



A2 Medical Group

Improved business efficiencies and benchmarking capability

Client

A2 Medical Group

Organization

Multi-Office Allergy Practice

Issues

- Very high days in A/R
- Poor coding and A/R follow up
- Inadequate and inefficient staff

Solution

PGM Billing

Results

- Significant decline in average days in A/R
- Collection time averages under 30 days
- Accurate tracking and managing of delinquent accounts
- Reduced number of patients sent to collections
- Patient satisfaction improves
- Increased opportunities for benchmarking and data analysis
- PGMonline provides full transparency and insight into performance

When Brian August formed A2 Medical Group to acquire one of the largest multi-location allergy practices on the East Coast, he had a vision of turning what had become a poorly managed, loose collaboration of allergy practices into a state-of-the-art medical facility that spanned the Capital Region. With more than 13 years of healthcare and management experience, Brian believed he was well prepared for the task at hand. "I knew that applying some basic management principles, combined with a refocus on quality of service, I could turn this company into one of the leading allergy groups in the nation." says August.

Billing and staffing in disarray

Turning his vision into a reality, however, was another thing entirely. "The levels of inefficiency were astounding" says August. Beyond a lack of day-to-day management, there were a number of staffing issues which had gone untreated for several years. "After examining our human resources, I quickly learned that we were heavy on administrative employees and light on customer care." A2 took over a billing staff of six people from the practice's former owners. Even with a large, dedicated billing and reimbursement team, days in accounts receivable was nearly three times the national average.

In addition, poor coding and accounts receivable follow-up had severely affected revenue. "I spent the first couple of months dedicated to reorganizing staffing, and focused my efforts on our billing department. During the due diligence process, I learned that the former owners' solution to billing was adding staff. When monthly receipts declined, a new person would be hired."

He continues, "The existing organization was ill-equipped to manage the complex billing process, and the prior owner's solution of increasing headcount was not only inadequate but detrimental to the bottom line."

After careful analysis, August determined that outsourcing was the best solution to A2's inherited financial problems, and a search for a billing partner began.

Immediate return on investment

After a month of evaluating several nationally recognized and a few local billing companies, PGM Billing was selected as A2's billing partner. "PGM clients spoke highly of the quality of PGM's service and impressive customer support," August says. "Their very strong reputation online was also a factor in our choice."

The transition from internal billing to PGM's system took a month, and went smoothly, August says. It didn't take long for A2 to see a significant improvement in its billing. "Our accounts receivables has fallen and our collection time now averages well under 30 days," he says. "Patient compliance with first requests for payment rose dramatically, and PGM's ability to accurately track and manage delinquent accounts has reduced the number of patients sent to collections. As a result, patient satisfaction improved as bills were received in a more timely fashion."

Extensive data provides benchmarking opportunities

For August, just as important as improving A2's collections process and the accuracy of billing was the ability to see billing and collections data. A2 completes more than 600 billing transactions weekly, yielding tremendous statistical information. This information is presented in PGM's system, and downloadable in spreadsheet format. Statistics tracked include data points by office location (A2 Medical has eight offices), physician, CPT code, insurance carrier and date of service. "PGM's system tracks data so effectively that we can conduct detailed analyses to determine the health of each of our locations as well as the productivity of the providers," August says. "More importantly, decisions about reimbursement can be made to evaluate the benefits of performing certain procedures versus the associated costs. Profit margins can be determined and services can be adapted based on these various business metrics."

For example, A2 used the data from PGM's system to demonstrate the significant changes to reimbursement to their lab equipment supplier and was able to successfully lower lease fees and supply costs.

"PGM's system improves our billing and helps us run the business side of A2 more efficiently," August says. "Partnering with PGM was critical to helping me achieve my vision for the company."

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