STAFFING IN THE NEW MEDICAL ECONOMY

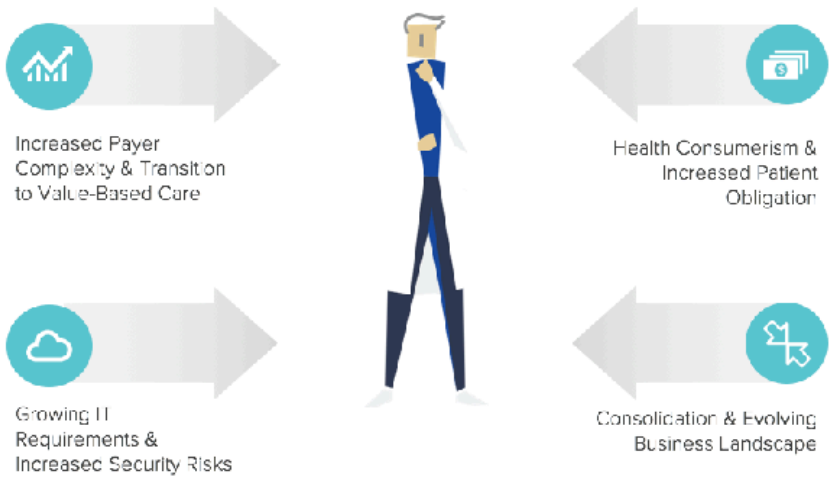
STRATEGIES TO PUT THE RIGHT PEOPLE, PROCESSES, AND TOOLS IN PLACE TO DRIVE PRACTICE GROWTH

CareCloud

INTRODUCTION

Medical groups today find themselves at the very center of a rapidly changing medical economy. Pressures such as increasing payer complexity and patient consumerism are new concepts practices are struggling to grapple with.

Today's medical practices spend more and more time trying to obtain accurate and timely payment for patient care. In addition, the administrative and clinical burden associated with tracking codes, transcribing forms and remitting payments is leading to dissatisfied staff and burned out providers.



This new world of healthcare requires innovative staffing models, tools and processes that reflect the balance between reimbursement and delivering value to patients. This e-book will help you determine if you have the right staff in the right roles - and how to keep your staff incentivized to focus on the patient experience.

In this ebook, we'll look at a number of different strategies to tackle the unique staffing challenges of the new medical economy, including the new realities of value-based care, how to hire staff to drive key performance indicators (KPIs), and a look at using cloud-based technology to support patient-focused staffing models.

Let's dive in!

SHIFTING TO VALUE-BASED CARE

The shift to value-based care is not a new concept, but it can be overwhelming to many practices. Right now, 80 percent of practices that have fifteen doctors or less aren't prepared for MACRA, even though we are more than half way into the three-year transition phase.

The shift to patient responsibility is now on the flip side of the reimbursement landscape. Right now it's expected that 33 percent of a typical practice's total revenue will have to be collected from patients this year, because of high deductible plans and out-of-pocket expenses. Bearing a bigger share in the cost of their own care, patients are now bringing consumer expectations to their healthcare needs. Patients expect a modern, seamless experience in and out of the office - and are willing to leave your practice if they don't get it.

Among the changes have been a multitude of new clinical procedures, the implementation of digital technology and EHRs in the practice, and new data collection and reporting requirements associated with the shift to value-based care.

As physicians look to position their practices for success in the new medical economy, they continue to focus on three key areas: billing / collection processes (40%), staffing (34%), and technology. More than half of the 2,200 physicians and practice administrators surveyed for the CareCloud Practice Profitability Index rated their current staff, technology, and processes as ineffective at securing quick and proper payment

TOP FIVE TARGET AREAS TO IMPROVE OPERATION PERFORMANCE

(Multiple answers accepted)

Billing/Collections processes **40%**
Staffing **34%**
Technology **33%**
Analytics to evaluate practice performance **26%**
Improving how we manage population health **24%**

When asked about the targets for driving operational improvements in their practice, billing, and collections processes, staffing, technology, all of those things topped the list. For the first time, we've also seen support for the growing role of analytics in helping physicians better understand their operations and financial results. The great news is, analytics can be the key to understanding not only where you are, but where your money may be leaking away due to inefficient processes and staffing models.

For practice leaders who are under pressure to maintain or increase profitability while reducing cost, often staffing is the first area identified. Unfortunately, eliminating staff or consolidating roles often impacts profitability even more. While the answer may not be to increase staff, it is critical to find the right staff, for the right roles, to support high profitability.

So much of this change is really driving executives and leaders to really assess their IT and data strategy, and what it means for the future of their business. But it's extremely important that while you are assessing your IT and data strategy, you assess your staff as well. Staffing is the top challenge faced by practice administrators, simply because it is so difficult and there is no single solution that works. Every practice faces different patient and staffing demographics, which do in the end impact how you approach your staffing models. Millennials, Boomers - there's no question that each of these groups have different expectations as patients and as employees.

Staff are the key to how your practice is growing efficiently and profitably. We will cover how these shifts in our medical economy are really impacting these roles and responsibilities, and how you can make sure that you're staffed appropriately to ensure that you remain as productive as you can.

A SYSTEMATIC APPROACH TO EVALUATE STAFFING

Staffing really is at the center of how you can become a top performer. The quality of the staff is one thing, but the quantity of the staff is another. Many practices today are understaffed, with more administrative overhead landing on the providers and nurses, who in turn reduce their provider productivity and bring in less revenue. Inappropriate staffing levels can impact patient satisfaction in a very real way, leading to a lower patient return ratio. All of this impacts staff turnover and physician satisfaction - and potentially puts patients at risk. The high cost of staff should be considered as a percent of the overall revenue.

Effective staffing is not just about having the right number of people in place, it's also about having the right roles. If you have nurses doing administrative work that someone paid less could be doing, it's time to evaluate your staffing model to ensure you're really leveraging to the highest degree of licensure so that you're managing your costs.

In order to evaluate if you have the right number of staff performing the right kind of things, you can take a systematic approach.

First, look to some of your bigger functions, such as billing and collections. Look at the requirements needed if you're doing everything in house compared to if you're co-sourcing or outsourcing portions of your billing and collections. If you feel you're understaffed, it might make sense to look at a co-source model just to see what the additional cost would be to co-source compared to hiring the additional staff that you may need.

Next, you need to know what services are centralized versus decentralized to see if you're taking advantage of economies of scale. Patient services such as scheduling, patient billing, collection follow-up, and referral management may fall on the front end of each individual practice or it may be a centralized back office operation. Understanding who is performing these roles, whether duties are shared or overlapped, and even facility design can help you determine the best workflows for your practice. After taking a broad review of your staffing model, you can drill down further into the areas of staffing by doing comparisons of the ratios of staff per full time equivalent (FTE) physician. If you plan to use MGMA staffing models to do your comparisons, you have the categories of total business operations, front office staff, clinical support staff, and

TOTAL OPERATIONS STAFF

- General administration
- Patient accounting
- General accounting
- Managed care administrative
- Information technology
- Housekeeping, maint., security

TOTAL FRONT OFFICE SUPPORT STAFF

- Medical receptionists
- Medical secretaries, transcribers
- Medical records

TOTAL CLINICAL SUPPORT STAFF

- RN
- LPN
- Medical assistants, nurse aides

TOTAL ANCILLARY SUPPORT STAFF

- Clinical & laboratory
- Radiology & imaging
- Other medical support services

HOW TO CALCULATE FTES

If you're going to evaluate your staff and use benchmarks, you need to make sure that you're calculating full time equivalents (FTEs) in the way that the benchmarks are relevant. You can calculate FTE in a number of ways: based on minimum hours worked per normal week, number of encounters in a week or month, or work (relative value units (RVUs).

- Total physician FTE
- Total non-physician provider FTE*
- Total support staff FTE (work hours per week only)

For each group, you want to count the number of FTE people in your practice. For example, if your standard work week is 40, then you use that to determine what the support staff is in FTEs. Say you have three front desk people that are working 20 hours per work week each, that would be 1.5 FTEs.

* those licensed providers who provide medical care and billable services including nurse practitioners, CRNAs, and nurse midwives.

40 HOUR WORK WEEK STANDARD FTE CALCULATION

3	X	20	=	60	OR	1.5
PEOPLE		HOURS WORKED		HOURS WORKED		FTE

SUPPORT STAFF PER FTE PHYSICIAN

Business Operations Support	2006	2016	Percent difference
General administration	0.27	0.38	40.7%
Patient accounting	0.67	0.57	-14.9%
General accounting	0.08	0.08	0.0%
Managed care administrative	0.07	0.1	42.9%
Information technology	0.12	0.15	25.0%
Housekeeping, maintenance, security	0.1	0.09	-10.0%
Total business operations support staff	**1.27**	**1.36**	**7.1%**

Front Office Support	2006	2016	Percent difference
Medical receptionists	0.97	1.09	12.4%
Medical secretaries, transcribers	0.2	0.06	-70.0%
Medical records	0.39	0.15	-61.5%
Other administrative support	0.09	0.08	-11.1%
Total front office support staff	**1.61**	**1.41**	**-12.4%**

Clinical Support	2006	2016	Percent difference
Registered nurses	0.43	0.42	-2.3%
Licensed practical nurses	0.39	0.36	-7.7%
Medical assistants, nurses aides	0.79	1	26.6%
Total clinical support staff	**1.64**	**1.97**	**20.1%**

Ancillary Support	2006	2016	Percent difference
Clinical laboratory	0.33	0.35	6.1%
Radiology and imaging	0.33	0.33	0.0%
Other medical support services	0.28	0.28	0.0%
Total ancillary support staff	**0.78**	**0.82**	**5.1%**

The table gives you a 10 year snapshot in practice staffing that reflects the many changes in clinical practice and administration. The relative stability in the total support staff per FTE physician suggests that even though staff is added or new positions have been created, other positions have been eliminated.

The biggest shift has been on the clinical side. Overall, clinical support staff increased 20%, predominately from an increase in medical assistants, as they represent nursing staff position with the lowest cost. Due to the expanded use of EHRs, the number of medical secretaries or transcribers declined 70%, and medical records staff fell by more than 60%. At the same time, the added complexity of registering patients and managing copays is reflected in a 12% increase in medical receptionists.

With the patient as the biggest payer, that impacts both the front end (decreasing) and the back end (increasing). To manage the shift to patient responsibility, many practices invested in new technology, cutting down on front desk time for check-in and registration. As a result, front desk staff shifted to business operations support such as verifying eligibility and managing copays. Automation helps, but human input is still required if a patient isn't eligible; without intervention, practices risk a high rate of claims denials or high copay amounts stuck in collections. This one situation leads to a staffing requirement conversation that's different than it was 10 years ago, similar conversations could be had around referrals, authorizations, coding, charge reviews

MANAGING THE TRANSFORMATION OF STAFFING MODELS

Value-based care reflects not only workflows and processes, but the team members that are needed as well. Workflows and team-based strategies have emerged, and there's been a real shift of focus on care coordination, and patient engagement, and the real-time access to electronic information. With all of this shift, we see new roles and/or skillsets emerging as staffing models adapt to value-based care.

THE NEW MEDICAL ECONOMY

- Increased Payer Complexity & Transition to Value-Based Care
- Health Consumerism & Increased Patient Obligation
- Growing IT Requirements & Increased Security Risks
- Consolidation & Evolving Business Landscape

In the clinical care team models, there is a huge list of new duties and skillsets that are needed in targeting and identifying at-risk populations and then coordinating that care across settings, measuring the quality, analyzing the costs and utilization, and then addressing some of the social determinants to help managing huge amounts of patient data. We saw this reflected with a 20% increase in clinical support over the past 10 years as practices have committed a lot of staff time to managing this shift.

Although technologies can help manage the shift to value-based care, for facilitating patient communication and automating clinical tasks, organizations have had to rethink staffing models to accommodate this change. Some organizations use medical assistants and scribes, some leverage nurse practitioners or other care members. We have also seen an emergence of new roles to accommodate for value-based care including patient relationship managers, healthcare analytics managers, quality metrics managers and population health analysts, among others. They key is really leveraging to the highest degree of licensure so that you're managing your costs, but that approach is not without its challenges.

BURNOUT INCREASING

One of the ways we see this change hitting home is in the record high level of burnout from physicians and staff. As we adjust staffing models to the new medical economy, this is an area where we need to pay particular attention. A staff survey from WakeField Research indicated a 35% attrition rate, indicating perhaps a lower tolerance for change and the shift in roles that has been required to adapt to new staffing roles and models.

With every challenge, the flip side is opportunity. As hospitals aim to reduce stays and move to lower cost options for ambulatory and outpatient care, we're seeing growth in professionals across all care settings, including nursing assistants, nurses, medical assistants and nurse practitioners. With the demand for these professionals exceeding their supply, it is of critical importance these professionals perform at the top of their license, offloading tasks to other staff whenever possible.

Before you hire and recruit team members, it's critical that you design and evaluate the workflows that are needed to deliver better care for your patient population as you move across the value-based care spectrum.

IMPLEMENTATION

PEOPLE

STEP 1

- Assess staff assets to lead the transition to value-based care
- Recruit physicians, administrators, and nurses who can educate staff and lead this all important transition phase

STEP 2

- Assess the current healthcare organizational structure and infrastructure
- Outline what the needs are going to be in terms of staff to deliver better care coordination

STEP 3

- Ensure there is a system wide knowledge of the quality metric targets by job description
- Define how to influence all aspects of care so clinical outcomes continually improve to meet the demands of the quality metric matrix

TECHNOLOGY

STEP 4

- Understand and identify all health IT needs and reporting requirements
- Achieve interoperability between all technology devices and the EHR platform
- Ensure there is a system integrity to provide a secure HIPAA compliant flow of health information

STEP 5

- Understand the financial risk corridor(s) associated with your value-based model
- Ensure staff have the appropriate technology to intervene to mitigate this risk exposure

TRANSITION

Looking to the five areas of implementation and transition, it’s important to see where you’re at and have a well-communicated plan and goals as you move through the process. Education is a top priority, with physicians, nurses and administrators leading the transition. Staff roles, and communication of metrics and targets, has a big influence on outcomes. At the same time as you’re working toward value-based metrics, you also have to balance your IT and reporting needs.

All of this change can be managed by current team members redistributing responsibilities and reeducating, but in order to capture your quality metrics moving forward, most practices will need additional staff members who are effective at care coordination, data capture and analytics. As mentioned above, staffing common roles like care coordinators and patient navigators can free up RN time to be used to the maximum of licensure, while providing critical support in adoption of healthy behavior changes or to close the care gaps with patient engagement.

MOTIVATING STAFF: MILLENNIALS VS BOOMERS

Each generation of employees bring different expectations to the job. Who staff members are and what motivates them is changing. Like patients, Millennial staff come to work with consumer expectations. They want a modern work environment, reduced paperwork and are highly motivated by their direct involvement in improving the patient experience and patient outcomes. These employees come with a lot of energy and adaptability, which should be recognized and rewarded, but they are also less loyal in the long term if they feel dissatisfied or unchallenged.

Boomers	Millennials
Supervisory promotion Rather than push loyal employees out of the practice, new titles or roles can allow existing staff to take on a management position that distances them from new technology	**Provide continuous feedback** informative, frequent updates and commentary on work performance can lead to increased job satisfaction and support innovative and creative work environments. Providing opportunities for problem solving and strategizing leads to higher retention rates for employees.
Training for new technology New technology can cause attrition, but can be supported with more one-on-one training	**Modern technology** Seamless user-friendly technology and modern devices to streamline administration
Task oriented Work hard toward very specific tasks, focused on measurable results	**Goal oriented** Have ambitious professional goals, motivated by strong leaders, meaningful work and mentorship opportunities
Dedicated Likely to become long-term employees	**Ambitious, forward-thinking** Like to be continually challenged or given new projects to satisfy the “what’s next” challenge. Motivated by broad patient-centric initiatives that are personally satisfying
Standard hours Like a regular, set schedule	**Flexible working conditions** prefer flexible hours, at-home work, job sharing

HOW TO DETERMINE YOUR CLINICAL STAFFING NEEDS

With all of these new roles, how do you determine what's needed for your organization to seek success? While many organizations are aware of the need for changes in roles, most have not recruited, hired or trained anybody - including existing staff.

There are a variety of new clinical roles that are needed to define the care team and help augment care coordination. Some of the key roles, like care coordinators and patient navigators, are used across the board as you're transitioning. 65% of organizations say they use care coordinators who have training in population health management and who help with documentation and quality improvement. Initially, for 85% of organizations, an RN is taking on this role. The same holds true for patient navigators, used by 42% of organizations to provide follow-up communication and care coordination for patients (and nearly half of which are RNs). The need to offload those tasks is critical for cost savings and efficient staffing in the long term.

Starting top down, it's important that the physician workload is supported by a team-based staffing model, offloading any extra pieces that can be given to non-physician care team members to provide the greatest face-to-face time possible with patients. As with non-physician providers, this can allow your clinicians to practices at the top of their license and focus on high-risk, complex patients.

If we look to other areas of care coordination, many healthcare organizations support one staff person to function in multiple roles. A receptionist could fulfill the role of patient outreach coordinator while a high-functioning nurse could do the work of the navigator, the care coordinator, the referral coordinator, and the transitions manager, but they could also assist with in-person visits. Having the same person in all of these roles can keep your costs in check, but in this case also support the relationship that patients develop with the nurse to improve care coordination.

Making large-scale changes to staffing models can be very overwhelming, but if you're forward-thinking, and you started with the changes, and you consider the roles that are needed, and where you want to end up, and position those skillsets to meet the demands for those new models of care, you will have success. Effective team care models that really leverage technology are the ones that hold real promise for transforming the care delivery system of today.

WHAT YOU NEED TO SUPPORT STAFFING SUCCESS

In every step of the process, leverage technology for automation to drive down administrative costs and free up staff to focus on patient-centric care activities which drive value. Organizations must also have a way to quantify and routinely monitor the impact of improvements made over time.

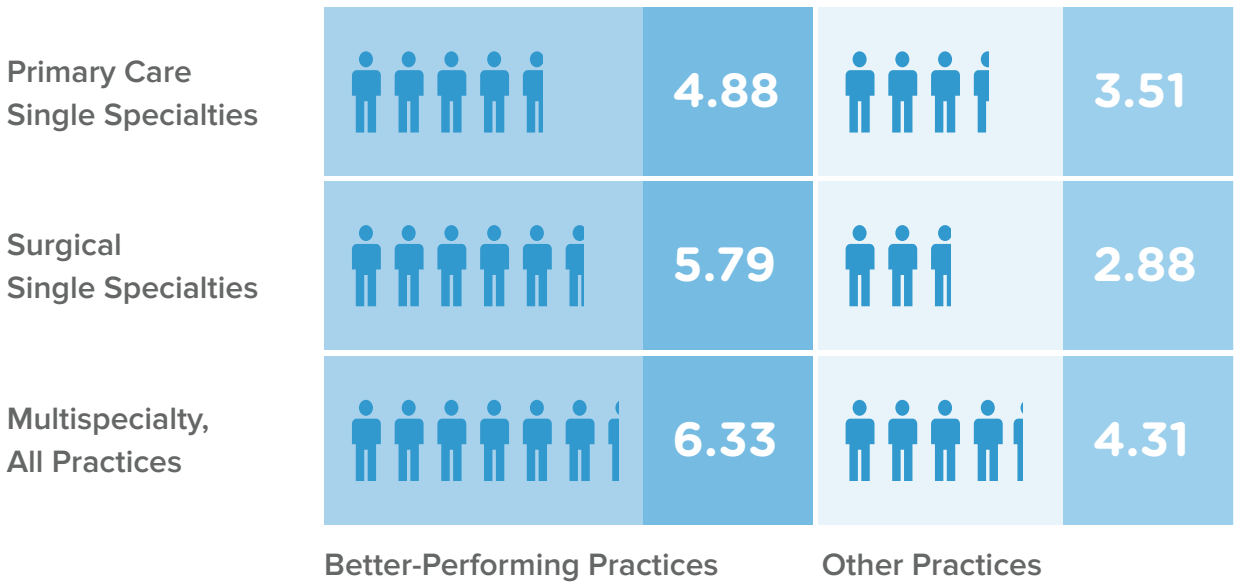
It's really important to understand the impact that your staffing levels may be having on your overall success as a practice. If you aren't performing various assessments on a regular basis, you won't know if you need to make any improvements. These assessments will show you if a full staffing analysis is even necessary for your practice.

Continuous evaluation in staffing is needed, but it starts with getting benchmarks so you have something to compare with. Going back to our FTE calculations, you will have your baseline level of staff per FTE physician and can then make adjustments based on your staffing analysis. In this MGMA executive summary, you can see that better performing practices typically employ higher support staff per FTE physicians. It's very common to see practices understaffed in an attempt to curb costs. A benchmark can help determine if a practice is underperforming or understaffed, and then you can look deeper into roles and responsibilities to identify areas that need more attention to drive an increase in profitability.

PRODUCTIVITY, CAPACITY, AND STAFFING

Better-performing practices report having more total support staff per FTW physician. Surgical specialty practices report the greatest difference with better-performing practices having 2.91 more total staff per FTE physician than other practices.

TOTAL SUPPORT STAFF PER FTE PHYSICIAN



For example, if 99% of your claims are clean, and 96% of your claims are getting paid on the first pass of the claim, maybe your business operations staffing can be reduced a little bit. But more commonly, if you are not collecting at a high percentage of net collections, then you can dig further into frontend operational workflows and clinical roles to look for deficiencies. Once you have the numbers, you can test out what changes would look like - what would it cost to co-source billing versus hiring in-house billers? What model makes the most sense, financially?

OUTSOURCING AS A SOLUTION TO STAFFING CHALLENGES

Often times, what makes sense financially is to consider outsourcing elements of your practice. As the top challenge practices face is around getting paid, many practices choose to compare in-house staffing of billing services versus co-sourced or outsourced billing services. Based on your FTE equations, you'll have a pretty good idea of what an in-house employee costs for various support staff roles. From hiring and training to providing healthcare costs, many practices prefer to offload this overhead to an outsourced vendor.

Vendors with a history of established relationships with payers, specialized RCM experts, local support and up-to-date training on all the latest reimbursement changes can allow your practices to shift the heavy lifting around getting paid (working denials, posting payments, issuing patient statements), so they can focus on delivering care to patients. Outsourcing is often a more cost effective staffing solution, but it also alleviates concerns around liability and incorrect billing practices and provides an added layer of billing transparency that allows staff to communicate honestly with patients about their balances.

PROS	CONS
Retaining control Requires trusted, long-term employees to execute medical coding & RCM duties	**Cost** Salaries, ongoing training, employee benefits, technology often adds up to higher than outsourcing
ROI If you have solid, trained medical billers and billing technology, your best ROI is to just refine existing processes	**Support & Attrition** Operations and cash flow tied to one to three employees can be drastically impacted by sick days, vacations or attrition
	Liabilities Medical billing departments can be hotbeds for embezzlement and neglect, requiring more managerial oversight
	Visibility Performance reports are not automatic and may require you to micromanage or oversee staffers

Finding the right partner, one with experience helping specialty practices of all sizes, allows practices to leverage a whole team of billing experts who specialize in chasing down every dollar and providing personalized advice to help improve the efficiency of practice processes, from charting to front-end patient collections. This was mentioned earlier as a way to ensure that staff are practicing at the top of their license - this is one strategy to help ensure that happens.

REAL WORLD INSIGHTS - THE RESULTS OF OUTSOURCING

Dr. Daniel Shrager of Alpha Dermatology created a flat practice structure, leveraging outsourced services, from CareCloud, to ensure staff remained patient-focused. Streamlining practice administration and leveraging RCM experts has allowed Alpha Dermatology to eliminate the standard office administrator position while still seeing 15,000 patients per year and achieving a first pass resolution rate (FPRR) over 96%.

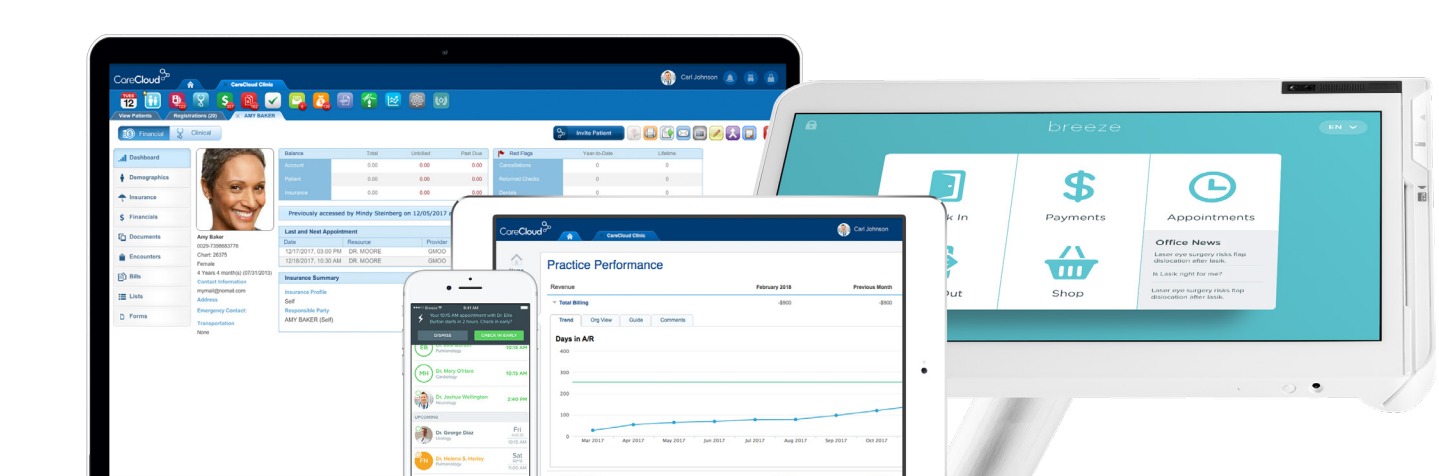
TAKEAWAY: ASSESSING PRACTICE PERFORMANCE

Billing and staffing are the top challenges facing medical practices today - and the two are closely aligned. In this e-book, we have unveiled the direct tie between staffing models and practice profitability in today's new medical economy, with effective staffing being the key to unlocking the efficiency need to make your practice profitable.

If you're left wondering if you need a staffing analysis, we encourage you to look to your KPIs. If you are not performing as well as you'd like on any of these indicators of practice performance, it's time for a staffing analysis. These quick checks on your practice performance can help you determine if you should complete a staffing analysis:

- ☐ **Patient Satisfaction**
  Do you have a 5 star patient rating? Is there room for improvement in your patient experience?
- ☐ **Revenue Cycle**
  How much of your accounts receivable (A/R) is over 120 days old? Are you collecting over 95% of all collectible dollars, from all payers, including patients?
- ☐ **Productivity**
  What is your average reimbursement per encounter - and does it compare to the average for your specialty?
- ☐ **Employee costs**
  In the context of inputs, revenue and outputs, are you profitable? If not, perhaps the cost of the staff you're using for specific roles is higher than it should be.

As you keep an eye on these indicators and your KPIs, you'll probably find that you need to run a staffing analysis once per year to ensure your staffing model is aligned with your practice profitability goals. This is something you can complete yourself, however it is recommended to leverage an RCM expert if possible to get the most



ABOUT CARECLOUD

CareCloud is the leading provider of cloud-based revenue cycle management (RCM), practice management (PM), electronic health record (EHR), and patient engagement solutions for high-performance medical groups. CareCloud helps clients increase profitability, streamline workflow, and improve patient care nationwide. The company currently manages more than $4.2 billion in annualized accounts receivable on its integrated clinical and financial platform. To learn more about CareCloud, visit www.carecloud.com.

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