

A majority of group practices of 10 or more physicians (68 percent) said they would seek advice from an outside party to transform their operations financially and clinically before the second quarter of 2019.¹



Practice Consulting
Practice Management Services

CASE STUDY NO. 5

STRATEGIC PLANNING

Practice: *Seven physicians and two nonphysician practitioners in a medium-sized metropolitan market*

- **CHALLENGE:** The practice requested that TMA Practice Consulting perform a (1) review of the services provided by its management service organization (MSO), (2) feasibility study for bringing those services in house and estimated costs, and (3) a market analysis for expansion of clinical services to another hospital system. Because the MSO provided practice management services and the practice administrator (although capable) was an employee of the MSO, the physicians wanted to ensure they received an unbiased performance analysis.
- **OUTCOME:** After the consultant's assessment, it was determined that leaving the MSO and bringing those functions in house would not be financially beneficial for the practice. The practice's operating expenses would have increased \$630,000 without realizing a positive return on investment. There also was insufficient market demand to support practice expansion. However, the analysis did reveal that the MSO was not performing as requested or contractually expected. For example, the practice-MSO contract specified the MSO's fee would not exceed 10 percent of practice collections; however, its fee was calculated to be 11.5 percent, a difference of \$100,000. Armed with this information, the practice asked the TMA consultant to facilitate a meeting between the practice and the MSO to keep the discussion focused on solutions and provide a neutral perspective. As a result, expectations were established and contract terms were revised; the practice-MSO relationship was salvaged.

Find out how TMA practice management consultants can work for your practice. Contact TMA Practice Consulting at (800) 523-8776, or email practice.consulting@texmed.org today!

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