

Family Practice Prepares for Pay-for-Performance While Reducing Costs with Integrated Electronic Health Record and Practice Management

Based in Springfield, Massachusetts, Valley Medical Associates is a family practice with four physicians, three nurse practitioners, and about 11,000 active patients. When we began looking to replace our old “hybrid” electronic health record (EHR) system with a new one in late 2006, we wanted a solution that would both improve office efficiency and enable us to comply with a variety of upcoming pay-for-performance initiatives. These included Doctor’s Office Quality-Information Technology (DOQ-IT), which is a national initiative that promotes the adoption of EHR systems to improve quality and safety for Medicare beneficiaries in small- and medium-sized physician offices. With DOQ-IT and other pay-for-performance initiatives, insurance companies will eventually grade and reimburse physicians according to how well they follow quality measures, such as how many diabetic patients have yearly eye exams. As these programs ramp up, we will have to perform extensive reporting on the care we provide to our patients, so we needed a flexible solution that could meet these reporting requirements.

After a lengthy search, we selected our EHR for its DOQ-IT reporting capabilities, its flexibility, and because the screen layouts were familiar to our clerical help and more intuitive for providers to use when seeing patients. At the same time, we

implemented their practice management solution, which is fully integrated with the EHR.

To move from paper charts to electronic records, we transferred all patient demographic information from our old practice management system to the new one and then into the EHR. Then, six months before going live on the EHR, whenever a patient came in, staff would enter data from the medical record, including immunizations, problems, and three years worth of progress notes. In this way, we were able to quickly enter data for all pediatric patients, diabetics, and the ‘frequent flyers’ we see every two to three months. After the system was up and running, we entered information for patients we see less frequently as they came in.

In implementing the system, we utilized an additional product which provides secure online data backup and disaster recovery. Hurricane Katrina had made us realize how at-risk we really are, not only for natural disasters but in the case of fire. We wanted to be able to continue to see patients, no matter what happens.

As planned, the EHR has enabled Valley Medical Associates to pave the way toward compliance with DOQ-IT and other pay-for-performance incentive programs. Over the next few years, pay-for-performance programs will represent an increasing portion of our reimbursement, yet different programs have different targets that we need to report on. For example, Blue Cross Blue Shield might want us to screen 18-24 year olds for Chlamydia; Medicare would not because it’s geared toward senior citizens. The new EHR offers the flexibility we need to meet those differing requirements—and improve our patient care at the same time.

The EHR’s documentation templates have helped the practice reduce transcription costs and improve patient documentation. We created templates for each type of visit, including well-child visits for different ages, adult physicals, and by follow-up for disease state. As a result, we saved 60 percent of

our transcription costs right off the bat.

The templates also ensure that documentation is thorough, while allowing the practice to offload some of the data collection to medical assistants. We have created lists of information that the assistants can ask about. So when a physician sees the patient, they can review that information, rather than having to collect it from scratch themselves. That saves them time and improves their notes.

The EHR has also greatly streamlined work processes surrounding medical records. Today, there's a lot less running around than in the past. When a patient calls, we can create a task and route it immediately to the physician, along with the patient's medical record. The physician can see all relevant patient information at the point of care, including medication history, problems, lab orders and results, and make a decision on the spot without having to wait for staff to locate a paper chart. As a result, our physicians save time while providing better care.

By enabling us to eliminate the time spent searching for charts manually, the EHR also has lowered our costs. We reduced our medical records staff by 1.5 full-time equivalents, saving nearly \$40,000 per year. We also saved considerably on supplies since we no longer have to order medical charts, encounter forms, prescription pads, and a wide variety of other forms.

Just as important, use of the EHR's online portal delivers patient self service and convenience, as well as staff efficiency. Patients can go online to view lab results, get prescription refills, or request appointments, which is faster and easier for patients, and saves the staff time.

Patient safety and convenience has also improved thanks to the ePrescribing module of the EHR. Because ePrescribing is part of the EHR, physicians can very quickly see what medications they have prescribed without having to consult a paper chart. The technology also saves calls to

the pharmacy to follow up on prescriptions, and the fielding of calls from pharmacists who cannot decipher a physician's handwriting. Prescriptions are submitted electronically, and the system tracks its progress automatically. Patient safety is also enhanced, with drug interaction and allergy alerts that warn physicians at the point of prescribing if any potential safety issues arise.

Thanks to the EHR, we also now receive lab results online. Now, rather than wait for a fax, the results come into the system automatically and are tied to the physician's order. Our physicians can instantly enter the EHR and finalize the results without the staff having to manually pull a chart – a far more efficient and time-effective process.

As physicians perform and document their exams, they enter billing codes directly into the system. The billing department reviews and corrects the coding and uses the practice management system to submit the charges automatically to insurance companies. The electronic submissions have reduced turnaround and improved collections. Because the system scrubs claims more thoroughly, and automatically ensures that we meet the requirements of different payers, we have experienced fewer denials and improved turnaround time. While it previously took an average of 30 days to receive payments, today it takes only two weeks.

More important, the reporting capabilities help us better manage our practice as a business and boost our revenues. We are able to create meaningful reports that track our productivity, appointment status, and so on, so we can determine trends and track where our revenues are coming from. This enables us to be more proactive as a business. For example, we can query the system based on clinical pathways to determine who needs care, rather than manually pulling charts. As a result, we've filled our mid-level providers' schedules with about 10 extra cases a week, which amounts to \$60,000 per year in new revenue.

Overall, thanks to the EHR and PM system,

we have been able to fully prepare for the day when pay-for-performance programs will provide new revenue opportunities. Along the way, we have also improved our efficiency, reduced costs, and are able to more proactively manage our practice. The end result is an improved bottom line and higher quality patient care.

EHR Benefits:

- ***Meet DOQ-IT and other pay-for-performance reporting requirements***
- ***Reduce transcription costs by 60 percent***
- ***Eliminate 1.5 medical records FTEs, saving nearly \$40,000 per year***
- ***ePrescribing improves convenience and patient safety***

Practice Management Benefits:

- ***Lower payment time from 30 days to 15 days; fewer claims denials***
- ***Increases revenues by \$60,000 by filling up the schedule of mid-level professionals***

About the Author

P.J. Helmuth, M.D. refers to the company Allscripts-Misys Healthcare Solutions, Inc. throughout his article. The author currently uses Allscripts EHR, Allscripts Practice Management Solution, and Allscripts Assure.