve up patient eligibility information inside the scheduling component, eliminating the need to conduct a separate query to verify eligibility. They can automate the claims submission and patient billing processes as well as the process of capturing and storing patient demographics and other pertinent profile information. This may include information that can determine patient financial responsibility, making it easier to collect payments at the point of care and reducing payment lag time. Some solutions can automate a healthcare practice’s revenue cycle, leveraging the improved efficiencies offered by electronic transactions and workflows. Other solutions can optimize office utilization, using a rules-based decisioning engine to redirect medical staff and resources according to projected and actual patient volumes. Some solutions can be configured to automatically generate operational and financial reports. These reports can be used to identify emerging patterns and trends and pinpoint new opportunities to reduce costs and increase revenue. Some solutions have a worklog tool that automates staff instructions, providing the steps that need to be taken when, for example, a patient cancels an appointment.
Interoperability. The ability to streamline business processes, automate administrative tasks and reduce the cost of accessing and managing patient information depends to a large extent on interoperability. Interoperability isn’t just about data integration and technology compatibility. A PM solution that fails to align properly with existing workflows, office procedures and business processes can be a recipe for disaster. Interoperability is largely about communications efficiency and effectiveness. Healthcare practices need to be able to exchange information electronically with other organizations and systems in a seamless fashion. Failure to do so can result in significant redundancy, costs and risk of error. The lack of interoperability in communications generally means hours of time spent on a daily basis copying, pasting and manually entering patient data and other information into forms. With the U.S. government’s passage of healthcare information reform in 2009, the exchange of patient and population data became a top priority. Yet inefficiencies persist, especially in paper-centered office environments where the process of sharing health records and patient data has yet to fully embrace modern technology. The ability to electronically communicate with stakeholders and quickly and easily share critical information is key to agility and sustainability. Needless to say, any solution under consideration needs to be compatible with the EHR solution currently in place. Here decision makers generally have one of two choices. They can either select a unified system, one that is natively integrated or embedded, from a single solution provider. Or they can use a best-of-breed system that is designed to seamlessly connect with the EHR already in use.
**Advanced data analysis.** Every medical practice is sitting on an ever-growing mountain of patient data as well as an ever-growing mountain of operational and financial performance data. Systematically mining and analyzing the data on an ongoing basis can generate a continuous flow of actionable insights. These insights can lead the way to more informed business decisions, resulting in reduced costs and increased revenue and profitability.

Generating these insights, however, requires the right analysis and reporting tools. Increasingly, these tools are being integrated as a core component of next-generation PM solutions. The tools are also becoming increasingly sophisticated and powerful, making it easy to track and monitor any number of key performance indicators (KPIs), including such financial measures as gross collection percentage, days in accounts receivable, adjusted charges to collection percentage, write-offs and bad debt as a percentage of charges. Advanced performance reporting capabilities can give practices the ability to keep a close eye on virtually all facets of the business and identify inefficiencies wherever they may reside. They can compare individual physician productivity. They can analyze reimbursement patterns. They can identify performance gaps in operations workflow and resource utilization. They can measure office productivity, which may be especially important for practices entering into Accountable Care Organization contracts and moving toward other pay-for-performance arrangements. In short, a hallmark of next-generation PM systems is the ability to generate detailed and customizable dashboards and reports on the fly utilizing massive volumes of data from any number of sources. Advanced data analysis and real-time reporting are also key to benchmarking activities — tracking productivity against practice level standards — and driving overall performance improvement.
Chapter 2

Buying Considerations and Evaluation Checklist
According to research conducted for this Smart Decision Guide, almost one-quarter (21%) of medical practices that have not purchased a next-generation medical PM solution within the past 3 years plan to do so in the next 12 months. While their buying considerations can vary widely dramatically, most practices have many of the same basic needs, regardless of size and area of specialization. Consider the need to optimize consumer collections activities. This used to be a nominal focus area relative to insurance claims processing. But that was before the proliferation of high-deductible insurance plans, such as those commonly offered through the health insurance exchanges. With patients responsible for a larger share of the healthcare bill, there is greater focus on features that facilitate efficient and effective collections activities.

Every buyer wants a PM solution that is sufficiently robust and meets today’s regulatory mandates (ICD-10-ready billing, Meaningful Use Stage II-certified, etc.). Every also buyer wants a solution that integrates properly with their practice’s existing technologies, data sources, processes and workflow, and has all the features their practice requires in order for it to run efficiently and effectively. Otherwise, their practice is likely to encounter a litany of unexpected costs and crippling inefficiencies down the road. Also to be avoided is a solution that may be equipped to handle today’s federally-mandated code set changes but ill-equipped to accommodate future regulatory changes. Without an upgradable system, future change requirements will invariably result in significant billing and collections challenges along with a slew of administrative headaches. The following is a look at the common considerations as they pertain to core features like appointment scheduling, claims management and performance reporting.
Patient scheduling and appointment management capabilities. Flexibility and automation are the hallmarks of next-generation PM solutions. Solution providers have made big strides in these areas, particularly when it comes to registering and scheduling patients for appointments. Automation starts with being able to accommodate an extensive range of information fields (beyond basic patient contact, employment and insurance policy information) and do lookups for insurance eligibility. Automatic insurance verification is fast becoming a standard feature. Ideally, it should be possible to enable on-demand eligibility checking at multiple points along the patient flow cycle, from the moment the patient schedules the appointment to when they enter the waiting room to just before the insurance claim is submitted. With respect to appointment-making, the solution should make it easy to schedule patients for different timeslots and to just as easily change those timeslots, as well as office locations, as it becomes necessary. Indeed, by integrating with the provider’s daily schedule, it should be simple to coordinate patient visits both temporally and geographically, in the case of practices with multiple locations. The calendaring tool should also make it easy to manage everyday occurrences electronically – i.e., skipped appointments, last-minute reschedules, and walk-ins. It should allow “double booking” as well as resource scheduling, earmarking procedure rooms and special equipment, if necessary, for use during designated patient visits and based on the anticipated procedures to be performed. Some solutions customize schedules based on appointment types. As mentioned, some offer online patient portals where patients can schedule their appointments themselves.
Claims management capabilities. Next-generation PM solutions utilize sophisticated charge entry tools and coding rules to perform on-demand validation. Checking whether the codes that have been entered “make sense” when compared to general coding edits — and catching and correcting potential errors, preferably on a real-time basis — is becoming an increasingly automated process. Some solutions integrate directly with the solution provider’s own claims clearinghouse, providing multi-level claims scrubbing capabilities and further ensuring that only accurate and complete information is being captured. Whether or not a solution enables that level of integration, it is important to understand the extent to which the claims management component can flag and correct errors and maximize charge capture to speed reimbursement. Timing is everything when it comes to claims management, and significant sums of money may be at stake if a solution fails to minimize latency in charge capture. Of course, automating the charge entry and collections process means communicating claim information electronically. It should be easy to connect to any commonly-used insurance plans, most of which now offer electronic eligibility verification as well as Electronic Remittance Advice. It should also be easy to send checks electronically, with partial billing, claim denials and other line item posting features. Buyers should confirm that a solution under consideration can interact electronically with the plans that are most commonly used by patients in the practice. The solution should also seamlessly connect with third-party patient statement printing companies and integrated credit card processing providers.
Data analytics and performance reporting capabilities. Practices need easy access to financial and operational data as well as to the tools to generate actionable insights from the data. How else can they hope to drive continuous performance improvement? With next-generation PM solutions, real-time reporting is becoming an increasingly automated process. The reports are also becoming increasing comprehensive, intuitive and visually compelling. Reporting is also becoming more flexible and customizable, making it easy to track any number of performance metrics. Every practice needs to track all of the basic financial metrics, such as net sales, as well as the various claims metrics, including first-pass claims rate, claim denial rates based on the number of claims, claim denial rates based on dollars and days from denial to adjudication by carrier. Given the changing nature of practice management, particularly the trend on the part of Medicare and private payers to shift from pay-per-procedure billing to a “pay for value” model, a host of other metrics are emerging. Increasingly, practices need to track the health outcomes of their patients — a metric by which they are reimbursed by insurance companies — and not just the volume of patients they treat. Demonstrating quality data reporting and collection are prerequisites for becoming part of a Shared Savings Program. Before an Accountable Care Organization (ACO) can share in any savings generated, it must meet the quality performance standard for that year. These standards include 33 metrics that measure such areas as patient and caregiver experience, care coordination and patient safety, preventive health and at-risk population.
**Set up, support and training.** Selecting a new medical PM solution means entering into a potentially long-term relationship with a solution provider. Buyers would be well-advised to pick a company that offers a sufficiently high level of customer support, from implementation (migrating current data, including billing, accounts receivable and patient information, into the new system can sometimes present a challenge) to addressing any day-to-day operational issues that may arise down the road. Most reputable solution providers are willing to provide a representative who can help facilitate the set up process as well as assist with any required customization — helping, for example, to optimize the solution according to the practice’s area of specialization or helping with code sets transition to a new clearinghouse. In addition to ensuring the availability of reliable customer support, preferably on a 24/7 basis (which may require an extra fee), buyers should ensure that office managers, medical personnel and other employees in the practice will receive the training they need to feel comfortable with the new interface and procedures and be able to use the new solution as effectively as possible. At the very least, that means walking them through features and settings and showing them how to troubleshoot the problems they may be likely to encounter.
Usability and productivity features. A medical PM solution should be easy to use. It should fit the needs of individual users, based on their areas of accountability, as well as the practice as a whole. Some solutions offer customizable workflow components. Some have worklog tools that facilitate the billing process with built-in coding advice. Some solutions have features that automatically load patient information. Specific features aside, the interface should be well-designed, user-friendly and intuitive. Screens should incorporate graphical layouts, such as color-coded patient schedulers, and be laid out in a logical and easy-to-understand format. Most solutions incorporate quick-feature icons to help staff easily navigate through the various billing steps, from verifying insurance eligibility and determining co-pays to submitting claims and responding to denials. For medical personnel and office staff alike, the overall quality of the user experience should be of paramount importance. Drag and drop features and the ability to work within multiple tabs can make a big difference in terms of usability and productivity. Another aspect of usability is patient-facing interfaces. Some PM solutions offer patient appointment self-scheduling through an integrated patient portal, which, in addition, may allow for patient completion of medical forms, bill payment options, appointment summaries and/or access to clinical and pharmaceutical data. Some solutions have a secure messenger application for communicating with patients, billers and staff. Most solutions adhere to Health Level-7 (or HL7) interfaces, an industry standard implemented to support data transfer and technology interoperability.
Customization and flexibility. Healthcare practices have differing requirements, depending on size, areas of specialization, patient demographics, workflow habits, etc. Some practices may desire a significant degree of customization. They may want to configure some features and screens in non-standard ways. They may want to generate non-standard reports. They may want to integrate with unconventional third-party software modules, hardware components, and data sources. They may want to incorporate homegrown add-on modules. Determining the degree to which a given solution allows for customization as well as the relative constraints and limitations of technology flexibility based on the practice’s anticipated wants and needs may rank as another buying consideration to keep in mind.

Research Data Point

“To what extent has upgrading your Medical Practice Management Solution (within the past 3 years) enabled your organization to improve overall performance and business results?”

<table>
<thead>
<tr>
<th>Dramatic improvement</th>
<th>Significant improvement</th>
<th>Only minor improvement</th>
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</thead>
<tbody>
<tr>
<td>Small practices (1-10 physicians)</td>
<td>27%</td>
<td>41%</td>
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<tr>
<td>Medium-size and large practices (11&lt; physicians)</td>
<td>34%</td>
<td>42%</td>
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Research findings are derived from the Q1 2016 survey on Medical Practice Management Solutions.
This Evaluation Checklist offers a framework for conducting an apples-to-apples comparison of medical practice management solutions using the buying considerations outlined previously. Other key considerations can be added based on individual buyer priorities. Relative weightings can be assigned on a scale of 1 (“This buying consideration has no bearing on our purchase decision”) to 10 (“This buying consideration is a very important factor in our purchase decision”).

<table>
<thead>
<tr>
<th>Buying Consideration</th>
<th>Weighting</th>
<th>Vendor 1</th>
<th>Vendor 2</th>
<th>Vendor 3</th>
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<tbody>
<tr>
<td>1. Patient scheduling and appointment management capabilities</td>
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<tr>
<td>2. Claims management (e.g., automated coding assistance, scrubbing, eligibility)</td>
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<td>3. Data analytics and reporting capabilities</td>
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<td>4. Hosting (cloud, on-premises or hybrid)</td>
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<td>5. Interoperability / integration (billing/scheduling, EHR, EMR, third-party modules)</td>
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<td>6. Customizability / flexibility</td>
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<tr>
<td>7. Usability and productivity features</td>
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<td>8. Set up, training and support</td>
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<td>9. Cost, maintenance and expected ROI</td>
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<tr>
<td>10. Upgradable regulatory / code compliance</td>
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<td>11. Workflow automation / decision support</td>
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<td>12. Patient portal / self-service capabilities</td>
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<td>13. Mobile access / interface / reporting</td>
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<tr>
<td>14. User feedback / provider reputation</td>
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<tr>
<td>15. Other</td>
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**Overall Rankings**

N/A
Today, there is no shortage of PM solution providers vying for prospective buyers’ attention. In most cases, these buyers are not physicians. While physicians in the healthcare practice tend be deeply involved when purchasing a new EHR solution, that is generally less the case with a PM solution, especially for larger practices. Instead, responsibility for conducting the research, assessing the technology options and making the final purchase decision generally falls mainly on the shoulders of the IT and/or office managers (oftentimes, working in collaboration). Larger practices may also wish to include representatives from the practice’s coding and billing staff and non-physician clinical staff on the assessment team. These are the individuals charged with operating the new solution on a day-to-day basis.

By asking the right questions, prospective buyers can quickly rule out some options while narrowing down others. As with the buying considerations, the “must-ask questions” are bound to vary depending on practice size and category. Other factors, such as demographics of the patient panel, disease severity level of the patient population, data integration requirements and workflow habits, may also influence questions related to specific areas of functionality.

Research Data Point

Percentages of medical practice employees who view each of the following success factors as “important” or “very important.”

- Having the ability to customize electronic workspaces to meet individual staff needs and preferences (91%)
- Having the ability to shift resources to better serve patient needs and volumes (86%)
- Having well-defined process workflows already in place for managing day-to-day tasks and operations (82%)
- Having access to consolidated dashboards and visualization tools for performance reporting and insight generation (72%)
That said, buyers are likely to have many questions in common. Following are a few of the broader questions that may be applicable across the board.

**How seamlessly will the PM solution integrate with the EHR (if a separate component) and other technologies and data sources currently in place?**

According to research conducted for this Smart Decision Guide, more than three-quarters (78%) of practices prefer integrated billing and scheduling capabilities, which most next-generation PM solutions provide, as opposed to separate standalone solutions. At the same time, approximately one-third (36%) of practices prefer integrated PM and EHR/EMR solutions as opposed to separate standalone solutions. Some solution providers offer integrated solutions while others sell the two packages separately. Practices also have the option to purchase PM and EHR solutions from different solution providers. This approach may be preferable in some instances as long as there are no data integration issues between the packages. In all cases, seamless integration of all administrative, clinical and other data is critical. So, too, is seamless interoperability between all of the different technologies, including portable and mobile devices. Patient and insurance data needs to pass in a real- or near-real-time manner between the PM solution, the EMR, the clearinghouse and, if applicable, the patient portal. Scheduling data needs to populate the medical billing software and EHR solution automatically and without errors. Billing codes and notes need to flow smoothly from the EHR solution to the medical billing component or standalone solution. Insurance
claims need to be automatically transmitted from the PM solution to the clearinghouse. Information updates entered into the patient portal need to be reflected in the PM solution and then, with the click of a mouse, incorporated into the billing software. *Tip: Ensure that all data, technologies and components are compatible and integrate seamlessly.*

**What type of customer support is offered? Are there any extra costs?**

**How quickly will questions be answered and problems be resolved?**

Buyers should have clear expectations when it comes to customer support and problem resolution as well as the training that may be needed to get office managers and other staff up to speed on the new PM solution. More than three-quarters (81%) of survey respondents agree that user training ranks as a key success factor. Does the solution provider (or a certified subcontractor) offer an online or, better yet, in-person training program? Is it equipped to offer online troubleshooting and diagnostic techniques should technical issues arise? Are local, in-person service and support services on hand should there be an issue that can’t be handled remotely? Knowing that problems will get resolved fully, and in a timely manner, is critical for medical practices that not only need to run their own businesses with minimal interruption but are also responsible for the healthcare of their patients. Buyers need to understand what to expect should they ever get into a situation that requires immediate attention since delays may, in some possible cases, literally be a matter of life or death. *Tip: Ensure that resources are available to address training and support needs and resolve issues in a timely manner. Some solution providers guarantee response and resolution times.*
Does the solution offer sufficient flexibility in terms of data analysis and performance reporting? Most PM solutions include standard dashboards focused on operational and financial areas that should meet most day-to-day performance management and analysis needs at a high level. With some solutions, a single screen can show a wide range of practice parameters, including daily patient appointments, real-time claims status, payments and accounts receivable charges a summaries, and evaluation and management (E&M) coding trends. The dashboard should make it easy to analyze administrative productivity and financial activity using different performance metrics. The reporting capabilities should capture patient information by diagnosis and procedure code, reimbursements by procedure and insurer, no-show appointments, total charges by provider, and provider expected versus scheduled hours. Of course, not all data queries and reporting requirements can be anticipated in advance or addressed with out-of-the-box dashboards. For that reason, buyers may want to investigate whether customized reporting is available and, if so, what is involved in the process of filtering and sorting data according to a specified set of parameters. With 79% of medical practices ranking the need to gain access to patient and practice data anytime, on any device, as an “important” or “very important” success factor, they would want to ensure that any solution under consideration has a solid mobility component and can meet expectations around ad hoc reporting. Capabilities related to reporting can, in fact, serve as a big competitive point of differentiation with PM solutions.
generate a report that targets A/R days? Or a report that looks at collections by payer and referring provider? Or a report that tracks posting lag time and account delinquencies? Can staff append annotated notes to reports based on their experiences with particular payers or patients? While some practices may be satisfied with using the standard templates, others may want to make modifications and add new formats and dashboards to the mix and also make ad hoc queries from relevant data sets. Having flexibility in gaining visibility into the key drivers of business performance and patient care is not just an operational necessity but a strategic imperative for modern-day medical practices. *Tip: Confirm that the solution is flexible in terms of key areas of functionality, including custom report generation, and verify the solution provider’s claims, if possible, by speaking with existing clients.*

**What is the solution provider’s track record for stability and reliability?**

Reputation and customer satisfaction are important. Nobody wants to implement a PM solution that falls short of expectations due to known shortcomings in interoperability, stability, reliability or promised benefits. While the solution provider need not have been in business for decades, it should have a well-established roster of customers that can attest to reliability and performance. *Tip: Seek information about what performance issues may arise though conversations with the solution provider’s existing clients, preferably individuals from practices that have approximately the same number of physicians and patients and, if possible, are operating in the same category.*
What is the total cost of ownership? Are there any “hidden expenses”? Buyers need to know not only how much the PM solution will cost on the front end but also on an ongoing basis. Does the solution use a transactional model whereby the practice is charged for every claim processed? Are there electronic transaction fees over and above the selected clearinghouse fees? Are costs charged on a per-provider or on a per seat/user basis? Are costs tied to a percentage of collected fees (in some cases, the software serves as the front end to the backend services)? Are costs based on the number of concurrent users? Are there extra fees for add-on modules? While hardware and software costs run the gamut, next-generation solutions on the whole tend to require less up-front investment than their predecessors. There are many reasons for the shift toward increased affordability, including the fact that installation is generally less complex and hardware is generally less expensive compared to, say, a decade ago. With some systems, patient data is stored in the cloud, eliminating the need for on-premise servers. Most cloud-based systems also use a subscription “pay as you go” model, which generally means no long-term contracts and no upfront capital investment for the software. This may be an important consideration, especially for small practices with a limited budget. In all cases, it is important to confirm which software features and modules, including future upgrades — as well as which hardware components, if any — are included in the base (recurring) price that is quoted so as to avoid any unpleasant surprises. Tip: Check that installation, licensing, maintenance and ongoing service and support fees are included in the pricing. Also, check that the solution comes with a warrantee to protect against hardware or software malfunction and what specific costs are covered.
Chapter 4

Roadmap and Recommendations
With more than three quarters (76%) of medium-size and large medical practices, and 68% of small practices, citing “significant” or “dramatic” improvement in operations and revenue after deploying a next-generation medical PM solution, it is no wonder that so many practices that have not yet upgraded their technologies are currently looking to do so. The Roadmap Diagram below shows the migration from legacy to next-generation PM solutions along key dimensions.

### Legacy Solutions

- Manual patient scheduling and appointment and claims management processes
- Format changes, code changes, payer rules updates, etc., implemented manually
- Patient interaction with practice limited to in-person or phone
- Only rudimentary operational and financial data analysis and performance reporting
- On-premises-only access to patient data and reporting
- PM integrated with EHR only; technology interoperability not a given
- Emphasis on managing day-to-day practice operations via a fee-for-service model

### Next-generation Solutions

- Automated patient scheduling and appointment and claims management processes
- Upgrading format changes, codes changes, payer rules updates, etc., implemented automatically
- Patient interaction with practice includes patient portal / self-service / online communications
- Robust and flexible operational and financial data analysis and performance reporting
- Anytime, anywhere access to patient data and reporting, including mobile
- PM seamlessly integrated with all data sources; seamless technology interoperability
- Emphasis on driving performance improvement and revenue growth via a value-based model
Needless to say, the world of medical practice management, particularly in the United States, has changed dramatically in recent years. So, too, has the technological requirements for medical practices of all sizes and across all categories of specialization. Next-generation PM solutions need to comply with new payment models, new data integration needs, new regulatory requirements and code set changes and new legislative demands on practices, including new mandates that require them to become far more proactive in managing patient healthcare.

To that point, the widespread shift from a fee-for-service model to a payment-or value-based income model is putting the onus on practices to keep their patients healthy and out of hospitals as much as possible. The shift requires that today even small practices with only a handful (or less) of physicians need to have a relatively high level of technological and financial sophistication.

The good news is that next-generation PM solutions minimize human intervention — automating, for example, the submission of insurance codes that are likely to win payer approval on the first try. Most existing practices already have a good head start in implementing any new solution in that they already have the data foundation and organizational processes in place and also well-defined workflow habits. They are also likely to have a clear vision for what they aim to accomplish with a new solution relative to the existing solution, with specific operational and financial goals in mind.
The evolution in practice management requirements and some of the various technology advances that have taken place in recent years have conspired to usher in a new era of medical PM solutions. These solutions have migrated from being basic software applications focused on doing little more than scheduling patient appointments and managing billing processes to becoming the technology enablers of practice management automation and strategic decision-making. Following are a few recommendations to keep in mind along the evaluation-and-purchase journey and also once the new solution is up and running.

Know thyself. While every buyer needs to ensure that any PM solution under consideration covers all the basics around scheduling appointments, documenting patient information, completing billing and collections duties, generating reports, etc., every practice is also sure to have its own priority areas in terms of desired features and functionality. Some practices will value a claims rules engine that can help speed up reimbursements or electronic claims reconciliation and posting feature and/or rules database that can provide automatic updates on clinical guidelines and protocols. E&M coding advice may top the list for some practices. Others may be more excited about an electronic patient identification card reader or features of an integrated patient web portal. Based on their situation, some practices will care more than others about technology implications related to participating in a pay-for-performance program or other payment initiatives. In all cases, buyers should gain a clear understanding of their needs and priorities early on and weigh them accordingly (see the Evaluation Checklist in Chapter 2).
Check client references. This recommendation may seem obvious, but it nonetheless bears mentioning. No input may be more important to the PM solution buying decision than the perspectives that can be gleaned from existing clients, preferably practices that share similarities in terms of size, category and existing data infrastructure. A solution provider may be willing to provide one or more client references. And some practices may be willing to share their experiences, including both the pros and cons, and also verify whether their experiences match the sometimes-lofty claims made by the solution provider — that, for example, customers utilizing their solution can expect to achieve a 99% first-pass acceptance rate. Written client testimonials and success stories can also be valuable resources.

Provide adequate training and practice. While tech-savvy office and IT managers should be able to get up to speed on a new PM solution relatively quickly, others may need some hand-holding. As discussed, it’s important that the solution provider — or another resource, if necessary — is ready and willing to provide the requisite level of training support and that sufficient time is allotted for front desk office managers, as well the coding and billing personnel, non-physician clinical staff, and the physicians themselves. Everyone in the office needs to become comfortable with using the new PM solution before they are set loose on patients, payers and all other parties in their medical practice ecosystem.
Office managers, IT managers, physicians and others with first-hand experience with next-generation PM solutions have a lot to say about the topic. Following are a few perspectives gleaned from individuals who participated in the survey that produced the research included in this Smart Decision Guide.

Figure out what your practice needs before you start talking to every vendor under the sun. Identify the key functionalities and features your practice needs based on an analysis of the current patient and billing management processes. A lot of solutions offer bells and whistles that may not help your practice achieve its goals and that your practice may not have any need for.

Office manager, small practice

We’ve put our patient portal to good use. It has reduced the workload for our office managers. It has also improved patient satisfaction. Patients are happy to schedule their own appointments and get all the information they need online.

Office manager, mid-sized practice

The most important thing to consider is cash flow. Is the new PM system going to allow your practice to get paid faster? In our case, it has allowed us to boost the number of claims accepted by payers on the first pass by a very significant amount. It has also allowed us to respond to denials and rejections in a more efficient manner. These improvements alone readily justify the investment we made.

Consultant, small practices

Our previous medical practice management system was extremely restrictive. The staff was frustrated and so were patients. The interface was cumbersome and the poor workflow hampered productivity. With a next-generation technology, things are running a lot better. We’ve streamlined our scheduling and billing processes and our reporting and financial analysis capabilities have improved dramatically.

IT manager, small practice
Following are a few additional perspectives from industry observers, including trade magazine editors and research analysts, with insights into next-generation PM solutions.

I’ve conducted a number of analyses among medical software buyers; looking at practice management software buyers exclusively was the first time I’ve seen a recurring theme of practices calling out their current on-premise set-up as a pain point. Multiple buyers mentioned not wanting to maintain their own servers, or problems with their local servers leading to inaccessibility of their existing on-premise practice management tools…. Most of the buyers we spoke with were looking for integrated billing and scheduling solutions, rather than one or the other on a standalone basis.

Melissa McCormack, Market Research Associate, Software Advice

Practice management optimization and revenue-cycle management is a very mature market with a well-documented return on investment. That return comes from better up-coding [and] decreasing your claims-denial rate."

Greg Chittim, Arcadia Healthcare Solutions

Choosing the right PMS is a critical task in healthcare management because its functionality greatly determines the overall productivity of the institution in which it is installed. The major challenge faced by PMS users is the time required to completely implement the system in the institution.

Transparency Market Research, Medical Practice Management Software Market

Oftentimes it isn't which EHR to buy or which practice management system to buy; sometimes it's which bundle to buy because the physician wants a tightly integrated solution.

Rosemarie Nelson, Medical Group Management Association
In Q1 2016, Starfleet Media conducted an online survey, consisting of both multiple choice and open text questions, to capture the perspectives of industry practitioners with firsthand experience with medical practice management solutions. Some of the research findings are highlighted in this publication. Following is some basic information about the 137 qualified survey respondents who participated.

### Job level / role of survey respondents
- **Office managers, administrative staff**: 41%
- **IT managers and technology staff**: 32%
- **Physicians and other medical personnel**: 16%

### Size of survey respondents’ practices
- **Small practices (1-10 physicians)**: 57%
- **Medium-size practices (11-50 physicians)**: 31%
- **Large practices (more than 50 physicians)**: 12%

### Geographic location of survey respondents
- **North America**: 70%
- **Europe**: 23%
- **Other**: 7%
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CareCloud is transforming the healthcare experience with the industry’s most modern, flexible and powerful cloud-based platform. Central is CareCloud’s medical practice management solution. It boosts productivity by automating the day-to-day tasks that can slow a practice down and includes tools to help generate cleaner claims and reduce denials. The easy-to-use practice management software also streamlines your workflow to deliver seamless handoffs across departments.

Central becomes your practice’s command center, delivering robust, real-time analytics through customizable reports and dashboards to ensure you know how your business is performing on the metrics that matter most. Other solutions from CareCloud include Charts, an EHR that is fully integrated with Central, complete revenue cycle management with CareCloud Concierge, as well as a patient portal, a mobile app, robust analytics and much more.

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Centricity™ Practice Solution from GE Healthcare is a fully integrated Electronic Medical Record (EMR) and Practice Management solution designed to help you enhance the clinical and financial productivity of your ambulatory practice. Though designed to work as a single fully integrated unit, if desired, the modules may be used independently.

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