

# FIVE WAYS TO STOP PRACTICE PROFIT LEAKS

Like a slowly dripping faucet, inefficiencies in a business allow profits to trickle out over time. Even one small leak can have damaging effects on a company's financial health. Oncology practices are no different.

But with so many areas of the business vying for attention, sometimes it's a simple question of where to start.

Here are a few approaches to plugging profit leaks and streamlining operations.

## Overhaul Drug Inventory

80%

of oncology practice revenue came from the buying and billing of drugs in 2007<sup>1</sup>



Maintain a low inventory by ordering more frequently



Order products on demand

## Improve Billing and Collections

Ensure the timely collection of all co-pays and payments



Submit claims or accounts receivable charges within 24-48 hours from the date of service



Routinely mine billing and collections documents for costly mistakes

Identify common patterns in insurance denials



## Trust Technology

- ✓ Use technology to assume some of the practice's workflow
- ✓ Use tools to help understand inventory levels and best practices
- ✓ Leverage business intelligence tools and inventory cabinets to know precise inventory counts



- ✓ Analyze and manipulate data from the practice management system to benchmark and find areas for improvement
- ✓ Link practice management software with other systems for billing and inventory
- ✓ Enlist tech tools that can help practices find lost revenue opportunities

## Maximize All Opportunities

- ✓ Consolidate inventory by searching for less expensive equivalents of regularly purchased drugs
- ✓ Designate one staff member with responsibility for rebates, coupons and other discounts



- ✓ Be vigilant about the latest regulatory changes affecting reimbursement and ensure compliance
- ✓ Head off potentially costly mistakes by properly cataloging free products in the billing system

## Streamline Internal Processes

- ✓ Eliminate manual and paper-based billing
- ✓ Exercise smart staffing to maximize efficiency and the patient experience
- ✓ Encourage collaboration from physicians, practice administrators and practice staff for continual improvement in operating efficiencies



Learning to diagnose and fix profit leaks doesn't have to be overwhelming. Through better use of technology, implementing improved processes or revamping the approach to drug inventory, a community oncology practice can successfully boost its bottom line.

Read "Plugging Profit Leaks" for more information on optimizing practice operations and avoiding financial strain.

1. Journal of Oncology Practice. The 2007 National Practice Benchmark. 2008. Accessed 2 August 2016. Available online at <http://jop.ascopubs.org/content/4/4/178.full>