

# Tips for Improving the Health of Your Bottom Line

BY SOPHIA BENNETT

Declining reimbursement rates are one of the top problems facing medical clinics today. Given that private and government insurance plans are facing challenges of their own, this trend is likely to continue for a long time.

But there are things medical practices can do to combat the problem of shrinking reimbursements and keep the bottom line looking healthy. Healthcare Advisors Nicole McOmer, CPA and Jeremy Prickel, CPA from one of Oregon's largest CPA firms Jones & Roth share two tips they give clients who are looking to save money without compromising patient care.

## 1 Be Proactive about Contract Negotiations

When it comes to securing better reimbursement rates from insurance companies, there are several things medical practices can do to put themselves in a powerful position. McOmer points out that it's important to be proactive about when it's time to negotiate. That way, if you feel like you're getting a bad deal, you can take the first available opportunity to approach the insurance company and ask for a better rate.

To determine what that rate should be, and make the case for why you need it, pull all your existing contracts and "really comb through them to determine who your higher volume payers are," McOmer says. "That will help your practice analyze your entire contract situation and determine where you need to dive deeper."

If an insurance company really isn't paying enough to cover the cost of serving your patients, it may be appropriate to reject a contract. In making that decision, it helps to have good financial statements that truly reflect income and expenses. It also helps to have an experienced Healthcare CPA helping to manage the business side of your practice.

"There's a whole spectrum of challenges beyond patient care that doctors face, from dealing with human resources issues to technology changes and policy reforms,"

McOmer says. "We help clinics with more than just financial statements and taxes. The highest value we bring to our clients is our experience in determining physician compensation schedules, business planning, establishing policies and procedures, and helping with contract review and negotiation."

## 2 Take Advantage of Cost Savings, Economies of Scale

Even if a company can get their reimbursement rates to remain the same, costs are going up all the time. Medical practices can also improve their financial situation with some basic belt-tightening and best practice implementation.

"Physicians can learn how to save better and be really efficient in their practices," Prickel

says. That means examining everything from supply costs to staffing ratios. "We can actually take a group's financial statements and benchmark them alongside their peers. It helps them get an idea of how they're doing in terms of expense management, production, and salaries," says Prickel.

Thanks to McOmer and Prickel's years of experience in Jones & Roth's Healthcare practice, they can share ideas designed to help medical practices achieve better economies of scale. In urban areas, doctors are connecting with hospitals and larger medical groups. In rural areas, medical practices can propose becoming a satellite office for one of the larger providers in their region. Even people with extreme specialties can partner to cut overhead and other costs. "We see many who are partnering with practitioners in a specialty that complements their own," McOmer says.

Part of Jones & Roth's expertise comes from their practice of loaning their staff out to offices that need an administrator on a temporary basis. "It's given us a tremendous amount of experience with managing medical practices," Prickel points out. "We know how to troubleshoot and solve problems."

Jones & Roth's Healthcare Practice offers complimentary online educational webinars covering a variety of topics geared towards physicians and practice administrators. Visit [www.jrcpa.com](http://www.jrcpa.com) to learn more.



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