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Adapting your medical practice to the demands of healthcare reform

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How the Affordable Care Act (ACA) will impact primary care physicians from a financial perspective has yet to be fully realized, but it probably won't add to your practice's bottom line if you continue to do what you've always done. Now is the time to adapt and move forward.

The ACA changes can be daunting for a solo practitioner or small independent group.

Reimbursements will be lower for ACA plans, and will require doctors to do more paperwork. Doctors can expect reductions to the Medicare rate from commercial rates on standard procedures.

The ACA takes healthcare towards an outcome-based approach, where doctors can get paid for keeping people healthy and out of the hospital.

First, determine whether you'll be part of the new ACA health plans and if so, gear your practice to serve those newly insured who can now see you rather than go to the emergency department for basic care when they were uninsured.

This will require physicians to revisit their billing processes, as these plans carry higher deductibles. Determine if you want to be in the collections business or try alternative billing strategies that are more efficient.

Many of these plans have small deductibles for routine procedures and that can help the office with cash flow if the patients previously were not seeing a doctor. These same plans have high deductibles for non-routine or non-well care procedures, and these deductibles are often \$1,000 to \$6,250 per person per year. Billing strategies that would help include requiring deductibles up front, offering finance plans for expensive procedures, similar to the way dentists do, and offering payment plans if patients can't qualify for other alternatives.

Physicians now must be conscious of the costs of various procedures and have open dialogues with patients on affordability to ensure that they are not getting themselves into a financial position they cannot get out of. Until now, the cost of medical care wasn't often an issue unless the patient was uninsured or out of work. Now it's going to have to be part of the visit.

The offices ahead of this learning curve will be at a tremendous competitive advantage, compared with those who are not.

Four ways to adapt

1. Work with employer groups and associations to help them implement programs to reduce the actual cost of care by keeping people healthy. Many such organizations now give people incentive to stay well by lowering their insurance rates.
2. Educate yourself on how the laws are playing out in your community. Position yourself as a subject matter expert, someone who can decode the ACA and alleviate the confusion patients face. This will help your practice grow organically.
3. Embrace technology and business solutions that will help you comply with the new rules and make your business more efficient.
4. Train your staff to adapt to the new workflow and focus on a niche market or geographical region where you can attract and retain patients you're best suited to treat.

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