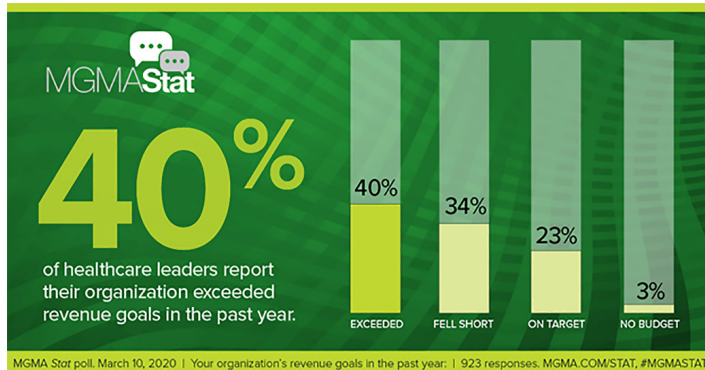


SEVEN TIPS TO HIT YOUR REVENUE GOALS THIS YEAR

By Brian D. Benavides, President and CEO, Omega Strategic Consulting

The Medical Group Management Association's most recent MGMA Stat poll asked healthcare leaders how their organization's performed regarding revenue goals in the past year. 40% of respondents said they exceeded the goals, 34% responded they fell short, 23% said they were on target, and 3% said they had no specific revenue goal.



The poll was conducted March 10, 2020, with 923 applicable responses.

How did your 2019 finish out? If you have reported better revenues than expected, well done! Hopefully it didn't come as a big surprise, because we do not want to build organizations on accidental gains. When you look at healthcare organizations, there's a short list of ways to increase revenue — healthcare, as any business, is managed by two basic elements:

1. Controlling and/or lowering overhead
2. Increasing revenues.

When I look at areas within medical organizations to prioritize growth, I tend to focus on seven key areas that I refer to as the seven pillars to a healthy practice. Once you address these areas, you can begin to focus on the nuances of personnel, combining job functions, ancillary services, etc. While all seven principals may not be applicable to your specific practice type, specialty, etc. these pillars can be used as a framework to help advise revenue decisions for your practice.



ABOUT THE AUTHOR
Brian D. Benavides, President and founder of Omega Strategic Consulting.

As an experienced consultant and reengineering artist, his mission and passion are to help organizations grow through management consulting and mentorship, reengineering or turn around projects, strategic planning and execution, process improvement, positive corporate culture coaching and transformation, sales training, diversification projects, and effective behavioral recruitment.

His understanding of human/employee motivation and organizational behavior has led to unprecedented results with the fastest, permanent stability and growth in the business. Benavides has served in interim leadership, senior management and executive level positions in law enforcement, business operations, hospital and healthcare in which he has exceeded traditional benchmarks and established new organizational target goals.

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THE SEVEN PILLARS ARE:

1. **Obtain or negotiate better insurance contracts.** Go to your payers with a strategy to renegotiate your contracts to increase your reimbursement. In many situations, you may have to make some concessions on some codes in order to make gains on others.
2. **Institute better collection protocols.** Ensure that copays are collected along with balances. Make sure that you have accurate benefits each time you see the patient to account for deductibles and any additional out-of-pocket costs.
3. **Increase patient volume.** Examine whether visit volumes are causing a drop in revenue. For example: if a primary care physician is only seeing 10 people a day, that probably will not provide enough income to support a viable practice regardless of how efficient it may be.
4. **Build a strategic plan for an improved patient mix/visit-type mix and payer mix.** I firmly believe in the "build it to sell it" mindset to ensure that I have long-term sustainable growth with permanent infrastructure. For example: if you have an OB/GYN practice, you want to target 17 deliveries per month unless there a laborist program in place at the hospitals we utilize. This allows for more delivery volume on a monthly basis. you want to see enough new patient volume built into each day's patient panel to accomplish this and build towards meeting target metrics.
5. **Add ancillary services (once you have a firm base of operations for long-term sustainability).** For example: you can add or bring sonography or ultrasound in house for an OB/GYN and later diversify with urogynecology, add diversified diagnostic testing for primary care and various other specialties if medical necessity exists and is accepted by your contracts. Consider adding wellness and retail supplement lines for a more comprehensive practice. With a firm base, the list of potential ancillaries goes on and on.
6. **Find alternate sources of income (hospital directorships, chart reviews, directorships for other medical organizations/facilities, clinical trials).** Incorporating these other sources of income can increase revenue and be used to achieve self-funded growth — and avoiding bank loans and hospital assistance — in recruiting new physicians and nonphysician providers.
7. **Cut overhead expenses through finding efficiencies.** Be cautious about reducing staff to accomplish this. While this is a common way to reduce overhead, it can often hurt your organization's culture and morale. You don't want to cut off your nose to spite your face. You will need certain staff to function efficiently. The physicians or shareholders may also have their favorites which may wind up being a budget exception if they are willing to float the additional overhead out of their individual cost center. You can review all current overhead items and determine what you change to reduce overhead. This could be as simple as renegotiating long-standing vendor agreements that have gone through several increases without contestation.

These are some of the key components to ensuring a healthy medical practice. Whether you were under budget, on target or over budget in 2019, if you begin to monitor these seven pillars, your practice should become more stable in 2020 and for years to come.

