

4 revenue sources to explore for your primary care practice

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Ancillary services have long been a popular way to increase revenue for physician practices. In fact, 82% of practices offer at least one ancillary service.



Such services account for 11% of revenue for both internal and family medicine practices, according to Medical Economics' 92nd Physician Report.

In addition to increasing patient convenience and compliance, ancillary services can help to increase primary care physician revenue and improve business performance. They let you retain revenue you would have outsourced, create opportunities for increased revenue from existing patients and attract new patients to your practice. And since many ancillary services aren't covered by insurance, they can help you reduce your reliance on third-party payers.

We talked with Valora Gurganious, a senior management consultant with DoctorsManagement, about ancillary services and other revenue sources to consider.

1. Bring testing & lab services in-house

Bringing services like radiology in-house lets you capture revenue that would otherwise go to a third-party provider or lab. Of course, startup costs for ancillary services vary widely, as do staffing and space requirements.

Gurganious recommends conducting a thorough cost-benefit analysis before adding a new service. To begin, gauge potential demand by surveying patients and/or mining your EHR data for services you regularly outsource. "I really encourage practices to basically do a data scrub of their EHR system and see how many patients they may have referred for that particular service," Gurganious says.

But you should also think long-term. For example, insurance typically doesn't cover annual bone-density scans, so it may take longer than you might expect to recoup your investment in a DEXA machine. "You have to realize that once you've done those this year, you may not have the same population of patients next year or even the following year needing that service," Gurganious says. "You have to adjust your expectations based on what's realistic."

Your cost-benefit analysis should go beyond financial considerations, according to Gurganious. For example, if you add an X-ray machine, you'll need to increase staffing, find space to room patients after their scans and extend visit times.

"All of that needs to be costed out, because your volume is going to go down a little bit with the longer throughput time for each patient," Gurganious says.

2. Offer remote patient monitoring

The COVID-19 pandemic greatly accelerated acceptance of remote patient monitoring (RPM), which allows clinicians to easily track patients' weight, blood pressure, glucose levels and more. One 2021 survey found that four in five patients view RPM favorably.

"Those are now a billable service that each PCP practice can offer," Gurganious says.

Medicare now reimburses physicians for remotely monitoring patients with both chronic and acute conditions, not just chronic conditions – a pandemic-fueled change. In addition, 21 state Medicaid programs reimbursed for RPM as of April 2021, as do an increasing number of commercial plans.'

There are many nuances to CMS guidelines on remote monitoring. For example, patients must use medical-grade devices. When you keep on top of these, however, RPM can be a good source of ongoing revenue – and an effective way to better monitor your patients' health.'

3. Attract more millennials

Young adults approach health care differently than their parents and grandparents. They're more likely to research symptoms online and self-treat when possible. They also expect to make appointments online, the same way they order dinner, concert tickets, rides to the airport and pretty much everything else. And they value convenience over having a relationship with their doctor.

According to the Kaiser Family Foundation, 45% of people ages 18-29 don't have a primary care physician. Instead, they seek care from retail clinics, which offer convenient hours, online scheduling, walk-in appointments and clear pricing.

While retail clinics have a different business model than traditional practices, you can still learn from the retail clinic down the street – or really any business that offers a convenient, responsive and digitally-enabled experience.'

For example, your EHR system may offer options that you haven't enabled or advertised yet, such as online scheduling. Or you could add evening hours or promote walk-in flu shots. Bring a young adult in for a flu shot, and you could gain a patient for life.

Of course, adding some of these services might require hiring a physician assistant or nurse practitioner, something that can be difficult in today's tight job market. Still, the rewards can be significant. "The non-physician providers can generate revenues two to three times their salaries just in added productivity – and in billable services that they're able to charge for in the office," Gurganious says. "It's very smart and effective."

4. Harness the power of satisfied patients

Even patients who never use your ancillary services can indirectly lead to added physician revenue. Their online reviews can encourage other people to check out your practice – or not.

According to a 2021 survey by PatientPop, 74% of patients call online reviews "very important" or "extremely important," and 69% won't even consider a doctor who doesn't rate highly.

"Patients choosing a practice make it abundantly clear: Any provider with an average star rating lower than 4.0 out of 5 is out of the running," the PatientPop report says. "Similarly, when patients conduct local searches using the word 'best' (such as 'best OB/GYN near me'), Google filters out practices with an average review rating lower than 4.0."¹³

By encouraging patients to leave positive reviews – and promptly addressing concerns raised in negative ones – you can draw in new patients to support your investment in new staff, new technology and new services.

You can also solicit patient testimonials, either in person or in a follow-up text or email. One survey found that 72% of consumers will leave reviews when asked.

You could even check to see whether your EHR system has the capability to send automated requests after visits. Just be sure to get permission before posting testimonials on your website or social media and avoid including any protected health information.

A final note: Be sure to stay on the right side of the law

Whatever additional practice and physician revenue sources you pursue, it's important to adhere to the Stark Law and the Anti-kickback Statute, as well as the American Medical Association Code of Medical Ethics.

For example, you can't require patients to use your in-house services, nor can you pay yourself or other providers a commission on in-house referrals.

Sanctions for Stark violations can include monetary penalties, denial or refund of payments and exclusion from Medicare and Medicaid. That means the costs could outweigh any benefit your practice receives.¹⁶

“Have an attorney review your distribution of profits and overhead for the ancillary service so you don’t go in violation of Stark,” recommends Gurganious.

Sources

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