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Revenue from Your Keyboard

By Steve Presement

Executive Summary

Profitability is closely linked to how one balances the deployment of people and technology. In this article, learn about the various upsides of using technology to improve your bottom line.

The first question usually asked when looking to purchase any practice management software package is, "Can I use this to do my documentation?" Although documentation is certainly crucial to both reimbursement and maintaining clinical standards, it will not help you generate revenue all on its own. Your clinic's practice management software can be used to do so much more than just record your notes and do your billing. When used effectively, good software can actually help you grow revenue, increase cash flow, and enhance customer service.

We look at clinic revenue growth as coming from three streams: (1) maximizing the treatment revenue from currently attending patients, (2) making sure that patients return to you if they require your services again, and (3) building a new patient base from both existing and potential referral sources.

Maximizing the revenue from currently attending patients mainly involves strong management of attendance and compliance: making sure that patients always leave your clinic with at least one future appointment date set, letting patients know their appointment dates and times, reminding patients about future appointments, rebooking cancellations immediately, and establishing and correcting cancellation patterns.

This all sounds great, but who has the time? Especially in financially sensitive times such as these, human resources costs must be deployed most effectively. Support staff should be performing tasks that are directly helping you run and grow the business. Mundane tasks, many of which can be automated, should be left to your computers and software.

Electronic scheduling is essential to accomplishing better compliance. Look for scheduling software that can do or support all of the following:

- Indicate at a glance any patients who lack future appointments.
- Allow you to book recurring appointments easily.
- Provide patients with a printout of all future appointments to avoid miscommunication.
- Manage your schedule and waiting list. If a patient wants to be notified if a relevant cancellation comes up, you should be automatically reminded that someone wants that spot.
- Remind patients of upcoming appointments en masse by either email notification or computer-generated phone calls.
- Track cancellations and no-shows, including the reasons for both.
- Track patient fall-off. Your software should be able to provide a list of patients, by therapist, who haven't attended since a specific date.
- Automatically email, phone, or prepare letters to help get patients back in the door.
- Track cancellation and no-show rates by therapist. Do you have one therapist with a dramatically higher cancellation rate than another? Software can't tell you why, but it can certainly show you any troubling trends.

Although you have no control over whether a patient requires your services in the future, you can certainly use your practice management software to help ensure that they will return to you if they need to and, more important, that they will refer friends, family, and colleagues to you. Everyone wants to feel appreciated, and good software can help with this by keeping track of the following information:

1. **Patient funding maximums.** Let patients know, in advance, when they are running out of funding so they aren't blindsided.
2. **Patient birthdays.** If a patient attends your clinic on their birthday, make sure you are automatically reminded and react accordingly. Furthermore, your software should be able to perform mail merges to send out birthday wishes automatically.
3. **Mailing lists.** With today's publishing software and your practice management system's ability to do mail merges, sending out newsletters and announcements to both past and present patients should be a breeze and will keep you at the top of their minds.
4. **Recall notices.** Do you have patients that should be recalled periodically for a reassessment? Filter your patients by their last attendance date and patient type to produce form letters, emails, or recall lists to get them back in the door.
5. **Special notes.** Has a patient mentioned something special happening in their lives? Set up an automated reminder to trigger you to ask "How was your big anniversary party last week?" or "Did that visit with your physician go well?" Again, it's all about making the patient feel special.

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6. **Surveys.** Use the mail merge capabilities of your software to send out surveys automatically at a fixed interval post-discharge. Once you've designed the survey, the actual production and mailing will take no time at all.

Finally, a continuing stream of referrals is vital to the success of any physical therapy practice. This is accomplished both by building the number of new patients from your existing referral sources and by opening up completely new referral sources.

First, we must define "referral source." It is important for us to know what physician recommended each patient for therapy or perhaps provided a prescription, but it is more important to know *how* the patient heard about your clinic! I am constantly surprised at the number of clinics that do not ask "how did you hear about us?" on their intake forms.

Your software should provide several reports for managing referrals, as follows:

1. Referral snapshot, or a timed report that shows every patient referred and the revenue/collections garnered to date by referral source. For example, when the Yellow Pages salesperson visits, you can have a report that shows *exactly* how much revenue was generated through the Yellow Pages listing.
2. Referral trends over time. It is not good enough to see what a particular referral source's volume was in one time period; you must look at the trend. Why was Dr. Smith sending you 10 patients per month back in January and only three patients per month now? If you were to look at a snapshot, you might think that it was good that Dr. Smith was sending you three new patients, but a trend report would tell you that it is not so great because he used to send you more.
3. Giving the physicians what they want. Being able to visit your referral sources armed with information shows both respect and good patient management. Being able to contact a doctor, knowing the patient's diagnosis, cost and length of treatment, funding remaining, status within their treatment, and outcome—all presented on concise reports—will only help to strengthen your relationship.

Sure, all of this could be done by hand. But, your precious human resource dollars should be spent on *reacting* to reports, not *generating* reports. You will find that implementing even a few of these items through your practice management software will produce a tremendous return on investment. ■

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