



Physician Recruitment & Revenue Cycle Management: 2 Keys to a Practice's Success

As additional needs arise, QualDerm is able to more efficiently fill open positions. Our recruiters have worked to identify and build a pipeline of highly-qualified candidates. Further, several candidates seek out opportunities with QualDerm based on the personal recommendations of our affiliated physicians.

Successful recruiting must go beyond simply filling an open position with any willing candidate. Before QualDerm extends an employment offer, steps are taken to ensure that the physician and the practice are a good cultural fit and that the physician's training and commitment to quality, safety and patient satisfaction align with QualDerm's standards. The extra diligence during the recruiting process benefits the patients, the practice and the physician, and is similar to the approach QualDerm utilizes during the partnership process.

This method gets positive results. To date, none of the 21 recruited physicians or 47 physicians who joined QualDerm through a practice partnership have chosen to leave due to job dissatisfaction.

Improving Efficiency and Optimizing Revenue

A recently issued report by Crowe, LLP, titled *The Top Risk Areas for Healthcare Organizations in 2019*, cited medical billing and collections as a major risk area for healthcare providers. Billing completeness and accuracy as well as inadequate denials management are two areas the report says providers should closely watch.

Correct coding is another area that warrants notice. As coding regulations become even more complex, an incorrectly coded claim can lead the payor to delay, deny, or under pay the claim.

An efficient revenue cycle is the lifeblood of a medical practice. Industry experts have developed benchmarks for various segments of the revenue cycle. These are not just arbitrary numbers – significant value can be added to a dermatology practice's bottom line if it meets or exceeds these revenue cycle benchmarks.

The medical billing process should always ensure complete billing compliance while leaving no revenue on the table. QualDerm's revenue cycle management team works with our affiliated practices to ensure billing is correct on the front-end, which prevents denials and optimizes revenue.

2%

QualDerm affiliated practices' avg. claims denial rate in its largest market / industry avg. = 3%-5%

What's more, thanks to QualDerm's coding diligence, our average denial rates are low. For example, in QualDerm's largest region of North Carolina, its 17 affiliated practices' average denial rate is only 2%, better than the industry average of 3%-5%. In addition to reducing the need for denial follow-up work, this lower claims denial rate positively impacts the practices' bottom lines. For a practice with \$1 million in annual revenue, this would translate to approximately \$20,000 of additional revenue annually.

When it comes to the revenue cycle, time is of the essence. The sooner the claim is submitted, the sooner the practice can be reimbursed. The average days in A/R for affiliated practices in QualDerm's largest market is 28, while the industry best practice for this metric is 30-45 days. When looking at A/R aging for these practices, 91%

28

Avg. days in A/R for QualDerm-affiliated practices in its largest market / 30 – 45 days is the industry benchmark for excellence

of their total A/R is collected in 0-90 days. Following the example scenario of the \$1 million practice above, this shorter 28 day collection period could translate to \$30,000 of improved annual cash flow.

\$30,000

Amount of increased annual cash flow for a \$1M practice when avg. days in A/R is lowered to 28

While having only 9% of claims aging past 90 days is significantly better than the industry average, QualDerm's revenue cycle management team continuously works to collect on these older claims. Typically, by year-end, QualDerm's North Carolina-affiliated practices collect 98.5% of everything eligible to collect after contractual adjustments with the remainder being collected soon after.

About QualDerm Partners

QualDerm Partners helps top-tier dermatologists position their practices for sustainable growth and profitability. The company creates market-leading practice partnerships through affiliations and de novo development. QualDerm provides the management support, capital, and guidance for growth. Under QualDerm's True PartnershipSM model, physicians are partners, not employees, and retain their own practice brand. This doctor-driven model is designed to maintain physicians' clinical autonomy and ensure the highest-quality patient care. QualDerm offers physicians tailored partnership structures to meet their needs, as well as the option to sell their practices.



QualDerm currently has affiliated practices in North Carolina, South Carolina, Ohio, Tennessee, Virginia, Georgia and Pennsylvania, with plans to expand further. For more information, visit www.QualDerm.com.

To learn more about partnership opportunities or to discuss selling your practice, contact Ashley Johnson, Sr. Vice President of Growth and Operations at ashley.johnson@qualderm.com or 615.250.6736.