
One day, the COVID-19 pandemic will no longer be a global healthcare crisis. However, it will significantly change both the way medical practices operate and clinicians practice medicine. As we look to the future, PYA has identified five key areas medical practices should begin evaluating for optimal post-COVID-19 care delivery.

1. **Redefine patient access and treatment options.** To promote social distancing and avoid risk, many providers are relying more heavily on telehealth to deliver services to their patients. Regulatory agencies and insurance providers have supported this adoption by providing additional coverage and expanded flexibility as it pertains to technology and the originating/distant sites. At the same time, patients have experienced ease of access that eliminates transportation logistics, virus exposure concerns, and long waits. This quick and significant shift in response to the pandemic will likely result in an increased demand for telehealth services post-COVID-19.

   - Payers may choose to prolong the expansion of telehealth coverage and support its utilization by updating reimbursement and payment methodologies.
   - Medical practices should evaluate their current and projected utilization of telehealth, and invest in technology resources accordingly.
   - If a telehealth strategy is not currently in place, implementing a strategy that focuses on specific patient groups and services may be in the best interest of the practice.
   - For more information on telehealth resources during the COVID-19 pandemic, visit PYA’s COVID-19 hub for articles, webinars, and other insights.

2. **Understand variations in patient volumes and demographics.** Patient volumes will inevitably rebound post COVID-19; however, it may not be as quickly as expected.

   - Once elective procedures can be performed again, there will be increased competition to capture the backlogged demand.
   - Medical practices will experience changes in payer mix. As increasing numbers of individuals lose their insurance coverage due to unemployment, providers will likely experience an increase in self-pay or underinsured patients.
   - With increasing patient-responsible balances and less commercial payer coverage, practices will need to focus efforts on timely and accurate billing and accounts receivable collections to maximize cash.
3. **Analyze merger and employment opportunities.** Some physicians and clinicians will not have the cash flow or risk tolerance to maintain their practices as a result of COVID-19. In these instances, merging with a larger group or healthcare system, or selling their practices, may be the best alternative.

- Private equity firms have emerged as key players in the industry in recent years. It is likely they will continue to purchase practices post-COVID-19. However, post-COVID-19 purchase offers will likely be at different valuations than prior to the pandemic.
- Physician practices looking to merge or be purchased should complete a practice assessment to determine where operational or valuation pitfalls may exist. This work can be performed internally or through an outside consulting firm.
- If merger or acquisition seems likely, it is beneficial to begin conversations with interested buyers now.

4. **Consider the evolution of staffing models.** Medical practices have historically maintained lean staffing levels. Staff may fill multiple roles, particularly between front-office and back-office functions. To maintain cash flow post-COVID-19, medical practices will work with possibly further reduced staffing complements and an increased focus on back-office functions.

- Increased adoption of technology resources will mitigate the need for some positions and allow for a greater emphasis on positions collecting payments.
- As the practice’s payer mix shifts due to higher unemployment rates and greater patient balance responsibility, collections may decrease.
- Maintaining a lean workforce will limit staffing expenses. Remember to consider the key revenue generating functions (i.e., denials management and accounts receivable follow-up) when making staffing decisions, noting that it may be more effective and cost-efficient to outsource some functions.
- Use of technology can positively impact staffing, while also influencing patient satisfaction. For instance, enhanced use of a patient portal allows patients to self-schedule appointments, with the added benefit of reducing the number of inbound phone calls.

5. **Study changes in payment methodologies.** While the ultimate impact of COVID-19 is still unknown, it is likely that payers will increase flexibility for the remainder of 2020 to mitigate effects of risk-based contracts.

- Established reporting deadlines and performance periods may be extended, and the crisis period may be excluded from a practice’s performance evaluation.
- Practices and providers may have the opportunity to re-negotiate payer contracts going forward. Practices interested in increasing financial rewards will need to ensure they are capable of taking on increased risk in their contract.
- Providers considering reimbursement models that eliminate private payers (i.e., direct contracting with employers, etc.) will likely take on additional risk. If a practice opts to merge or be purchased, the new financial partners may have pre-determined risk-level expectations.
- Physician practices should continue to evaluate past performance with alternative payment models in order to more thoroughly assess potential changes.

PYA has nearly four decades of experience in supporting medical practices. During this time, PYA has observed and guided practices through various trends including practice expansions, contracting, mergers, and separations. PYA knows that the independent practice of medicine will continue, and medical practices, along with the rest of the healthcare industry, will adapt to post-COVID-19 care
delivery. If you are evaluating staffing, expense management, merger or acquisition considerations, telehealth utilization, contracting, or any additional medical practice considerations, PYA stands ready to help navigate through the COVID-19 pandemic and support medical practices for the years to come.

For more information on medical practices survival tactics during the COVID-19 pandemic, read PYA’s related insight, or view our “Physician Practice Survival Tactics” webinar, both of which can be found along with other COVID-19 guidance on PYA’s COVID-19 hub. For further assistance, contact one of our PYA executives below at (800) 270-9629.