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action numbers. The client then asked if we could assist. Completing the financing to continue forward was crucial, so issuing a comfort letter after the audit was key. Timing was tight, but we collected our resources and audited 2016 within the timeline requested. This successful transaction highlights the need for CPA firms to add client value by thinking forward and providing insight beyond the routine due diligence, audit and tax services.



**Grassi Healthcare Advisors, LLC**

*By Alicia Shickle, AHFI, CHC, CPCO, CPC, CPMA, CPPM, CRC, Leader, Physician Practice Advisory Team*

The experts at GHA successfully assisted one of our large New Jersey physician practice groups to implement an effective documentation and coding compliance program. This component of their overall compliance program con-

tinues to assist the practice with achieving revenue cycle integrity by mitigating risk of billing for, or receiving, improper payments from the health plans. It also assures that the practice is collecting appropriately for the services they provide. We conducted an initial benchmark review and established a follow-up audit protocol based on provider outcomes. We provided one-on-one provider feedback as well as interactive group trainings. Routine auditing and monitoring is a key component of any effective compliance program. This helps the practice to identify and correct issues early. Providers who do not take



this process seriously run the risk of being an outlier, receiving improper payments, audits, being placed on pre-payment review, large overpayment demands, and potential hefty fines and penalties.



**Klatzkin & Company LLP**

*By Stephen N. Klein, CPA, Partner*

Many healthcare professionals are not trained in how to operate their practice like a business, as they are too busy running the practice to determine what items in the financial statements are most important. One of our firm's multidisciplinary medical practice group clients had monthly financial statements with several pages of departmental revenues and expenses. I prepared a report that they could read quickly and easily understand, to help them monitor their practice operations. The monthly report consisted of three spreadsheets, which provided a break-

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down of revenue, total operating expenses and the amount available for the owners' salary and benefits. These are the Key Performance Indicators (KPI) of the practice. The KPI report consists of monthly and year-to-date total revenues and expenses, as well as changes compared to the same period in the prior year in both dollars and percentages. One of the most important performance indicators to monitor is the total of operating expenses as a percentage of revenue. After reviewing the monthly KPI report with the managing member of the practice, we periodically

discuss trends and areas that the practice needs to focus on and improve.



**Nisivoccia LLP**

*By Deirdre Hartmann, CPA, Partner, Firm Healthcare Advisory Services Group Leader*

A healthcare client discovered a problem—their electronic health record (EHR) system was not transferring billing and collection data for the services rendered by their physician assistants to their practice management system. In many instances, physician assistants perform the service, but are reimbursed under the physician's reimbursement rate, which is referred to as "incident to billing." Since the EHR and practice management systems were two separate vendors, identifying the source of the breakdown was difficult. Our client asked us to help them solve the problem. With the help of our IT staff and the client's coding team, we were able

to rectify the problem by successfully mapping the billing information from the EHR system to the practice management system. This helped our client track collections for the physician assistants seeing the patient, even if it was reimbursed at the physician's rate. The time spent by the client tracking collections in a manual process was eliminated and has been automated going forward.



**Sax LLP**

*By Susan A. Reed, CPA, CFP, Healthcare Practice Leader*

We work with a healthcare group that has seen rapid expansion throughout New Jersey as a result of smaller groups merging with their practice. A main reason why a smaller practice desires to merge stems from the need to eliminate their back-office responsibilities. Administrative functions like negotiating contracts, medical supply purchasing, billing and

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