

# MANAGEMENT PLANNING



Successful entrepreneurial healthcare practices often acknowledge that much of their success in efficient operations and practice profitability is the result of sound planning. Planning takes a commitment from the healthcare practice's management team to establish short and long term operational goals. Practice short and long term goals must be implemented, monitored and adjusted by management to achieve desired results.

Three simple but key words hold the key to the successful introduction and achievement of practice management goals – *Organization, Communication, and Accountability.*

- **Organization** – The process of establishing management controls, goals, policies, and procedures for the business operation of the practice
- **Communication** – The process of establishing written policies and procedures, and exchanging the information between management and staff in a formal manner
- **Accountability** – The ability to establish staff responsibility for the performance of their duties as defined by written job descriptions for their respective positions

The use and application of **organization, communication** and **accountability** throughout all aspects of operations of the healthcare practice will greatly improve the organization's ability to achieve goals. After practice goals have been **organized** and **communicated** to appropriate personnel, they may be held **accountable** for the performance of their duties.

All aspects of practice operations should be considered when establishing short and long term goals, but the first issue considered should be the management of the "Revenue Cycle." Revenue Cycle Management is defined as all efforts to achieve maximum payment for services rendered, and includes the management of the entire cycle beginning with the first patient contact and ending with complete payment for services rendered. The Revenue Cycle is divided into the following three interconnected simultaneous processes dealing with the following activities:

- **Time Of Service**
  - > Develop current information control prior to service
  - > Collect at time of service
  - > Reduce self-pay contracts with credit cards
  - > Reduce surprises/scan problems early
- **Collection Cycle**
  - > Analyze cycle to understand collection issues
  - > Concentrate on insurance collection
  - > Neutralize small balance accounts
  - > Maximize collection agency recovery
- **Accounts Receivable Monitoring & Improvement**
  - > Implement internal controls and set direction
  - > Motivate staff for results
  - > Implement ability of staff to collect
  - > Expand data processing pay-off

The successful operation of the Revenue Cycle should be the first established short and long term goal of every practice and will serve as the foundation for long term economic stability.

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