



## BUSINESS CONSULT

**KATY REED, MBA**

*Senior Manager, ECG Management Consultants, Inc.*

# Becoming a High-Performing Cardiology Practice

**W**hether employed, aligned, or independent, many cardiology groups are having difficulty sustaining and/or improving performance in the evolving health care environment. Physicians and administrators are balancing mounting patient and provider demands against decreasing resources. Aligning with health systems and hospitals through employment or affiliation arrangements may be a lifeline for some practices, but it in no way ensures practice growth or optimal performance. The good news is you don't have to stand idly by and hope your practice doesn't sink. Instead, there are a number of tactics you can take to improve performance and maintain a successful practice.

### Physician Leadership

Playing an active role in physician leadership can have a significant impact on day-to-day operations. For independent practices, your involvement presents the opportunity to better understand the market landscape as practice patterns continue to evolve. For recently employed or aligned practices, assuming leadership roles can help assuage concerns and frustration felt in practice transition (i.e., operational inefficiencies and incorporation of new protocols) and allow your team to concentrate instead on program growth and development. Still, involvement at the leadership level is not for everyone. Some physicians have little interest in the non-clinical side of the cardiology business and prefer to focus solely on the practice of medicine. However, that doesn't mean you shouldn't have a voice. Identifying a strong physician lead from your team with whom you can share your input on strategic planning and operational issues helps ensure multiple perspectives are considered. This can result in considerable improvements in overall practice performance.

### Deployment and Access

Patient access is crucial to the success of any cardiology practice. A common myth among physicians is that the supervision of advanced care practitioners (ACPs) can diminish productivity. For those on a work relative value unit (WRVU)-based compensation model, this concern often dissuades ACP employment. But, in reality, we find that when care models are adopted that effectively leverage ACPs, greater efficiencies, increased productivity, and

improved financial performance often follow. As a result, many organizations are integrating ACPs into their care models, particularly to cover low acuity and follow-up patient care.

### Compensation

Regardless of whether you are employed or in an independent practice, it is important that you and your team follow a compensation methodology that incentivizes the right activities for your unique practice. Cardiologists face a number of operational

### Example Performance Metrics

- Visits by type
- WRVUs
- Collections
- Trended profitability
- Operating expenses
- Revenue cycle metrics
- Patient & staff satisfaction surveys
- Quality measures
- Service line development

challenges, particularly in relation to cardiac diagnostic imaging, hospital call coverage requirements, and outreach. While all of these services are important, the most efficient model for the system is not necessarily the one that generates the most WRVUs. More hospitals and physicians are opting for a group compensation methodology, whereby the physicians are paid (at least in part) for their collective productivity and overall service line performance.

### Performance Monitoring

Practices are constantly evolving, and understanding performance trends is critical for achieving greater success. One of the greatest challenges for any practice is accessing data and turning it into actionable information. Numerous factors contribute to this problem, many of which are related to inadequate technology and data tools. Furthermore, for employed practices, data and information may be split across departments (particularly if provider-based) and it can be difficult to get an accurate read on how the practice is performing overall.

Even a simple dashboard that tracks financial per-

formance, operational benchmarks, and production trends can highlight potential areas of opportunity and improvement. If accounts receivable is slowly increasing, reviewing individual physician performance might raise opportunities for improved chart closure, documentation, and/or coding. If operating margins are taking a hit, perhaps opportunities exist for supply consolidation and contract renewals. Armed with information, you can make real-time adjustments to your practice that will quickly improve performance.

### Practice Management

The recruitment of a skilled cardiology practice manager who closely monitors service line performance is also an essential step to ensure that major challenges and/or issues aren't ignored or overlooked. While each organization is unique, some of the more common challenges include:

- Scheduling patient visits to maximize provider time
- Properly staffing the clinic/hospital
- Maximizing revenue operations and evaluating contract renewals
- Coordinating call schedules and vacation time to ensure patient coverage
- Tightly managing supply and other operating expenses

Ultimately, this person is responsible for the planning necessary to identify your group's specific performance targets, drive accountability, and monitor progress.

### Keeping Pace with Change

In today's volatile economic environment, achieving strong operational performance has never been more important—or more challenging—for physicians, administrators, healthcare executives, and the organizations they lead. When executed and approached intelligently, these efforts can help you and your physicians experience significant improvements in your bottom-line results, among other benefits. Change will remain a constant in health care, and now is the time to stabilize the future of your practice. ■

**Katy Reed, MBA**, is a senior manager at ECG Management Consultants, Inc.