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# The JPA Examiner

## SPECIAL EDITION

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## FIND MORE TIME TO PROVIDE CARE

### MSOs free up business operations and provide potential boost revenue

As a physician, are you finding yourself more and more engrossed in the business operations of your practice rather than clinical case delivery? This often takes away from time you need to care for patients. As payers continue to look for performance and proven quality matrixes the attention to administrative oversight does not appear to be lessening. How can you as a physician retain ownership of your practice yet remain clinically focused on providing quality patient care?

We here at Jackson Physicians Alliance (JPA) understand your dilemma and that is why we are developing a physicians-only Management Service Organization (MSO), which is a free-standing corporation that will provide participating practices with administrative functions such as billing and collections, accounts receivable management, collective purchasing and personnel management.

Physicians also have the option of choosing what services they need and don't need. For example, out of the 10 services offered through an MSO, your practice can choose to receive only two or three of these operational components. We will also be developing service packages such as a billing, collections and accounts receivable package.

"The MSO will be able to provide a practice a complete array of business services," said Mark Dengler, executive manager of JPA. "Physicians will need only



**“We want to give physicians a way to enhance reimbursements.”**

provide the medicine to their patients. On the other hand, some practices may only want to purchase a couple of services to augment the practice management they do today.”

Once implemented, the MSO will involve multiple physician offices and will provide services through a centralized approach. To participate, physicians will pay a flat fee. In

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**Year 2008-09  
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# MORE TIME

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return, practices will see savings in office costs, an enhanced capital investment, increased efficiency in operations and access to a data warehouse.

“Participating in an MSO will boost individual income because overhead expenses are shared through the entire organization,” Dengler said.

The MSO will also serve as a recruitment tool and payer negotiation vehicle for participating practices, while counteracting the growing trend of entire practice purchase encroachment.

“We want to give physicians a solution to help alleviate unwanted administrative and management burdens,” Dengler said.

## Managing success

MSOs are not a new concept. In fact, there are nearly 700 physician-managed MSOs currently operating nationwide. These independent medical groups represent the fastest growing segment of physician-management business.

Considering these numbers, the physician-managed MSO appears to be a successful endeavor. However, to ensure a lucrative launch and thriving JPA MSO, we found the keys

to success are allowing physician control, ensuring physicians are the true voice in deciding how the organization is run, and building a foundation of professional services. By developing an equity MSO, which is physician-owned, we found physicians’ incomes could increase 8 to 10 percent.

JPA plans to go live with this new endeavor in June of 2009. To make the JPA MSO a reality, we need a core group participating physicians. In return, participants can expect an improved quality of management, central billing (which means better charging and better collections), clinical information, better access to management tools, benefit packages, involvement in management and change and operations similar to a physician-owned practice.

For more information, contact the JPA administration at 817-2140.

## JPA MSO Services

- ▶ Billing Functions
- ▶ Managed care contracts
- ▶ Collective purchasing (supplies, insurance, malpractice)
- ▶ Personnel management
- ▶ Materials management (purchasing, accounts receivable)
- ▶ Education and training
- ▶ Credentialing
- ▶ Fraud and abuse management
- ▶ Practice Management
- ▶ Marketing and Advertising

# MEET JED CONSTANTZ, MSO CONSULTANT

In anticipation of forming the Jackson Physicians Alliance Management Service Organization (JPA MSO), JPA administrators have contracted with Mr. Jed Constantz, a 29-year veteran in the healthcare industry.

Serving as an executive director, practice administrator and, most recently, as a chief executive officer of an MSO, Mr. Constantz has extensive experience in management, training, financial reporting and staff development.

While director of professional relations, Mr. Constantz was responsible for expanding and maintaining a 14,000-plus preferred provider network.

For the past year, Mr. Constantz has been helping physicians establish physician-owned MSOs. He recently completed MSO development in Ithaca, New York with a

group of primary care and specialty physicians.

Similar to Jackson, the Ithaca marketplace has a single hospital system, which is providing doctors an opportunity to sell their practices. What was lacking in the community was an alternative to managing business operations without giving up practice ownership. An equity model MSO seemed the perfect solution. Mr. Constantz successfully consulted with a group of physicians and created the business back-office, many area physicians are looking for.

The JPA Board sees the same gap here in Jackson. It believes that development of an MSO would provide another business solution to area physicians. Mr. Constantz will be working with the JPA administrative team and Board as they establish an MSO opportunity for Jackson area physicians.



# JPA MSO: CREATING OPPORTUNITY FOR GROWTH

An optimally implemented Management Service Organization (MSO) can strengthen any practice to enable physicians to focus solely on delivering quality medical care to patients. With a complete array of products and services, the JPA MSO aims to achieve this goal and to help you run an efficient and profitable practice. Whether you maintain in-house or outsource key operational functions, the JPA MSO can tailor a solution that maintains flexibility and your management control.

Anticipated MSO practice management services include **high level negotiating and strategic planning competencies** that enable the physician leadership to focus on patient care issues versus reallocating their time away from patient care. These competencies would be aimed at establishing **strong payer relationships**, ensuring the highest levels of performance among JPA’s key insurance payers; **hospital relationships** offering practices the right level of business intelligence through attendance at key hospital meetings/proceedings; and **inter-physician relationships** within JPA and **intra-physician relationships** within the practice.

MSO practice management services would also focus on **comprehensive operational audits** to thoroughly examine existing business operations within the practice and develop “defensible” financial strategies and approaches. Practice preparedness for **“Pay-4-Performance”/PQRI** initiatives; **practice development**, expansion and succession planning, which would help physicians understand the risk impact of

any practice growth effort; **ancillary service enhancement** to identify and develop complementary and revenue-generating patient services; **human relations management** systems including staff training and development; **Customer service sensitivity programs** that directly address patient expectations; and **billing and accounts payable management** to maximize your practice’s return on investment are all business activities to be provided by the JPA MSO as well.

At the onset, JPA’s MSO will focus on offering:

- 1) Practice Audit Capabilities
- 2) Billing and accounts receivable services; and
- 3) Risk management and compliance services.

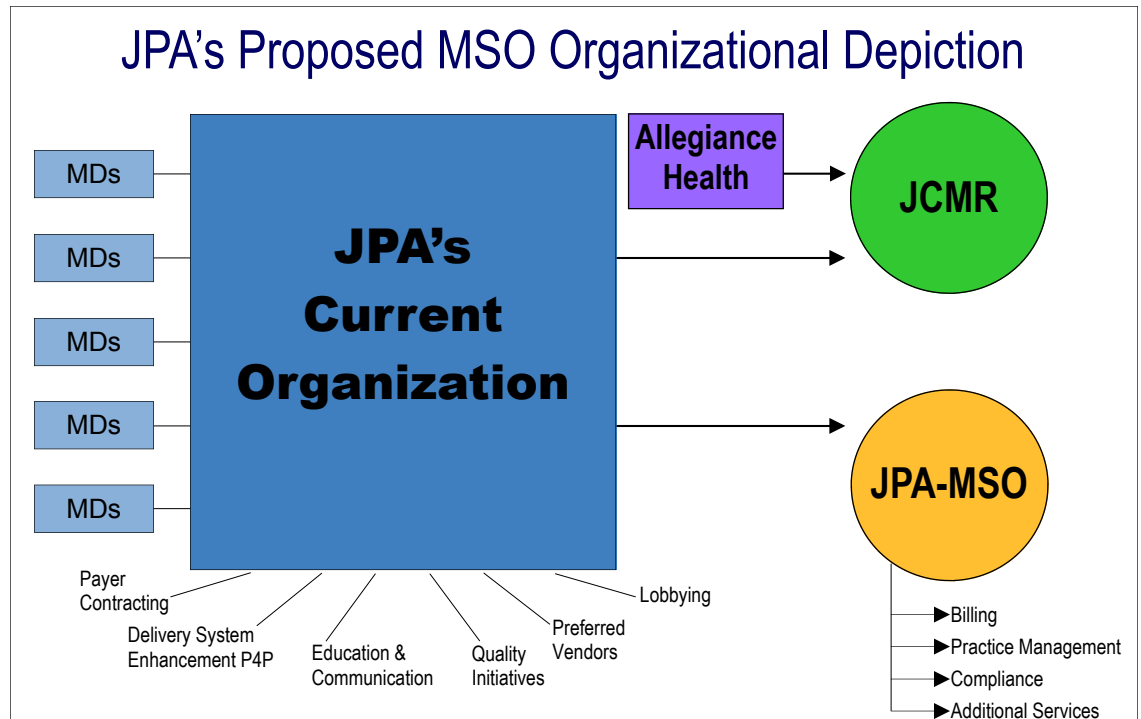
As adoption of MSO services grows, JPA’s administrative team will enhance the services available à la carte from the organization. MSIO participation is completely voluntary.

## Billing and Accounts Receivable

Optimizing business return for medical practices is the key focus of our MSO’s comprehensive billing and accounts receivable management services. As billing procedures become more complex, we can assist office staff in ensuring proper bill submission and regulatory compliance. Additionally, through diligent accounts receivable management, we minimize the amount of time practices must wait for patient or third party payment. A designated MSO representative that works with practice staff results in an

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JPA’s MSO will be a separate corporation from JPA with JPA being a major equity owner. The new MSO corporation will be launched in early 2009.



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***Making  
Healthcare Better***

## Creating Opportunity

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integrated, day-to-day operational approach that frees physicians up to concentrate on the practice of medicine.

Services include comprehensive medical billing, accounts receivable management, coding verification and training, comprehensive reporting package, and reimbursement optimization. To physicians, this means excellent billing and accounts receivable management, customer service and training focus with staff and payers, a no-hassle partnership, real-time data access for maintaining a key decision-making role and convenience.

### **Risk management and compliance services**

Minimizing medical practice business risk is the key focus of our MSO. We understand how serious compliance issues are and the MSO team will work with physicians to identify compliance concerns, perform internal audits and implement comprehensive solutions.

These services include HIPAA privacy and security compliance, Office of Inspector General (OIG) compliance planning and audits, financial risk management, human

resources risk management initiatives focused on employment laws and regulations, sexual harassment awareness training, coding and training audits and ancillary service operations.

Over the next six months, JPA will be launching its array of MSO services. The JPA Board and administrative team has begun the process of creating a business plan for the MSO and establishing the proper corporate structure. Specifics about the billing and compliance services will be packaged and priced.

*If you are interested in being involved with JPA's MSO development or in purchasing services, here is what you should do:*

1) Notify JPA administration regarding your level of interest (817-2140) - involvement ranges from being a preferred customer to being an equity stock holder.

2) Speak to JPA's president, Dr. Lynn Van Wagnen about your interest and needs.

3) Alert your practice manager as to your interest. JPA will provide an informational packet specific to the JPA MSO opportunity.

*Please be advised that JPA will continue to share updates regarding the MSO development over the next several months. You can expect a presentation to be made in the first quarter of 2009.*