

Dermatology Coding Alert

Practice Management: Learn the Basics Before Investing in Practice Management Software

The right tools can streamline your administrative and financial tasks.

Medical practice management (MPM) software can improve your office's efficiency and effectiveness, but only if you choose the right system. Assessing your office's needs before you shop and knowing which of three system options best fit your practice are your keys to success.

Learn Some MPM Basics

The first question you're likely to ask yourself is: Why would my office want to pay the high costs for an MPM software system? Here's why.

MPM software incorporates the day-to-day operations of a medical practice, allowing staff to capture patient demographics, schedule appointments, maintain lists of insurance payers, perform billing tasks, follow up on accounts receivable, and generate reports.

Important: MPM often encompasses electronic medical records (EMR) systems. While some information in an MPM system and an EMR system overlaps — for example, patient and provider data — you'll use the EMR system for assisting the practice with clinical matters, while you'll use the MPM system for administrative and financial matters.

Most MPM systems are designed for small to medium-size medical offices. However, some of the software is designed for third-party medical billing companies and large central billing offices (CBOs). Be sure you determine the type of system your office needs and then make sure you're not buying something that's too much or too little for your needs.

Don't Overlook 'Note' Feature

Before you go system shopping, look carefully at how your office functions. Document processes and look for places, such as accounts receivable, where you can improve efficiency and quality. Then, look for an MPM software program that follows the same processes but provides you with the added efficiencies you're looking for. Be realistic in the expectations and wants/needs your office has and ensure that the software system you select can meet your operational and billing needs.

Best bet: Ideally, you want to operate a paperless billing system. Therefore, you will need places to store notes, insurance card images, and other billing-related information and documents. For example, you may need a place to store referral authorizations from payers.

Caution: Some programs may make your practice function inefficiently. One of the pitfalls a practice should look for when choosing a system is to not overbuy. For instance, getting the biggest, most expensive system with all the bells and whistles may prove inefficient for your practice by making things more complicated and time-consuming by running reports and processes you don't even need.

Know How to Make Your Choice

You'll have three basic types of MPM system to choose from: desktop-only software, client-server software, or Internet-based software (ASP-Application Service Provider software).

Option 1: If you plan to use the system on one computer or have only a small number of users who can share access, you should look at the desktop-only options.

Option 2: If you want to allow multiple users who can share the data and the workload, client-server software is a better option. This type of system usually requires you to purchase or lease server equipment to run server software on. Individual workstations have client software that accesses the server.

Option 3: Internet-based software is another option you may want to consider, since it decreases your need to run your own server and worry about maintenance, security, and reliability. For many practices and even midsize billing companies that aren't big enough to support an IT department, an ASP is a good option because you don't need a dedicated IT department.

Drawback: Since the patient data does not remain strictly within your office, but is instead transmitted over the Internet, there may be some potential security risks involved.