

Healthcare Financial Management Association
Certification Course 2009-2010

Physician Practice Management
Course Overview

For examination January 2009 through December 2010

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Physician Practice Management Specialty



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About 60-90 days after receipt of required documentation, participants who meet the stated minimum requirements will receive a certificate of completion program indicating 10.5 CPE hours were awarded. CPE requirements may differ by jurisdiction and participants should consult their reporting jurisdiction. This education programs is eligible for HFMA certification maintenance requirements.

Delivery Method: Self Study **Field of Study:** Specialized Knowledge and Application

Program content This course covers three areas related to the financial management specific to physician practices: Revenue Cycle: Finance, Budgeting and Reporting; and Administration. Specific **learning objectives** are on the following pages.

Program Level: Intermediate. The *intended audience* is anyone who will be completing the corresponding Physician Practice Management Specialty certification exam. This course can also serve as a reference for individuals working in related areas of the healthcare industry. The *estimated completion time* is time is about 10.5 hours, based on the actual average completion time of persons who completed this course. Actual completion times may vary based on current knowledge level, learning style, and other factors.

Pre-requisites: Working knowledge of the financial management of physician practices

Advance Preparation: None

Amount of CPE: This course is eligible for *10.5 CPE* when the course activities are completed at the minimum required level, as stated in the course, and required documentation submitted within one year of purchasing the course and prior to the expiration date of the course materials (12/31/10). CPE will not be issued if the required documentation is submitted after 12/31/10.

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Contact Information: For questions or comments about this program, please contact the HFMA certification departments at 1-800-252-4362, ask for certification, or send an e-mail to certification@hfma.org

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The topics in this course are as follows. The topic outline and learner objectives for each chapter are on the pages that follow.

Introduction

Section A. Revenue Cycle

- Chapter 1 Physician Coding and Payment Systems
- Chapter 2 Encounter Processing
- Chapter 3 Accounts Receivable: Collections, Policy and Evaluation
- Chapter 4 Information Systems

Section B. Finance, Budgeting, and Reporting

- Chapter 5 Budgeting and Benchmarking
- Chapter 6 Cost Analysis and Management
- Chapter 7 Physician Compensation and Leadership

Section C. Administration

- Chapter 8 Integrated Healthcare Systems and Managed Care
- Chapter 9 Insurance and Risk Management
- Chapter 10 Legal and Regulatory
- Chapter 11 Other Management Issues

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Chapter 1. Physician Coding and Payment Systems

- 1.0 Here's What You'll Learn
- 1.1 Introduction
- 1.2 ICD-9 Coding
- 1.3 CPT-IV Coding
- 1.4 Evaluation and Management (E&M) Services
- 1.5 Documenting and Coding the Medical History (E&M)
- 1.6 Documenting and Coding the Physical Exam (E&M)
- 1.7 Documenting and Coding the Medical Decision-Making (E&M)
- 1.8 Documenting and Coding Procedures and Ancillary Services
- 1.9 Fee Schedules in the Medical Practice
- 1.10 Relative Value Systems (RVS)
- 1.11 Resource Based Relative Value System (RBRVS)
- 1.12 Application of RVUs to Administrative and Benchmarking Purposes
- 1.13 Compliance
- 1.14 Teaching Physician Rules
- 1.15 Self Assessment Exercise

Learner Objectives

- Explain the coding systems for medical diagnoses and physician services.
- Describe the key contributory elements of “evaluation and management” services.
- Differentiate the components related to documentation and coding of a medical history, physical examination, medical decision-making, and ancillary services.
- Describe a traditional method of setting fees for physician services.
- Explain the California Relative Value System (CRVS).
- Describe the Resource Based Relative Value System (RBRVS) and its components.
- Discuss the applications of RVUs to administrative and benchmarking purposes.
- Describe compliance issues faced in physician practice.
- Explain components of a compliance program.
- Explain when “teaching physician rules” are applicable to a physician practice.

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Chapter 2. Encounter Processing

- 2.0 Here's What You'll Learn
- 2.1 Introduction
- 2.2 Customer Relations
- 2.3 Registration Policies and Procedures
- 2.4 Pre-certification, Pre-admission, and Payer Verification
- 2.5 Charge Management
- 2.6 Coding and Reimbursement
- 2.7 Health Information Systems, Medical Records, Quality Assurance, and Case Management
- 2.8 Internal Controls and Fraud
- 2.9 Third-Party Receivables Management
- 2.10 Self-Pay Receivables Management
- 2.11 Encounter Reports
- 2.12 Information Systems/Electronic Processing
- 2.13 Self Assessment Exercise

Learner Objectives

- Describe how physicians and other personnel can meet deliver customer satisfaction and the impact it has on patient relationships.
- Define encounter processing as it relates to the medical group.
- Discuss the importance of correctly posting and writing off charges to maintain financial records for later analysis.
- List information that can be collected for encounter processing during patient registration.
- Explain the importance of collecting accurate and timely information for correct coding and reimbursement.
- Describe components of systems that work together to manage risk in healthcare organizations.
- Describe cash flow control techniques used to decrease the potential for fraud and abuse within encounter processing.
- Describe the elements of managing third-party receivables.
- Discuss the management of self-pay receivables.
- Identify the appropriate data to be submitted on an encounter report.
- Describe the methods used to transmit electronic encounter reports.
- Identify questions to ask when a medical group is evaluating a clearinghouse for electronic processing.

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Chapter 3. Accounts Receivable: Collections, Policy, and Evaluation

- 3.0 Here's What You'll Learn
- 3.1 Overview of the Revenue Cycle
- 3.2 Establishing Objectives and Goals
- 3.3 Internal Control
- 3.4 Performance Standards and Measurements
- 3.5 Outsourcing Considerations
- 3.6 Qualifying Bad Debts and Charity Accounts
- 3.7 Financial Counseling
- 3.8 Financing and Payment Calculations
- 3.9 Federal Credit Regulations
- 3.10 Bankruptcy
- 3.11 Managed Care Payment Issues
- 3.12 Information Systems
- 3.13 Choice and Use of Collection Agencies
- 3.14 Rebilling Issues
- 3.15 Self Assessment Exercise

Learner Objectives

- Describe the revenue cycle.
- Define the three main categories of accounts receivable for a medical group.
- Describe accounts receivable goals for patient balance.
- Identify internal controls critical to the proper handling of accounts receivable in a medical group.
- Explain techniques commonly used to measure accounts receivable.
- Describe the advantages and disadvantages of outsourcing accounts receivable.
- Define bad debt and charity account.
- Describe the role of financial counseling in lowering accounts receivable.
- Explain the value of maintaining control of accounts receivable to minimize cost.
- Discuss federal credit regulations that impact accounts receivable of a medical group.
- Describe the effect of bankruptcy regulations on accounts receivable.
- Differentiate the four types of bankruptcy proceedings.
- Describe the three categories of managed care receivables.
- Identify the accounts receivables functions that benefit from electronic information systems management.
- Discuss advantages of using a collection agency.
- Identify reasons an account may have to be rebilled.

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Chapter 4. Information Systems

- 4.0 Here's What You'll Learn
- 4.1 Introduction
- 4.2 Hardware
- 4.3 Software
- 4.4 Access/Security/Confidentiality
- 4.5 Request for Information (RFI) and Request for Proposal (RFP)
- 4.6 Developing and Designing Information Systems
- 4.7 The Industry
- 4.8 Communications/Internet/Intranet
- 4.9 Clinical/Financial Integration
- 4.10 Computerized Patient Record
- 4.11 Self Assessment Exercise

Learner Objectives

- Describe computerized financial operations needed by a medical group for successful management.
- Describe how hardware components and software application programs can increase the efficiency of the medical group's functioning.
- Discuss security measures needed for computerized financial information.
- Differentiate a request for information (RFI) and request for proposal (RFP).
- Explain the four steps involved in developing a medical group information system.
- Describe activities for evaluating and acquiring a medical group information system.
- Identify techniques that can be used to stay current with developments in information systems technology.
- Describe the value of internal and external communications for a medical group.
- Explain the use of the Internet and an intranet in a medical group practice.
- Explain why there is a need to integrate financial and clinical data.
- Discuss the emerging role of electronic medical records in the practice of medicine and the management of a physician practice.

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Chapter 5. Budgeting and Benchmarking

- 5.0 Here's What You'll Learn
- 5.1 Introduction
- 5.2 Defining the Budget
- 5.3 Benefits of Budgeting
- 5.4 Budget Preparation Techniques and Requirements
- 5.5 Methods of Projecting Statistics and Revenue Budgets
- 5.6 Statistics and Revenue Projection Based on Service Demands
- 5.7 Statistics and Revenue Projection Based on Past Activities
- 5.8 Statistics and Revenue Projection Based on Procedures or Patient Visits
- 5.9 Types of Budgets
- 5.10 Flexible versus. Fixed Budgets
- 5.11 Zero-based Budgeting
- 5.12 Capital Budgeting
- 5.13 Future of Financing
- 5.14 Ratio Calculation and Interpretation
- 5.15 Variance Analysis
- 5.16 Benchmarking/Physician Reporting
- 5.17 Self Assessment Exercise

Learner Objectives

- Describe the basic activities required for a detailed budget plan.
- Explain items that might be included in a budget preparation manual.
- Explain the benefits of the budgeting process.
- Discuss budget preparation techniques used to prepare a comprehensive budget.
- Identify three types of data use used for to estimate demand for a medical group's practice.
- Define components of a comprehensive budget.
- Differentiate a fixed budget from a flexible budget.
- Describe zero-based budgeting.
- Explain the need for a capital budget process.
- Identify the six components of information to be evaluated in a capital project.
- Identify eight strategies for effective capital structure management.
- Describe ratios valuable in monitoring financial performance of a practice.
- Identify the need to monitor variance analysis.
- Show how to use external benchmarking sources for physician reporting.

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Chapter 6. Cost Analysis and Management

- 6.0 Here's What You'll Learn
- 6.1 Introduction
- 6.2 Break-Even Analysis
- 6.3 Full and Differential Costing
- 6.4 Product Line Costing/Profitability Analysis
- 6.5 Responsibility Accounting
- 6.6 Standard Cost
- 6.7 Critical Path Analysis
- 6.8 Self Assessment Exercise

Learner Objectives

- Define cost accounting.
- Describe how break-even analysis can be of use to the medical group.
- Explain how to compute contribution margin.
- Define full costing and contrast it with differential costing.
- Discuss profitability in terms of product lines.
- Describe factors that change operations and costs in a medical group.
- Differentiate variable and fixed costs.
- Describe activities usually found in the standard costing process.
- Discuss functions of critical path analysis.

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Chapter 7. Physician Compensation and Leadership

- 7.0 Here's What You'll Learn
- 7.1 Introduction
- 7.2 Goals of Compensation Plans
- 7.3 Planning and Developing a Compensation Plan
- 7.4 Compensation Plan Alternatives
- 7.5 Compensation Plan Review
- 7.6 Pension/Profit Sharing/Retirement Plans
- 7.7 Self Assessment Exercise

Learner Objectives

- Discuss the goals of a typical compensation plan for a physician practice and for a physician group.
- Explain elements compensation must consider in distributing cash fairly and consistently to plan participants.
- Describe the three major compensation plan philosophies.
- Explain the advantages and disadvantages of using the production formula philosophy of compensation.
- Discuss why many practices have begun to use the Relative Value Units of work per procedure as a standard to determine revenue and expense conversions.
- Describe the three categories of salary-based compensation systems.
- Discuss the benefits and risks of the capitated compensation plan methodology.
- Explain objectives of a compensation plan review.
- Discuss pension plans.

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Chapter 8. Integrated Healthcare Systems and Managed Care

- 8.0 Here's What You'll Learn
- 8.1 Managed Care Organization (MCO)
- 8.2 Physician-Hospital Organization (PHO)
- 8.3 Integrated Health System (IHS)
- 8.4 Management Service Organization (MSO) and Physician Practice Management (PPM) Organization
- 8.5 How to Evaluate a Contract
- 8.6 Contract Negotiation
- 8.7 Direct Contracting
- 8.8 Reimbursement Methodologies
- 8.9 Operationalizing Managed Care Contracts
- 8.10 Contracting and Third-Party Relationships
- 8.11 Strategic Business Affiliations
- 8.12 New on the Scene: Consumer-Directed Health Plans
- 8.13 Self Assessment Exercise

Learner Objectives

- Describe the five current types of managed care organizations (MCOs).
- Differentiate preferred provider organizations (PPOs), health maintenance organizations (HMOs) and exclusive provider organizations (EPOs).
- Describe a point of service plan (POS).
- Define physician-hospital organization (PHO).
- Describe the four major types of integrated health information systems (IHSs).
- Describe services provided by a Management Service Organization (MSO) or Physician Practice Management (PPM) organization.
- Describe how to evaluate a contract.
- Discuss how to approach contract negotiation.
- Define direct contracting.
- Describe basic provider reimbursement methodologies.
- Describe how to operationalize a managed care contract.
- Discuss contracting and third-party relationships.
- Describe strategic business affiliations.
- Describe a consumer-directed health plan.

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Chapter 9. Insurance and Risk Management

- 9.0 Here's What You'll Learn
- 9.1 Introduction
- 9.2 General Liability
- 9.3 Casualty Protection
- 9.4 Directors' and Officers' Protection
- 9.5 Worker's Compensation Protection
- 9.6 Malpractice Protection
- 9.7 Stop-Loss Protection
- 9.8 Self Assessment Exercise

Learner Objectives

- Describe risks inherent in the medical practice segment of the healthcare industry.
- Describe the purpose of general liability insurance for the medical practice.
- Discuss risks for which casualty insurance is designed to protect the medical practice.
- Explain how the medical practice can protect against liability for legal action brought against boards of directors and management leadership.
- Discuss occurrence form malpractice insurance and claims made form malpractice insurance.
- Describe the importance of managing worker' compensation claims.
- Differentiate tail coverage and nose coverage.
- Describe the two kinds of stop-loss coverage provided by stop-loss insurance.

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Chapter 10. Legal and Regulatory

- 10.0 Here's What You'll Learn
- 10.1 Introduction
- 10.2 Licensing and Discipline
- 10.3 Legal Entities Licensed to Practice Medicine
- 10.4 General Regulatory Environment
- 10.5 Medical Practice Specific Regulatory Environment
- 10.6 Government Motivators Impacting Physician Practices
- 10.7 Self Assessment Exercise

Learner Objectives

- Explain the responsibilities of the licensing board with respect to physicians.
- Discuss the different legal forms medical groups may take to be licensed by a state.
- Describe the two regulatory agencies that have direct bearing on the practice of medicine.
- Identify the principal regulation in the medical care environment.
- Define upcoding.
- Describe Stark legislation and the laws it has developed for regulation of the medical group.
- Describe government motivators impacting physician practices.

Chapter 11. Other Management Issues

- 11.0 Here's What You'll Learn
- 11.1 Management Leadership
- 11.2 Credentialing
- 11.3 Human Resources Management
- 11.4 Strategic Planning/Marketing
- 11.5 Self Assessment Exercise

Learner Objectives

- Explain core management competencies and assessment tools.
- Define how to develop others through coaching and mentoring.
- Describe elements of the physician credentialing process
- Discuss human resource management activities.
- Describe elements of strategic planning and the role of marketing.