



## **Dominance of Denials & Practice Management**

This case was written by Zain Arshad Chaudhary and Umair Zahid. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation. The case was compiled from field research.

### **Physicians Revenue Group: Dominance of Denials & Practice Management**

One day in April 2017, Mansoor Ahmed was sitting in his Illinois office thinking about the best way to reduce high denial rates and enhance practice management for all of the company's doctors. As a result of the company's inexperienced staff, physicians and the company's revenue were negatively impacted. Since the PRG troubles were damaging the company's reputation in the U.S. and Pakistan, Mansoor A. Ahmed decided to travel to Pakistan and acquire more experienced people from other companies to remedy the current situation.

### **The Organization: Physician Revenue Group:**

Mr. Mansoor Anwar Ahmed created Physicians Revenue Group (PRG) in 1997 as CEO. In the United States, Physicians Revenue Group, Inc. is a full-service revenue cycle management organization. In addition, this company provides medical practices with the resources they need to improve their bottom line. We are a revenue cycle management organization that helps healthcare practices to prosper. Similarly, our cutting-edge solutions have altered healthcare organizations. In addition, PRG helps a wide range of medical practices stay viable thanks to its services. Your practice is financially viable as a result of this.

Since 1997, the company's operations have grown at a steady pace. The company relocated to a new location in Gulberg III, Lahore, Pakistan in 2017 with a significant number of workstations and a professional atmosphere. In 2017, the company has over 50 employees as

a result of its rapid expansion. PRG has developed into a major player in the BPO industry's Revenue Cycle Management (RCM) sector. The organization begins to offer a wide range of other services to its physicians, such as accounting and tax preparation, credentialing, and other medical specialties MACRA<sup>1</sup> Services, Medical Billing Audit, and Revenue Cycle Management. Customers from other states in the USA also come to the Illinois-based organization because of the excellent service it provides to its customer. Passion, Teamwork, Transparency, Persistence, Integrity, Innovation, Going Above and Beyond, Respect, Learn & Growing are some of the basic principles of the organization.

## **Denial<sup>2</sup> Fixation: Is it a Real Issue for a Company?**

For healthcare practices and providers of all sizes, claim denials can have a substantial impact on their financial well-being. Preventing these problems before they arise can be difficult, and dealing with the consequences once they occur can be expensive. PRG<sup>3</sup> Inexperienced personnel are to blame for an increase in the denial rate in all practices since they lack expertise of coding and billing. There is a significant impact on the revenue of the doctor and company due to an increase in denial rates. The AR<sup>4</sup> There is an ever-increasing number of practices, resulting in a delay in reimbursement from insurance. As a result, the PRG's staff had no idea what to expect when it came to denials because they were unfamiliar with billing and coding.

There are a lot of doctors at PRG, and it was tough for the staff to keep track of them all because they all specialize in different areas. As a result, PRG's earnings and the career of a PRG employee working on the doctor's practice were at risk if they did not keep a tight eye on the number of rejections. What was it about the situation that necessitated a change? As a result, workers who weren't familiar with the software used by the various doctors had difficulty completing the claim process in a timely manner. Is PRG employee training now mandatory? Because the company didn't provide them with the resources they needed to deal with the issues, several of the most experienced management professionals left the organization. Senior-level staff resignations also result in financial losses. Do you think the company has the ability to grow, given the current situation?

---

<sup>1</sup> MACRA: Medicare Access and CHIP Reauthorization

<sup>2</sup> Denial: Insurance deny to pay the claim with any reason.

<sup>3</sup> PRG: Physicians Revenue Group

<sup>4</sup> AR: Accounts Receivable

## **Decisions by the CEO of the PRG:**

After some senior employees resigned from management, the other seniors took over and asked the CEO for greater rewards and perks, and they also made sure to continue with the company long term in every condition. Now, the CEO has chosen to visit Pakistan and make some changes in a company. However, they are merely taking advantage of the company's predicament. The CEO is looking for personnel who are steadfast in their commitment to the organization. Because of this, the CEO has decided to travel to Pakistan and implement some adjustments, although no one knows what those changes would be. The CEO of a company has made a significant change in the USA office before departing for Pakistan. He has hired Vice President Diane Schultz for a company who will oversee all operations and get intimately involved in all that occurs there. It was a pleasant surprise for everyone, and it piqued everyone's interest in what would transpire in the Pakistan headquarters when the CEO paid a visit there.

A decision was made by the CEO and Vice President to fire and replace the former management team with three new individuals who share PRG's values and are committed to working for the company's success. When the CEO visits Pakistan, he removes the previous management and has the Vice President help him conduct interviews for a new team. They were able to hire three managers with an average of 12 to 13 years of expertise in the industry of RCM<sup>5</sup>. Who comes onboard quickly and take the charge of the company and runs the teams according to new strategies. Do you think this decision of the CEO work and company Grow?

## **Outcomes to the Company when the new Managers Join:**

The time has come for the business to realize its ambitions. Excellent results were achieved as soon as new management took over and began working with the team. One team will work morning shift, and the other will work night shift, in order to alleviate work load on the entire team. To establish that the CEO's choice to implement new management policies was a good one, each practice's and company's revenue increased as a result. Another decision made by the company's leadership was to establish a separate audit department, which operates independently and ensures that every employee's daily job productivity is examined and balanced. When it comes to denial and non-submission rates, the company appears to have been successful in lowering them and increasing revenue for both clients and the corporation.

---

<sup>5</sup> RCM: Revenue Cycle Management

Team members were also taught to cover the backlog and provide additional support for month-end closeouts. Every day, a report of all the problems found in the code was compiled and sent to clients. Our client was informed of our day-to-day coding difficulties, and we were able to remedy the problem. Charges were entered on time for all items that required clarification from providers. The prompt entry, audit, and electronic filing of claims contributed to increased efficiency. Prior to billing, eligibility verification and swift follow-up with patients to accurately record demographic and insurance information improved clean claim submission rates, which resulted in a faster payment turnaround time. The clinic was able to collect Co-pays<sup>6</sup> more quickly thanks to eligibility verification at the time of service.

### **Separation of the Company's Clients: It was a big shock to Company:**

Additionally, in one case, the company's most senior personnel must contact the company's client personally in order to deliver the additional services on their own. Many doctors will be forced to leave if they begin dealing with their clients directly. In addition to financial losses, the absence of communication with other customers of the company has a negative impact on the company's bottom line. Do the profits of the business suffer as a result of this? These employees, who are aware of what is occurring within the doctor's practice, have used this information to their advantage, telling the doctor that if they work for them separately, they will be able to increase revenue much higher than the company, which in turn reduces the number of denials for practice<sup>7</sup>.

They met with their VP<sup>8</sup> and decided to hire an attorney for their US and Pakistan offices who would make a written contract with providers that stated that the provider would notify with one month prior notice before the termination of a contract, and in Pakistan, a contract also signed by the senior employees on which they stated that if someone within the company attempted to reach the clientele of their client, the company would be able to take legal action. According to company policy, only team managers and assistant managers are permitted to contact doctors directly with any queries or questions. This ensures that all emails sent to doctors go through these individuals alone. What do you think of the company's decision to take this step?

---

<sup>6</sup> Co-pays: Amount pay to Doctors at the time of visit.

<sup>7</sup> Practice: Its refer to the Doctor Claim submission and Follow Up.

<sup>8</sup> VP: vice president of the company

## Conclusions:

Healthcare practitioners should be educated about coding requirements and their responsibilities for clinical documentation by the Physician Revenue Group (PRG). Medical coders' accuracy has been enhanced to over 98% by refocusing their attention on receivables management in conjunction with healthcare providers. Denial and late submission errors were reduced by conducting an internal audit for all PRG clients, which also increased income. With the focus on those insurance plans whose TFL<sup>9</sup> is less than 95 days, PRG fixed the charge volume fluctuations and steadied the charge flow. The Physician Revenue Group is now able to deliver the following results to all its clients: The AR<sup>10</sup> of each practice was reduced to less than 50 days. TFL denials were eliminated and as such denials were reduced by 50%. charge entry backlog cleared, and situations of new backlog avoided. Reporting functionality was streamlined. A reporting cadence of weekly, monthly, and quarterly reports was implemented to ensure that revenue cycle managers make timely decisions. Improved billing system functionality reduced the effort required to post charges. The availability and connectivity of the system increased to over 99.9%, and the reduced latency resulted in higher productivity.

## Physicians Revenue Group: Dominance of Denials & Practice Management

### Teaching Notes

### CASE SYNOPSIS

Mansoor A. Ahmed, Chief Executive Officer (CEO) and owner of Physician Revenue Group, a company that provides different services to Doctors from the USA, is worried about diversity issues in his organization. The company is located on Peco Road Township, Lahore. Over time, this once one-room business grew into a full-fledged company. But as the company grew, it faced serious problems in dealing with the increase in the Denials rate. This everyday minor problem turned into a major challenge when it led to losses in productivity and revenues. The company was unable to meet client demands. The CEO believes that hiring fresh resources is not an option. The CEO needs to take effective measures now to resolve the issue related to every client's practices and their negative impact on the company.

### CASE OBJECTIVES AND TARGET AUDIENCE:

---

<sup>9</sup> TFL: Timely Filing Limit to submit the claim to insurance

<sup>10</sup> AR: Accounts Receivable

The objective of this case study is to allow students to learn more about Medical Billing and Coding and their main issues. Select their preferred area in the field of Medical Billing and Coding as they will go with the Production side or the Follow-Up side. This case study has been written for undergraduate classes who are interested in making Revenue Management a career. It can be taught in courses on practice management and consulting firm specializing in small to mid-size physician practices. The purpose of the case is to familiarize students with Revenue Management in the BPO<sup>11</sup> industry. The issues, in this case, are specific to a student to manage the denial rates with the help of experienced employees in an organization.

### RELEVANT READING:

*Medical Billing and Coding Services.*

Retrieved from RMB: <https://rightmedicalbilling.com/medical-billing-and-coding/>

*Medical Billing Wholesaler.*

Retrieved from MBW: <https://www.medicalbillingwholesalers.com/services/overview>

Tanja Twist MBA, H. (2017). Medicare Compliance Training Handbook. In H. Tanja Twist MBA, *Denials Management* (p. 25). Brentwood: HCPro.

### ASSIGNMENT QUESTIONS:

1. What are the major problems at PRG and the reasons for them?
2. How can the CEO resolve the current issues and control the situation?
3. Does the hiring of New Management was a good decision by the CEO?
4. Discuss the effect and outcome of the action taken by the CEO?

### TEACHING PLAN

The case can be best taught in an 80-minutes class with students preparing the case study and readings in advance. One suggested breakdown of instruction is as follows:

Task	Timeline
Break Students into groups: three to four students in a group	5 Minutes
Question 1	20 Minutes

---

<sup>11</sup> BPO: Business Process Outsourcing

Talk About: Discuss about the major problems PRG faced during that time every person give his response on that with proper investigation. List all the problems that the PRG faced and discussion is open that why some of them are more significant than others.	
<b>Question 2</b>	20 Minutes
Talk About: Discuss what type of decision makes by the CEO of PRG to control the current situation and get rid of these issues. The discussion is open for any issue which didn't affect the company revenue and will resolve in less time.	
<b>Question 3</b>	20 Minutes
Talk About: The CEO decided to hire new management for a company so, how much this decision was effective for the company. The discussion is open for the decisions taken by the new management and how much they work for the company and get rid of multiple issues.	
<b>Question 4</b>	15 Minutes
Talk About: Students should determine that what are the possible outcomes of the action taken by the CEO every student encourage to provide the best outcome on the action taken by the CEO or the upper management and discussion is also open to debate on each other answers.	
<b>Total</b>	<b>80 Minutes</b>

## Analysis

### 1. What are the major problems at PRG and the reasons for them?

There are two major issues PRG faces one of them is the increase of the denial rate in every single practice which affects the revenue of the company and the doctor also. The number of denials from the insurance because of lack of knowledge of Billing & Coding also affects the AR<sup>12</sup> number of the client. Every doctor has a different specialty and also has different software to run the claims. The big reason behind this is the unavailable of experienced staff who know about the Billing & Coding guidelines.

---

<sup>12</sup> AR: Accounts Receivable

This is the main problem of the company because the client stays in the company due to his high revenue and decrease in the denial rate which makes his practice smooth. The satisfaction of the client is much more important to work with a doctor for the long term in a company. The performance of the company determines by the revenue of the doctor and the way of work on every single practice of the client.

The other problem in the company at the start is that the experienced or old employee of the company reached doctor directly and request them to work separately from the company because the person who works on his practice knows everything about the practice and takes benefit of that. The company may lose its client as the employee directly contacts the provider which may affect the revenue of the company and the company may lose some employees also.

The reason of them is that the company allow the experienced or old employees to make direct conversation with the doctor or the office manager about all practice-related concerns and issue and the employee take advantage of that after some time they try to convince the doctor front office staff to work as a separate entity with low price as compared to the Company.

At the start, the company also has other problems with a reward management system that lacks a formal means of performance appraisal. The PRG rewards system is based primarily on a single manager's discretion rather than a formal and transparent evaluation of the individual's work and order fulfillment. Thus, they already demotivated the employees. The ambiguous policies have resulted in deep distrust between management and the employees of the company.

## **2. How can the CEO resolve the current issues and control the situation?**

The issues are discussed openly, and possible causes and solutions are solicited from the participants to create an environment of openness and trust. The idea is to find a solution that satisfies all the clients this requires experienced staff who can focus on solving problems rather than viewing one another as opponents which takes a lot of time and effort, so it may not be suitable or practical when immediate resolution is needed.

The CEO has decided to hire a well professional and experienced three managers and supervisors who lead the teams in every way and after some time the CEO successfully hired a new experience three managers who lead the three different teams in two shifts morning and evening. After the hiring of the manager, 's the CEO started meeting with all his manager on daily basis about the company issues and taking suggestions of them to get rid of the situation.



As per discussion in the meeting with managers the company decides to hire an experienced staff from the other company with providing them good benefits. The HR department started work on that and contact with different professionals from other companies and offer them good salary package with good benefits and the company also successfully hired many of the experienced staff with high knowledge of Billing & Coding from the different companies. The newly hired staff started work with the PRG and after some time they take hold of all the practices of the company and with time they highly increased every practice revenue which also decreased the denial rate of a practice which helps to satisfy the doctors about his revenue.

After that, the CEO started work on one most important problem that the old and experienced employees reach the doctors directly. Then the CEO started meeting again with his Managers and suggestions on that and finally they decide to hire a legal attorney who will take care of the legal work for the company. The company also make a big decision that only the Managers or Asst. Managers will allow talking with the doctors about his concerns and questions every single Email or concern go through proper channel only from Manager and the Asst. Managers and only they are allowed to Lead in a meeting.

The Legal Attorney create an Agreement which was signed by the old employees on which is Mentioned that no one tries to reach the company provider and ask them for work separately and not allowed to start or work the same nature of business as they are only the employees of the PRG. If someone tries to do that then the company can impose legal action against them and also charge the penalty of 2 Million. Because of this agreement, no one tries that and the company will never lose its client.

### **3. Does the hiring of new management was a good decision by the CEO?**

The hiring of the new Management was a good decision by the CEO because the new Management

have much high experience than the old management. The most effective and good decision was that the CEO hires Vice President which belongs to the USA because they build high & strong trust between the company and the clients. The Vice President knows well about the nature of the doctors in the USA very well than the management who work from Pakistan. So, every person gives their 100% to the company in that way the company comes back with a good reputation in the USA and Pakistan also.

The new management makes their strategies and policies which work according to the company demands and also help to grow the employees of the PRG. The company faces many issues like different types of Denials from different insurances, Lack of Claim Submission and Missing claims, etc. which badly affect the revenue of the Doctor and also have a bad effect on company reputation. Then the company decide to make a separate Audit team who work separately from all the organization and make sure to check and balance of daily work productivity of every single employee in this case company successfully decrease the denial rate and lack of Submission rate which automatically increase the revenue of the Clients and the company also.

The decision to Hiring New Management was a Good decision by the CEO.

#### 4. Discuss the pros and cons of the decision taken by the CEO.

Pros and Cons of the decision taken by the CEO:

Decision	Pros	Cons
Hired Three new Managers	Lead the Team in a good way which helps to get rid of the different problems that occur in a company.	Lack of trust in the old and experienced employee who works with the company from the start and they may resign with the company decision.
The hiring of Supervisors from outside of the company	Direct supervision of employees	Salary for additional employees increases the company's costs
Only the Managers & Asst. Managers contact with Doctors	Build the High trust of the company in doctors and they also guide the doctors in a good way which get the doctors satisfaction.	No Cons to this decision.

Hired a Legal Attorney	The company feels safe they don't worry about someone trying to contact Doctors directly for separate work.	It may cost highly to the Company which also increase the company Expense.
Agreement Signed by old Employees	No one tries to contact the doctor's office staff and ask them to work separately from the company and no one work for the other company at the same time.	Lack of trust in the old and experienced employee who works with the company from the start and they may resign with the company decision.
Appraisal system with emphasis on individual performance	Motivates employees to improve individual performance; focus on individuals help in "ungrouping" of employees	New appraisal system increases costs; developing an appraisal the system is time-consuming; evaluating performance can create a stressful environment

© GSJ