4 Ways Gastroenterology Practices Can Boost Profitability
Gastroenterology practices today are under immense pressure from the combination of declining reimbursement and rising costs. Among other recent challenges, CMS’s dramatic cuts to the 2014 Medicare reimbursement rates for upper GI endoscopy services dealt a tough blow to gastroenterologists across the country.

The stress of running a practice in this environment is naturally taking a toll, with nearly 2 in 5 gastroenterologists experiencing burnout.\(^1\) With the extra demands on gastroenterologists’ time and declining reimbursement, “everybody feels like they are running harder to stay where they are,” explains Dr. Rowen Zetterman, Gastroenterologist/Hepatologist and Dean of the Creighton School of Medicine.\(^2\)

Never ones to shy away from difficult challenges, gastroenterologists and their staff are proactively seeking new ways to boost profitability in the face of these external pressures. Below, learn about four key moves that are helping gastroenterology practices boost their bottom lines.

1. Raising the Top Line with New Revenue Streams

Faced with declining reimbursements for their core procedures, gastroenterologists are finding new ways to raise their total revenue potential. One key new source of revenue is ancillary services. According to Medscape research, more than 1 in 3 gastroenterologists in private practice now enhances revenue with ancillary services such as ambulatory surgical services, in-house infusion, lab work, and imaging.\(^3\)

Dr. Lawrence Kosinski, Managing Partner at the Illinois Gastroenterology Group and former Chair of the American Gastroenterological Association’s Practice Management & Economics Committee, explains, “If you’re fortunate enough to own your own ambulatory surgical center (ASC), you can probably double your income. If you add your own pathology laboratory, you can earn even more.” He adds, “By moving our procedures out of the hospital to ASCs that we own and run, we not only garner the facility fee for ourselves, we also improve efficiency because we can do more procedures in the same period of time than we could at the hospital.”\(^4\)

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\(^1\) Medscape Gastroenterologist Compensation Report 2014.
\(^3\) Medscape Gastroenterologist Compensation Report 2014.
2. Improving Collections Through Outsourcing

The top two drivers of burnout for gastroenterologists are “too many bureaucratic tasks” and “spending too many hours at work,” according to a 2013 Medscape survey, so it’s no wonder that they are looking to outside partners to take on some of the most critical, cumbersome tasks for their practices. In an interview with Becker’s ASC Review, gastroenterologist Dr. W. Travis Dierenfeldt reported that two key steps he’s taken to adapt to industry change and prepare for the future are buying an electronic health record system (EHR) and outsourcing billing and HR to third parties.

Outsourcing revenue cycle management can help gastroenterology practices both improve collections and free up time, as the vendor handles key financial tasks that are complicated and time-consuming (e.g., appealing denials, contacting payers about claims without responses). Without outside support, many practices end up leaving revenue on the table, as an estimated 65% of practices don’t appeal denied claims. With the right partner and software, gastroenterology practices can both increase their chances of getting paid the first time around and ensure that they’re dealing with denials optimally, two key contributors to profitability.

3. Billing More Effectively with Modern Software

Medical practices across specialties have focused on EHRs in recent years, but the growing complexity around healthcare reimbursement has put a new spotlight on practice management systems. Outdated, clunky systems limit how quickly billers can get claims out the door and many lack key features that help reduce
Gastroenterology practices nationwide are embracing the benefits of cloud-based practice management and EHR systems. In addition to providing access to patient records from wherever gastroenterologists are providing care—in the office, hospital, or ambulatory surgery center—the cloud also helps them reduce IT costs.

The cloud eliminates the costs of buying or renting on-site servers—and the stress around keeping them functional and secure—and lets gastroenterology practices replace hefty licensing and maintenance fees with predictable, pay-as-you-go pricing. What’s more, not only does the cloud reduce existing costs, but it also supports practice growth long-term since adding new sites or providers simply requires setting up logins—not additional servers. At a time when IT costs continue to rise, the cloud offers gastroenterology practices a way to reverse the trend.

4. Cutting Costs with the Cloud

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The switch to ICD-10 threatens to make a bad denials situation worse, further fueling the replacement trend. In fact, a 2014 Software Advice study found that the top two reasons buyers are replacing their PM systems are lack of confidence around ICD-10 readiness and their current system being outdated. A modern PM system can help gastroenterology practices plug drains on profitability—today and when ICD-10 goes into effect in 2015.

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8 Tina Graham, “You might be losing thousands of dollars per month in ‘unclean’ claims,” MGMA Connection, Feb. 2014.
9 Software Advice, Medical Practice Management Software BuyerView 2014.
While challenges abound, gastroenterologists still find much to be grateful for and excited about in their profession—from the diverse nature of the conditions they treat to the satisfaction that comes with solving tough cases. In fact, just over half of gastroenterologists would choose medicine again and almost 60% would choose the same specialty. Dr. Kosinski affirms, “it’s still a wonderful profession” and Dr. Zetterman exerts, “it’s a great field.”

With more control over the financial health of their practices and less worry about future viability, career satisfaction would undoubtedly rise for gastroenterologists and their staff. And, while there’s no magic solution, the four steps above provide a promising path for gastroenterology practices to achieve higher profitability and greater peace of mind.

Learn more about CareCloud’s powerful software and services for gastroenterology practices at www.carecloud.com/gastroenterology

CareCloud is a leading provider of cloud-based practice management, electronic health record (EHR) and medical billing software and services for medical groups. The company’s products are connecting providers to one another – and to their patients – through a fully integrated digital healthcare ecosystem that can be accessed on any browser or device.

CareCloud is helping thousands of physicians to increase collections, streamline operations and improve patient care in over 48 states and currently manages over $3 billion in annualized accounts receivables on behalf of its revenue cycle management clients.

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