

# Case Study >>>>

## Ironwood Dermatology Improves Reimbursement, Reporting, and Communication

After seeing a demonstration of practice management and EHR software at an industry meeting during their residency, the five doctors preparing to launch Ironwood Dermatology decided they'd found an inexpensive, easy software solution for their new practice. However, once Kimberle Kennedy, CMPE, CDC, joined as Ironwood as Executive Administrator and learned about the software choice, she strongly encouraged the doctors to change course and utilize NextGen software. "As a result of my first-hand experience using NextGen software at previous practices, I knew that NextGen Healthcare would provide tools designed to successfully meet our current needs and help us grow in the right direction," explains Kennedy.

Despite her suggestion, the practice went live with the founders' first-choice software in September 2005. As Kennedy explains, "Soon after the implementation, it became apparent that the practice management software was rudimentary: we had minimal transparency, inadequate reporting, a limited claims clearing house interface, no grasp of our A/R turnaround, and the software company itself provided poor customer service. Without the ability to successfully submit and track claims, we knew we would start losing money soon. I was forced to tell the practice founders that I couldn't manage the business successfully with this software, especially as our patient load and staff continued to grow."

The problems extended to the chosen EHR system as well. "We'd basically acquired a word processing system that completely lacked the discrete data elements that are critical to reporting. Plus, there was no electronic prescribing capacity or advanced medication module, and the product lacked an internal knowledge base," says Kennedy.



### Overview

#### PRACTICE

Ironwood Dermatology, P.C.  
Tucson, Arizona  
[www.ironwooddermatology.com](http://www.ironwooddermatology.com)

#### PRACTICE PROFILE

Founded in 2005, Ironwood Dermatology is committed to a treatment and care philosophy that centers on personal attention, patient awareness, and education. In addition, Ironwood Dermatology supplements its outstanding patient care by offering a selection of physician-quality skin care products.

#### BUSINESS PROBLEM

Ironwood Dermatology's practice management software was not keeping up with its business requirements. The practice had minimal transparency, inadequate reporting, a limited clearinghouse interface for claims, and no grasp of its A/R turnaround. The problems extended to its existing electronic health record system as well, which lacked the discrete data elements critical to reporting.

#### SOLUTION

Ironwood Dermatology implemented NextGen practice management software in December 2007. A little over one year later, it implemented NextGen electronic health records software.

#### PRODUCT DISTINCTIONS

- Improved, more secure patient data access
- Dermatology-specific content/modules
- Better clinical documentation/coding
- Comprehensive interfacing

#### BENEFITS

- Better documentation/information access/reporting
- A/R turnaround down by over 10 days
- Collected \$100,000 of backlogged A/R
- On track for eligibility for a 2% Medicare bonus in 2009
- Improved patient communication and scheduling
- Alleviated staffing challenges: reduced FTEs by 1½

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## Leveraging a proven, trusted solution

Due to these challenges—particularly the business management issues—Kennedy once again suggested a NextGen solution. “As President of the Association of Dermatology Administrators/Managers (ADA/M), I have a large network of contacts using various electronic health record software solutions and practice management systems, so I’m very well-informed about the software options. I also have access to the expertise of consultants, who consistently ranked NextGen in the top 10, with many ranking NextGen among the very best,” explains Kennedy.

The practice founders agreed that a change was necessary. During the Ironwood review process, NextGen ranked in the top three. What’s more, several Ironwood staff members had previous experience with NextGen software and shared their positive experiences with the team. As a result, in December 2007, Ironwood uninstalled its existing practice management solution and switched to NextGen EPM® practice management software. A little over a year later, Ironwood converted to NextGen EHR®, as well.



## Improving efficiency, reducing costs

Since implementing its NextGen Healthcare solution, Ironwood Dermatology enjoys the following benefits:

### *Cut costs, improved collections*

The practice’s days in A/R are at 18, which is a reduction of more than 10 days over the previous system. Plus, after the software switch, Ironwood was able to collect \$100,000 of backlogged A/R. Now, the practice maintains A/R in the percentage within and above industry standards.

“The NextGen system provides outstanding reports that help us manage our A/R. We run reports by payer and by “aging bucket,” so we can take a strategic approach to collecting the oldest and largest accounts. This really improves our efficiency when we’re interacting with payers. We also use tasks within the system to double check that no claim falls through the cracks. What’s more, we love the clearing houses through which we work via NextGen EPM. We have claim transparency and can fix any errors immediately,” confirms Kennedy.

Ironwood appreciates that its NextGen solution improved accountability. Kennedy explains, “I’m thrilled that NextGen software tracks which user made a particular change. This eliminates guesswork, ensures accountability, and enables us to offer education to staff members when necessary. A lot of systems don’t have this capability.”

Also critical, with NextGen software, Ironwood submits electronic prescribing documentation—as a result, the practice is on track for eligibility for a 2% Medicare bonus in the current year. In addition, Ironwood is very pleased with its scanning solution—NextGen Image Control System (ICS). “We tried to jury rig a scanning scenario prior to our NextGen implementation, but it was a little too cumbersome. I’m looking forward to finally clearing out all the stacks of paper from my office and clearing up space for our skin care product inventory,” says Kennedy.

## *Enhanced communication*

When it comes to billing, Ironwood's communications with patients are greatly improved. Its statements are much easier for patients to understand. The practice no longer receives an influx of calls from patients asking to have statements explained or to complain about them. Plus, Ironwood can include special messages on statements depending on seasonal specials.

"Our billing process used to be so cumbersome that bills were delayed, which confused patients. What's more, the NextGen scheduling capability is extremely flexible and infinitely customizable, which makes it so much easier and more efficient to access information and modify a doctor's schedule," comments Kennedy.

## *Alleviated staffing challenges*

As a result of improved efficiencies, Ironwood will be re-allocating staff in its business office. "Streamlining processes enabled us to reduce full time employees (FTEs) in the business office by one. In addition, TeleVox®—an automated messaging system—interfaces with our NextGen solution. Our old solution did not. This enabled the elimination of one half FTE from the front office," says Kennedy.

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"After the software switch [to NextGen], Ironwood was able to collect \$100,000 of backlogged A/R."

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## *Forging a trusted partnership*

"NextGen Healthcare helped to ensure our success by delivering excellent training and support. We participated in on-site training at the NextGen Healthcare training center, webinar training, and eLearning. The infrastructure in place for training is very effective," confirms Kennedy.

What's more, when Ironwood has a question or problem, NextGen Healthcare support is knowledgeable and prompt. "The on-site go-live team is helpful and professional. We've learned a lot during User Group meetings—not many software companies are willing to host these types of educational and networking events," says Kennedy.

## *Making a smart investment*

Looking ahead, Ironwood is looking forward to activating NextGen EPM's Background Business Processor (BBP), which it anticipates will provide more benefits. "With it, we will be able to run critical reports automatically, overnight, so that they are ready for our staff in the morning. Plus, BBP enables end-of-the-day due diligence such as coding audits, transaction reports, charge verification, and no-show summaries. The reporting is limitless," confirms Kennedy.

Finally, "Ironwood is confident that NextGen Healthcare is in tune with the latest government requirements for EHR and practice management software users," confirms Kennedy. With many tech savvy patients, the practice is also excited to implement NextMD to improve communications.

"Overall, the transformation to our business as a result of our NextGen implementation has been like night and day. Our business is in a much better position now," concludes Kennedy.

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