

Expert Insight: Tackling the Financial Challenges in Today's Healthcare Industry



ARTICLE 05.07.19 DEAN DORTON

A conversation with [Adam Shewmaker](#), director of [healthcare consulting services](#) at Dean Dorton, on how to address the financial and compliance challenges facing healthcare organizations today.

Q: What are the main challenges that healthcare clients share with you?

A: First, there are downward pressures on reimbursement, as payments to providers and hospitals are decreased. Another challenge is cybersecurity, especially documenting practices, providing training, and monitoring in the face of rapid technological change. Third, practices often lack the ability to access and use meaningful data to improve their business. For example, reviewing claims and payments and comparing actuals vs. expected can highlight areas for improvement. Managing all the moving parts of an independent physician practice—HR, staff, accounting, physicians—is not easy. Often, a trusted partner such as a CPA or attorney can help identify where improvements can be made.

Q: What trends do you see emerging in the healthcare industry?

A: Consolidation is a significant trend that has evolved in most markets. It occurs in one of two ways: first, hospitals and hospital systems acquire physician practices; and second, similar physician groups—e.g., dermatology and gastroenterology—are joining forces.

Regulatory enforcement is another big trend that especially impacts smaller practices who may lack the resources to manage risk and compliance. Again, an outside consultant such as a CPA or attorney can help proactively mitigate risk within the confines of the regulatory framework.

Finally, smaller practices struggle to identify and retain experienced, qualified talent—especially as big providers can offer larger salaries. These practices need to effectively manage resources and cost in order to remain competitive.

Q: What can healthcare professionals do to solve their pain points and stay relevant in a changing industry?

A: Be proactive by taking a strategic, holistic look at your practice and your business. This means assessing and identifying ways to mitigate your technical, financial, and compliance risks. For example, continually review your medical coding and documentation in the medical chart to ensure it's audit-ready. Another example is looking at managed-care reimbursements. Some practices may go years without negotiating rates from payers. To get the most competitive rates, check them out every year or two.

Consider where you may need to invest in software or partner with a consultant to address [issues that the practice cannot cost-effectively manage on its own](#). Another strategy is partnering with similar providers to cover the services that you currently may be unable to deliver. By pooling resources and expertise, former competitors can become formidable partners.

Q: How can financial management technology, such as Sage Intacct and Dean Dorton's advisory services, help with these challenges?

A: A third party gives you access to a broader, relevant perspective. At Dean Dorton, we've worked with many similar practices and can identify new, effective strategies for our clients. On the technology side, financial management software provides automation, so practices can effectively manage costs and run the business more efficiently. Only about 75% of practices can produce timely financial statements and put them in the hands of their physician. Cloud-based financial management software provides real-time, efficient reporting, enabling practices to proactively identify areas for potential business improvement.

You can reduce your practice's risk and grow the business with the right financial software and expertise. Learn more about Dean Dorton's healthcare consulting services and [Sage Intacct](#), best-in-class financial management software today.

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