

Evolution of an RCM and Medical Billing Services Company

Lloyd Morris is the president and co-owner of AVS Medical. Lloyd and his wife Cindy started the company in their living room.

AVS Medical is truly a family-owned business. Five of the Morris's six children have worked for the company at one time or another. AVS Medical is now in its 27th year with seven employees working from home offices throughout the U.S.

A NextGen Office business partner, AVS Medical has successfully evolved with the ever-changing healthcare marketplace. Here is the story of how AVS Medical achieved its growth along with insights from Lloyd based upon many years in the medical billing, practice management, and EHR business.

The beginning

About 30 years ago, Lloyd and Cindy began their first business selling speech recognition solutions as a replacement for traditional medical transcription. Back then, very few independent physicians had computers in their office, so AVS Medical provided instruction on how to use a computer, as well as training on Dragon Speech Recognition software.

Through their business associations with physicians, Lloyd and his wife learned about practice management software. Soon enough, they were representing both practice management and EHR software vendors as resellers.

Roadblocks along the way

Similar to any small startup, AVS Medical faced roadblocks along the way. At first, sales, marketing, and financing were overwhelming challenges. Until Lloyd and Cindy were able to grow the business to the point where they could qualify for bank or SBA loans, they relied on credit cards and savings.

There were times when Lloyd and Cindy came close to going out of business, but they kept moving forward, increasing their efforts, discovering new products, finding new opportunities, and working even harder.

The catalyst for growth

The onset of Meaningful Use—a CMS program which began in 2011 to promote adoption and effective use of EHRs—became the catalyst for the growth of AVS Medical. At the right moment in history, the company was positioned to provide physician practices with an EHR, installation, onsite training, and ongoing consulting and support. AVS Medical then added revenue cycle management (RCM) and medical billing to the roster of services they offered.

BUSINESS PROFILE

AVS Medical

Changing with the times is the key to success for family owned AVS Medical

Headquartered in Annapolis, Maryland, AVS Medical offers RCM and medical billing services to physician practices, along with sales of EHR and practice management solutions.

NEXTGEN HEALTHCARE SOLUTION

- NextGen® Office

HIGHLIGHTS



Started in the living room of Lloyd and Cindy Morris. It's now in its **27th year of operation**



Growth was largely due to the CMS Meaningful Use program, which created opportunities for companies that could provide EHR software to physician practices



Sees NextGen Office as the **perfect solution** for busy physician practices that are struggling with in-house billing



Evolved its sales and marketing strategy by transitioning to a subscription model and adopting inbound marketing

The challenge of figuring out how to survive began to fade. Lloyd and Cindy turned their focus to finding vendors with whom they could partner. They looked for vendors that had the right product—one that was in demand and would enable them to grow and scale their business more easily. That’s when they found NextGen Office.

Renewed focus on RCM

“NextGen Office is a great platform to grow our RCM business,” says Lloyd. “It is an all-in-one integrated platform, including the clearinghouse. Because of that, we see NextGen Office as the perfect solution for a busy practice that’s struggling with in-house billing and looking to outsource,” explains Lloyd. “As an all in one solution, NextGen Office provides significant savings to our end users,” he says.

Lloyd estimates that having a clearinghouse integrated with NextGen Office results in an average savings of 20% for their clients. The Merit-Based Incentive Payment System (MIPS) dashboard, inclusion of clinical quality measures, and reporting features also eliminate significant costs to clients. Previously these practices had to pay for third-party integrations to extract and report data.

More recently, AVS Medical has renewed its focus on RCM services. They work in coordination with a third-party RCM services provider to provide billing and other revenue cycle support services to their clients. NextGen Office enables clients of AVS Medical have full transparency into the RCM service provider’s efforts. That makes it easier for AVS Medical to market both NextGen Office and RCM services to prospects.

Improving the after-sale experience

When dealing with legacy EHR and practice management solutions, the AVS Medical sales team had to focus most of its time on fixing software problems. They had to provide a lot of after-hours support to clients, because users could not access their EHR or practice management system while it was being fixed. This led to many poor client experiences.

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Cindy and Lloyd Morris, co-owners of AVS Medical.

Adopting NextGen Office has enabled AVS Medical to focus its after-sale efforts on providing a more personal one-on-one experience for users. Now, most support calls do not start with a complaint about something not working, but with a how-to question. “They’re really training questions,” says Lloyd. “Our team likes to address these questions. As a result, it leads to a good customer experience.”

Looking ahead

In recent years, business conditions have undergone significant changes. The market has shifted towards a replacement market, as practices move away from their first generation of EHRs, which were often client-server based systems.

AVS Medical finds opportunity in this evolving landscape. “First generation systems are expensive to own, expensive to maintain, and for the most part, they’re not offering the features that practices have come to expect,” says Lloyd. “The hardware that’s required to run these legacy systems is expensive as well. We’re seeing more and more practices looking to replace their EHR.”

Another driving factor in the marketplace is the need to keep up with regulatory demands. Some developers find it difficult to meet the latest certification requirements, while others choose to sunset their products altogether. This situation creates further opportunities for AVS Medical and NextGen Office, as practices seek a reliable and compliant solution.

“So our plans for the future are simple—we’re all in on NextGen Office. That’s what our future strategy is to continue to grow that base of our business.”

LESSONS LEARNED

Lloyd Morris shares lessons learned while growing AVS Medical into a success

Let go when necessary

Over the years, Lloyd and Cindy learned the value of finding the right customers and opportunity. But they’ve also learned the importance of recognizing when it’s time to walk away from an opportunity or end a relationship with an existing client.

“We’ve been very fortunate over the years to build relationships and have customers for 10 years, 15 years, in some cases, over 20 years,” says Lloyd. “But as with any business, there are times when things just aren’t working out. We make it easy for clients to do business with us and we also make it easy for them to leave us if they need to, for whatever reason.”

Keep pace with changing customer needs

“Our business has always been focused on providing technology solutions to help medical offices solve problems that they were facing,” explains Lloyd.

First, it was replacing the pain and hassle of traditional medical dictation. That evolved into providing an easy-to-use practice management software to replace complex, hard-to-use UNIX-based systems. That evolved into providing solutions that enable physicians to participate in and succeed with government programs like meaningful use or advanced payment models. Use of these solutions is now expanding to encompass value-based care programs administered by private payers.

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LESSONS FROM LLOYD

A summary of the advice that Lloyd Morris, co-owner of AVS Medical offers to medical billing companies and other small businesses:

- Build strong customer relationships
- Provide easy entry and exit options for clients
- Recognize when it’s necessary to let go of opportunities or end relationships with clients
- Evolve your sales strategy to include recurring revenue models such as subscriptions
- Adapt to changing customer needs and provide solutions that address their evolving problems
- Keep customer contracts simple and straightforward
- Avoid interrupting customers with outbound marketing.
- Embrace inbound marketing to meet customers where they are
- Explore the use of generative artificial intelligence tools

Evolve your sales strategy

Over time, AVS Medical changed its sales strategy. “The legacy solutions that we used to sell were, for the most part, a capital sale,” explains Lloyd. “While there was some recurring revenue after the initial sale, most of the income was up front. The transition to a subscription model with NextGen Office has been huge. It provides us with a steady, predictable income stream. It allows us to plan and grow in a responsible manner.”

Keep customer contracts simple

AVS Medical now uses Salesforce customer relationship management (CRM) system to provide and track customer support. One way the company enhances customer support: They don’t require complex sales contracting documentation. They use simple, straightforward agreements that enable them to close deals more quickly.

Evolve your marketing strategy

According to Lloyd, AVS Medical started out growing its business the old-fashioned way. “We would go to trade shows,” recalls Lloyd. “We used to do a ton of fax blast marketing. We would send out a thousand paper faxes and the next day get 10 or 20 leads returned by fax.” While this was effective, FCC rules now largely prohibit this type of marketing.

Today, AVS Medical gets most of its new business from customer referrals, drawing upon a large base of legacy users. In addition, the company began a program of inbound marketing.

“Inbound marketing is about meeting the customer where they are—helping them find us and value us as a solution to the problem that they’re trying to solve,” explains Lloyd.

“I get offers from companies that want to sell me lists of certain types of providers or users of Epic, Athenahealth, or another solution. But that outbound marketing interrupts people with content and offers that they’re not looking for. We feel it alienates them.

“Inbound marketing, on the other hand, puts us in front of customers when they’re looking for solutions to their problems. We’ve just started using some of the new generative artificial intelligence (AI) tools, to create value added content for our company website. It’s really exciting. At the same time, it’s a little scary just how good and effective it is.”

“So our plans for the future are simple—we’re all in on NextGen Office. That’s what our future strategy is to continue to grow that base of our business.”

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HOW CAN WE HELP YOU?.

Partner with us at **855-510-6398** or **results@nextgen.com**.