

# The Business Impact Of COVID On Pediatric Practices

Webinar #23

Thursday September 23, 2021 @ 7:00PM(ET)



Molly O'Shea, MD - Birmingham Pediatrics + Wellness Center

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## What We Are Not Going To Talk About

1. Amount of time providers/staff should self-isolate
2. Treatments for people affected
3. Predict how long this will last
4. Issues that are geographic-specific
5. COVID Testing Options
6. COVID-19 Vaccine Details (ok, maybe a bit)
7. Detailed Human Resource Issues



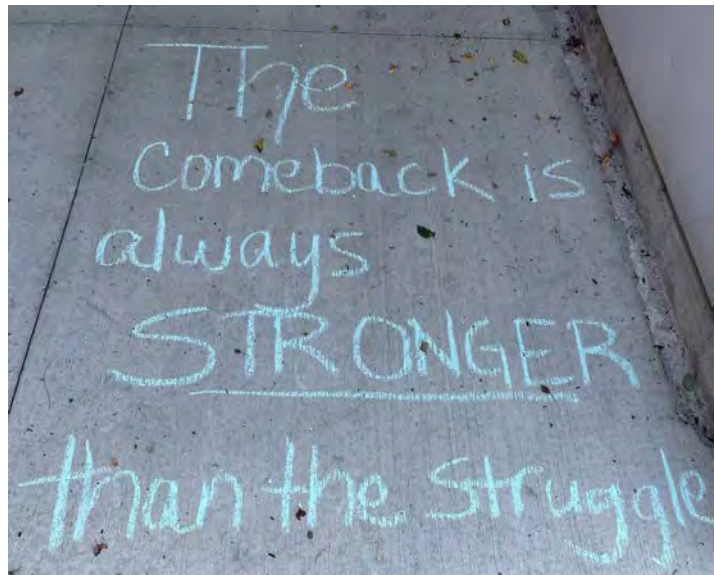
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# Agenda

- This Week's Focus
- Data Report
- News Roundup
- Guests Molly O'Shea, MD
- Practice Management Issues
  - Used Car Lots
  - Tree Farms
- Homework Assignments

# Focus For The Week...



“Miserable people focus on what they hate about their life. Happy people focus on what they love about their life.”  
 — Zig Ziglar



# Forum.PediatricSupport.com

COVID 19 Business Impact Webinar #2 - March 26th More Details Here

all categories | all | Latest | Top | Collaborate | + New Topic

Category: **Upcoming Events**  
 Share/learn about upcoming events related to COVID19

**Finance**  
 No margin, no risk! In order to be a successful medical practice, it is imperative that it take the steps necessary to remain financially viable. Here you can share and receive valuable information to help practices measure and monitor their financial health.  
 Budgeting | SBA Loans | Taxes

**Site Feedback**  
 Discussion about this site, its organization, how it works, and how we can improve it.

**Humor**  
 Sometimes we have to lighten the mood a bit. Feel free to share things to help bring a bit a joy or a laugh to others (here it stays)

**Leadership**  
 Adversity doesn't build character; it reveals it. It also reveals our vulnerabilities! Leadership is an essential ingredient for any organization. Receive or share advice, tips, or resources to empower everyone to be effective leaders within their practice.

- Coronavirus stable for hours on surfaces - Medical Staff
- Telemedicine Disclaimers - Telemedicine
- How To Handle COVID19 Infectious Waste - Waste
- COVID19 Waste Management - Waste
- Comind - Covid19 - Policy Search
- Empire BCBS (NY) - Covid19 - Policy Search
- PCC's 2020-03 Pediatric Coding Web Lab [TELEMEDICINE CODING] - Billing & Coding
- Willmark - Covid19

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all topics

all topics	Replies	Last Post
Coronavirus stable for hours on surfaces Medical Staff	1	1h
Telemedicine Disclaimers Telemedicine	5	13h
How To Handle COVID19 Infectious Waste Waste	0	6h
COVID19 Waste Management Waste	0	55h
Carefirst - Covid19 Policy Search	0	18h
Empire BCBS (NY) - Covid19 Policy Search	0	6h
PCC's 2020-03 Pediatric Coding Web Lab [TELEMEDICINE CODING] Billing & Coding	0	18h
Willmark - Covid19 Policy Search	0	16h
Humana - Covid19 Policy Search	0	16h





## A message from Dr. Sandy Chung, AAP President-Elect:

"I'm so honored to be elected to serve as your AAP President! THANK YOU for all of your hard work serving children and families in your communities in these challenging times. You are truly our country's frontline healthcare heroes! Please be safe and feel free to reach out to me anytime with feedback at [sandychungaap@gmail.com](mailto:sandychungaap@gmail.com). Sincerely, Sandy"

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# Focus For The Week...

**Humble leadership doesn't  
mean you think less of yourself.  
It means you think about  
yourself less and you think of  
your team more.**

**Inspired by CS Lewis**

The  
Carpenter | *A Story About the Greatest  
Success Strategies of All*

COVID 19 Business Impact Webinar #2 - March 26th Live Q&A here

all categories | all | Latest | Top | Call Topics | + New Topic

Category: Upcoming Events, Finance, Site Feedback, Humor, Leadership

Topic List:

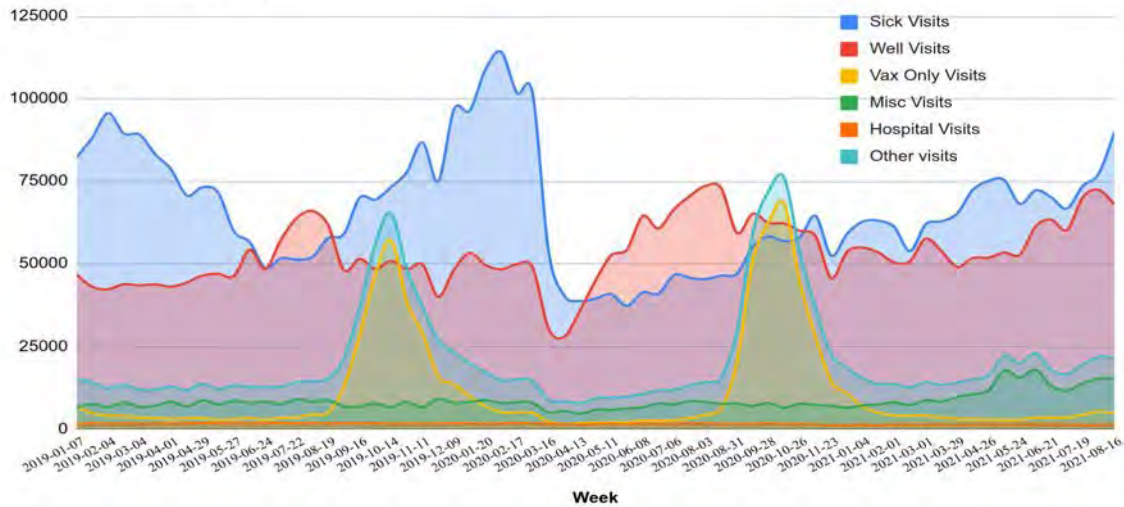
- Coronavirus stable for hours on surfaces (Medical Staff)
- Telemedicine Disclaimer
- How To Handle COVID19 Infectious Waste
- COVID19 Waste Management
- Carelist - Covid19
- Empire BCBS (NY) - Covid19
- PCC's 2020-03 Pediatric Coding Web Lab (TELEMEDICINE CODING)
- Webmark - Covid19
- Humana - Covid19
- Willmark - Covid19

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PEDIATRIC MANAGEMENT INSTITUTE

## Latest Data From The Data NERDS

Visit Volume By Type

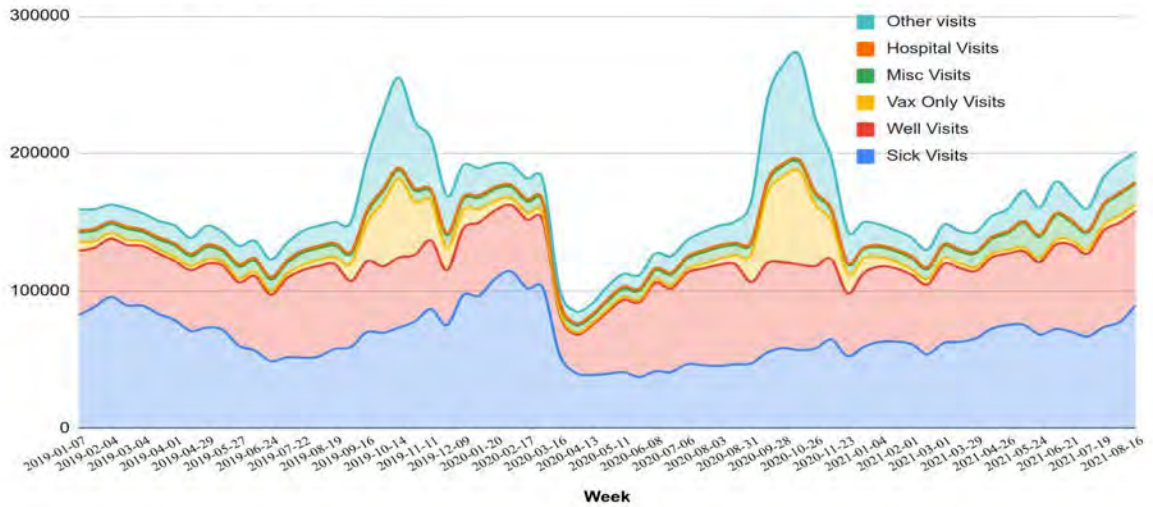




# Latest Data From The Data NERDS

14

## Visit Volume By Type



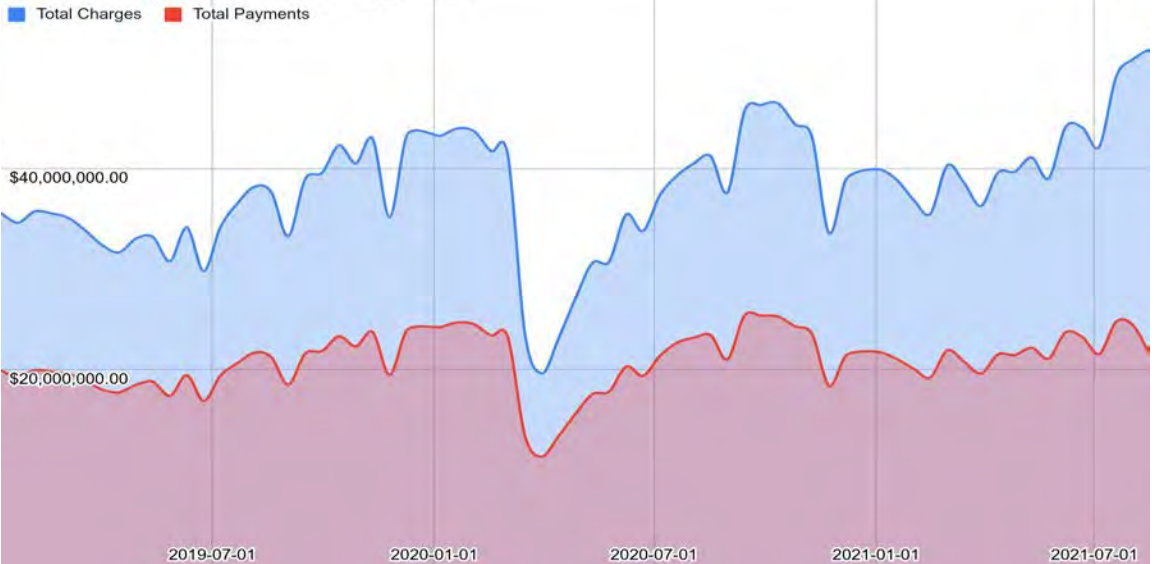
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# Latest Data From The Data NERDS

15

## Total Charges and Total Payments



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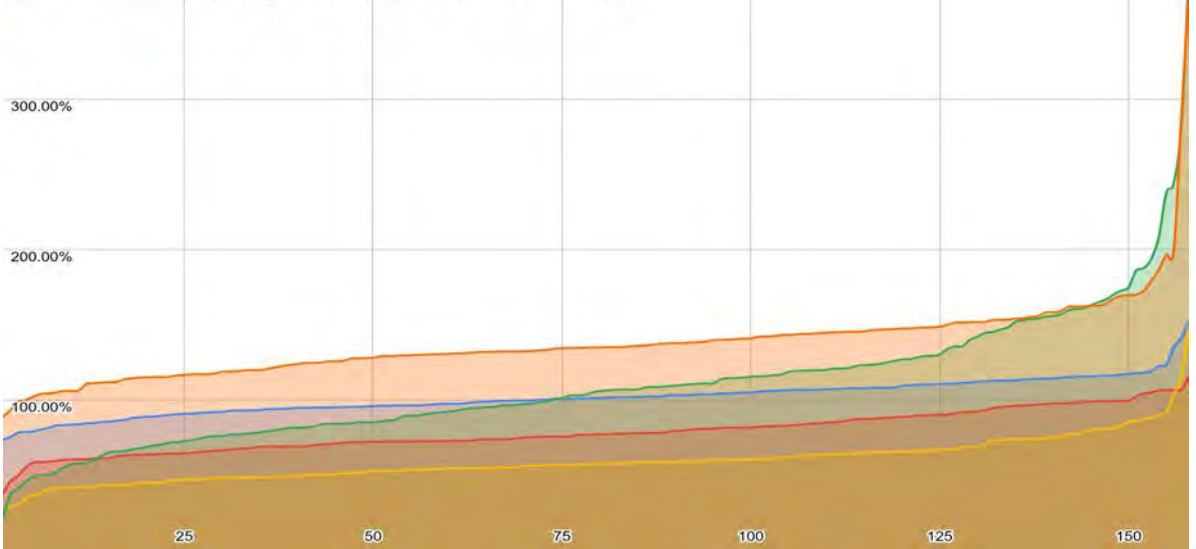


# Latest Data From The Data NERDS

16

## Client Volume Distribution Samples (2019 Baseline)

■ 2019-04-22 ■ 2019-08-26 ■ 2020-08-17 ■ 2021-08-23 ■ 2020-01-20



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# In The News...

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ECONOMY

# Weekly jobless claims total 351,000, worse than expected

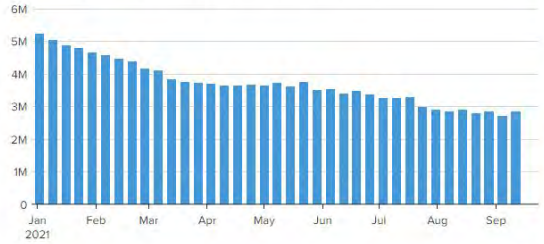
Jeff Cox  
@JEFFCOX7528  
@JEFFCOXCNBCOM

SHARE    

KEY POINTS

- First-time jobless claims totaled 351,000 last week, an increase from 16,000 a week before and well ahead of the 320,000 Dow Jones estimate.
- Continuing claims increased by 181,000 to 2.84 million.
- The total receiving benefits under all programs fell sharply as enhanced federal programs wound down.

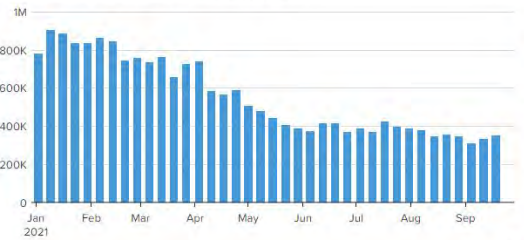
Continuing claims for unemployment insurance



Source: Dept. of Labor. Data is seasonally adjusted and through Sep 11, 2021.



Initial claims for unemployment insurance



Source: Dept. of Labor. Data is seasonally adjusted and through Sep 18, 2021.



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# PAYER ISSUES

## New Jersey hospitals cut contract with UnitedHealthcare

Nick Moran - Monday, September 20th, 2021 Print | Email

    Listen 

Prime Healthcare hospitals in New Jersey are terminating their contracts with UnitedHealthcare over reimbursement rates the system claims are lower than those offered by Medicaid.

Contract terminations come from Newark-based Saint Michael's Medical Center, Passaic-based St. Mary's General Hospital, and Denville and Dover-based Saint Clare's Health, according to *TapIntoNewark*.

Prime Healthcare learned about its underpayment through the new CMS disclosure requirements.

"United's contract proposal is not reasonable and jeopardizes our ability to continue to deliver the quality care that our patients deserve," said Sonia Mehta, MD, regional CEO and chief medical officer of Prime Healthcare New Jersey.

According to UnitedHealthcare, Prime agreed upon Medicaid and Medicare Advantage plan rates, but refused to sign off on those rates unless United increased employer-sponsored and individual plan rates.

"Prime is demanding a 14 percent price hike in just one year for our employer-sponsored and individual plans, which is unsustainable and would increase health care costs for New Jersey residents and employers," a UnitedHealthcare spokesperson told Becker's. "We hope Prime will work with us to ensure the people we serve have continued access to Prime's hospitals at an affordable cost."

UnitedHealthcare also clarified that the move only affects hospitals, and employed Prime physicians will remain in-network.

UnitedHealthcare will honor the rates in the agreements during a cooling-off period for each hospital. The hospitals will also honor continuity of care agreements.





## Deals

## Veritas, Elliott Consider \$20 Billion-Plus Athenahealth Sale

By [Michelle F Davis](#) and [Scott Deveau](#)

September 22, 2021, 8:38 PM CDT [Updated on Septem](#)

Veritas Capital and Elliott Investment Management are exploring options for Athenahealth Inc. including a sale or initial public offering, according to people familiar with the matter.

Veritas and Elliott are aiming for the health information technology company to be valued at more than \$20 billion in a transaction, said the people, who asked to not be identified because the matter isn't public.

Veritas and Elliott agreed to buy Athenahealth for about [\\$5.7 billion](#) in 2018, after then-CEO Jonathan Bush, the cousin of George W. Bush, stepped down

A deal would come as multiples in health-care IT are booming. The coronavirus pandemic accelerated the need for health systems to adopt digital technologies to transform the way they care for patients, manage their businesses and analyze data. U.S. provider groups and hospitals are facing more pressure to watch their bottom lines after the coronavirus pandemic caused many potential patients to delay procedures, wiping out billions of dollars of revenue. That increased demand for services from companies like Athenahealth.

At the same time, companies across sectors are rushing to complete deals as quickly as possible while debt is still cheap and accessible, bankers say. Federal Reserve Chair Jerome Powell [said Wednesday](#) the U.S. central bank could begin scaling back asset purchases in November after officials revealed a growing inclination to raise interest rates next year.

Health-care technology companies have announced at least \$44 billion of deals so far this year, a more than three-fold increase compared to last year, according to data compiled by Bloomberg. That includes Nordic Capital and Insight Partners' [\\$6.4 billion purchase of Inovalon Holdings Inc. \(INOV\)](#), and [UnitedHealth Group Inc. \(UNH\)](#)'s [plan](#) to purchase Change Healthcare Inc. for about \$13 billion, including debt.



## Hospital CFO Report

### Financial Management

## Families left in the dark about projected costs of their children's hospital stays, Stanford study finds

Alia Paavola - 24 hours ago [Print](#) | [Email](#)

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Despite wanting to have conversations with hospital staff about the projected cost of their children's care, many families are left in the dark, a new study led by Stanford (Calif.) Medicine found.

For the study, published Sept. 21 in *JAMA Network Open*, researchers surveyed 526 parents of inpatients at six academic medical centers in the U.S.

The researchers found that although 76 percent of families wanted to have conversations about medical costs, just 7 percent of families had these conversations during their child's stay.

The researchers also found that 75 percent of families surveyed were concerned about how much they would need to pay, including 32 percent who were moderately or very concerned.

The researchers also found that about half of parents surveyed wanted to have cost conversations before their child received tests and treatments.

"Part of what we hope this paper will do is to serve as a wake-up call to say, 'We have to better counsel families on the anticipated cost of their child's care,'" said Hannah Bassett, MD, a clinical assistant professor of pediatrics at Stanford Medicine and the study's lead author.



NEWS / CORPORATE FINANCE

## SBA quadruples COVID-19 EIDL limit to \$2 million

By Jeff Drew

September 9, 2021



### RELATED

August 30, 2021

Shuttered Venue Operators Grant program enters supplemental phase

August 11, 2021

Closing date set for new Shuttered Venue Operator Grant applications

July 27, 2021

Shuttered Venue Operator Grant awards top \$7.5 billion, SBA says

### TOPICS

COVID-19

Management Accounting

The U.S. Small Business Administration (SBA) announced major modifications to the COVID-19 Economic Injury Disaster Loans (EIDL) program, including raising the loan cap from \$500,000 to \$2 million and adding business debt payments to the list of ways businesses can use the loan proceeds.

In a news release issued late Thursday afternoon, the SBA said it was implementing the changes to make it easier for the small business communities still reeling from the pandemic, especially hard-hit sectors such as restaurants, gyms, and hotels, to access the more than \$150 billion in funding available for loans.

The following key changes were announced. All are effective immediately:

- **Increasing the COVID-19 EIDL cap from \$500,000 to \$2 million:** Loan proceeds can be used for any normal operating expenses and working capital, including meeting payroll, purchasing equipment, and paying debt. COVID-19 EIDL funds are now also eligible to prepay commercial debt and make payments on federal business debt.



- **Increasing the COVID-19 EIDL cap from \$500,000 to \$2 million**
- **The SBA said small business owners will not have to begin COVID-19 EIDL repayments until two years after loan origination.**
  - Payments are deferred for the first two years (during which interest will accrue), and payments of principal and interest are made over the remaining 28 years.
- **Establishment of a 30-day exclusivity window:**
  - To ensure Main Street businesses have additional time to access these funds, the SBA said it is implementing a 30-day exclusivity window of approving and disbursing funds for loans of \$500,000 or less. Approval and disbursement of loans over \$500,000 will begin after the 30-day period.
- **Simplification of affiliation requirements:**
  - To ease the COVID-19 EIDL application process for small businesses, the SBA established more simplified affiliation requirements to mimic those of the \$28.6 billion Restaurant Revitalization Fund.



## Federal Reserve Signals a Shift Away From Pandemic Support

The Fed said it could soon slow its large-scale purchases of government-backed bonds and indicated it might raise interest rates in 2022.



Jerome H. Powell, the Fed chair, faces a delicate task as inflation is high but the job market has yet to fully recover. Sarahbeth Maney/The New York Times

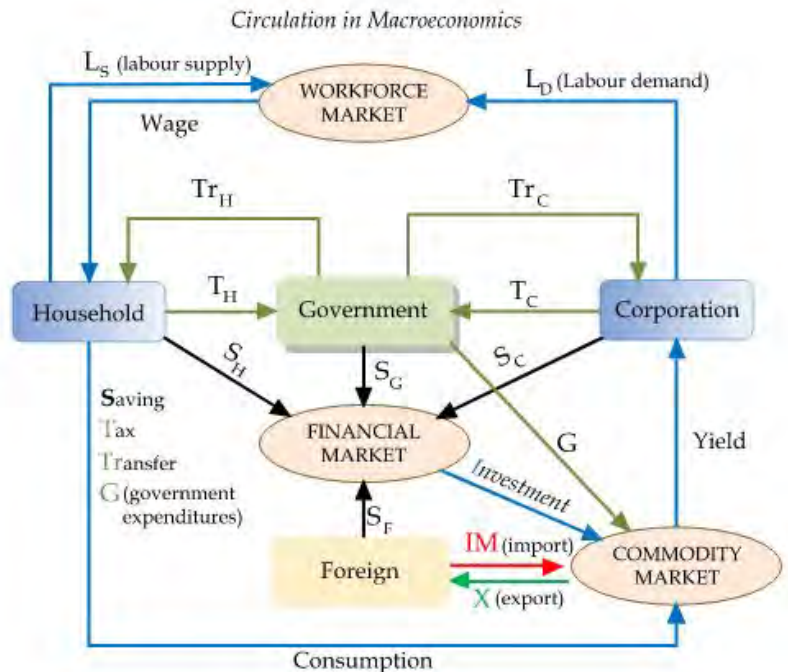


## Where Are We Headed?!?

- Monetary Policy
- Access To Credit
- Inflation
- Consumer Spending
- Interest Rates

### Concerns:

- Mortgage Deferments
- Student Loan Deferments
- Eviction Ban



**Burnout: Finding Peace and Calm**

Is this your inner  
child?

**Stress vs  
Burnout**





# FIGHT

IRRITABLE  
ANGRY  
IMPATIENT  
RESENTFUL

# FLIGHT

DETACHED  
ON AUTOPILOT  
DISTRACTED  
AVOIDANT

## WHAT IS BURNOUT?

chronic psychosocial stress.

in 1974 HERBERT FREUDENBERGER coined the term 'BURNOUT'

BURNOUT can cause a



in a person's sense of PROFESSIONAL COMPETENCY

burnout affects the



is a workplace safety issue..

BURNOUT CAN DESTROY:

AMBITION IDEALISM  
SENSE OF WORTH

SYMPTOMS

- ☑ loss of motivation
- ☑ growing emotional depletion
- ☑ cynicism & depletion
- ☑ fatigue

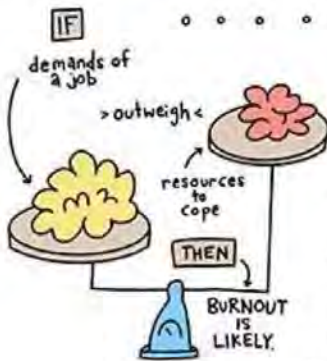
TAKEAWAYS:

1 burnout won't look like what we expect. burnout will tell us:

I'm bad at this

& I don't even like it or care.

this can cause people to abandon a career instead of seeking rest & SUPPORT.



OFTEN Burnout gets mis-diagnosed as depression.

2 say it with me...

STRESS DOESN'T CAUSE BURNOUT!

stress + inadequate support resources causes burnout.

# How do you cope at work?



- Set boundaries
- Take control where you can
- Have 'hard conversations'
- Build in recovery time

# How do you help your employees cope?



- Reward creative thinking
- Reinforce organization values
- Appreciate efforts each day
- Give control when possible
- Encourage/build in recovery time

## FINDING BALANCE AND CALM





# EMOTIONAL REGULATION

Behavior and decisions your children and employees make have nothing to do with you.

Think 'what do they need' or 'what are they trying to tell me' rather than what did I do.

# RECOVERY TIME



15 minutes per day



30 minutes per day



60 minutes per day



# BOTTOM LINE

**Shift Your Mindset About Your Kids, Parenting, and Work**

**Connect with Others (Especially Your Partner!)**

**Take Time To Care For Yourself**

**Set Boundaries at Work and Home**

**Farm Out/Delegate Work at Home and Work**

DR. MOLLY | THE PARENTING EXPERT | 2021

# Dr. Molly

— THE PARENTING EXPERT

DRMOLLYOSHEA.COM

DRMOLLY@DRMOLLYOSHEA.COM



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# Practice Management Issues

Last Two Webinars:

- Provider Compensation
- Practice Valuation
- Finding Good Help
- Pediatric Practice Management Calendar
- Responsibility Matrix
- Scheduling Guide
- Checkbook Reconciliation

Over a dozen for tonight!

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# TSA Scales Up To Demand



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# Balance Your Mission With Your Limits...

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# Flu clinics now!

Before COVID available for under 12 Y.O.



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# Telemedicine Revival?

41

Shift the easy stuff?



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<https://ctmirror.org/2021/06/12/telemedicine-a-blessing-for-some-inaccessible-for-others/>



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## Why Is My Gross Collection Rate Plummeting?!?

*...not always a bad thing.*

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### Overhead Rate

Description: Shows how much it costs to run your practice in relation to revenues generated.

Why is This KPI Important? As Pediatricians manage their practices, they need to track the amount of money it costs to provide their services. Due to seasonality, \$30,000 in one month may not be enough money to cover all the expenses of another. Therefore, this KPI provides guidance by comparing the expenses for a period of time along with the expenses incurred. Most practices usually run this KPI without any provider compensation included in the Total Operating Cost.

The goal of this metric is to figure out how much it costs to provide care for a child BEFORE provider compensation. As such, be mindful to remove all salary/bonus/benefit costs for providers when entering the "Total Practice Operating Cost" in the calculator.

PMI Recommended Frequency to Run This KPI: Monthly

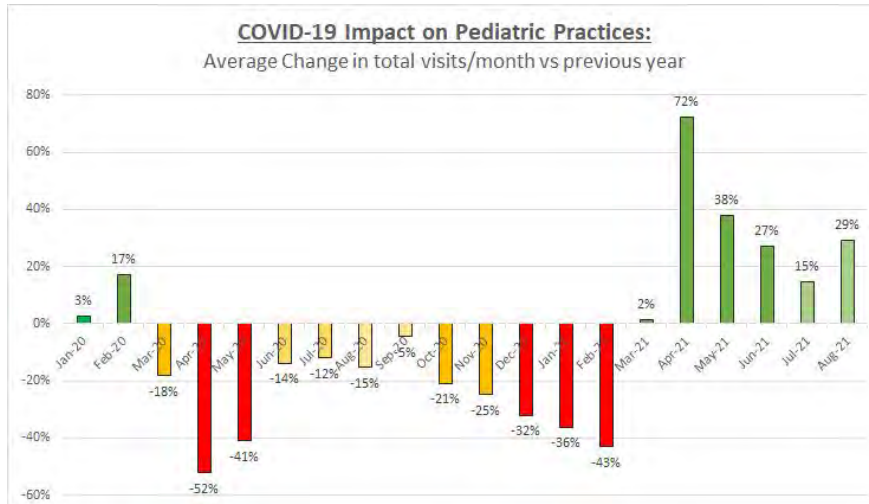
Need to figure out how much your practice is worth?  
Learn the basics from PMI.  
Find Out More

Total Practice Operating Cost  
\$ 400000

Total Revenue Generated  
\$ 690000



## Physician Xpress



The average practice experienced about a 23% increase in visits when comparing June-August 2021 to June-August 2020. The current three month time-frame is even above the visit level when compared to the same three-month timeframe in 2019. The average practice is up about 4% for YTD visits compared to the same time frame in 2020. The change in total number of visits varies across practices.



	A	N	O	P	Q	R	S	T	U	V	W	X	Y
2	<b>2020</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
3	Charges	\$199,505	\$183,127	\$153,529	\$163,938	\$177,659	\$176,506	\$167,646	\$184,324	\$184,456	\$173,144	\$164,898	\$111,266
4	Payments	\$125,991	\$122,434	\$120,529	\$109,157	\$130,726	\$134,950	\$139,539	\$114,776	\$154,618	\$116,009	\$119,026	\$96,074
5	Gross Collection Rate:	63.15%	66.86%	78.51%	66.58%	73.58%	76.46%	83.23%	62.27%	83.82%	67.00%	72.18%	86.35%
6													
7	<b>2021</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug				
8	Charges	\$137,956	\$137,308	\$165,066	\$219,709	\$195,175	\$173,343	\$216,094	\$233,936				
9	Payments	\$95,302	\$91,068	\$124,840	\$127,602	\$119,205	\$122,909	\$116,309	\$145,272				
10	Gross Collection Rate:	69.08%	66.32%	75.63%	58.08%	61.08%	70.91%	53.82%	62.10%				
11													
12													
13			2020 Monthly Average:		73.33%								
14			Jan - March Monthly Average:		70.35%								
15			April - August Monthly Average:		61.20%								
16													
17													
18													
19													

Jan - Mar Monthly Average Charges:	\$146,777
April - August Monthly Average Charges:	\$207,651
Percent Increase:	41.47%
Jan - Mar Average Payments:	\$109,703
Apr - Aug Average Payments:	\$126,259
Payment Increase:	15.09%

# Cash Disconnect

- Most practices correlate partner/owner earnings to the net income of the practice (operating income)
- Normally available balance cash = net profit
- PPP forgiveness throws things off as originally a loan that was forgiven. (Not recognized as income.)
  - Instead "Other Income" listed at the bottom of the Income Statement

	A	B	C
1	Total Income	\$ 3,500,000	
2	Total Expenses	\$ (2,850,000)	
3	Net Income	\$ 650,000	
4			
5			
6	January 1 Cash Balance	\$ 10,000	
7	Receipts	\$ 3,500,000	
8	Expenses	\$ (2,850,000)	
9	Profits Paid Out	\$ (650,000)	
10	December 31 Cash Balance	\$ 10,000	
11			
12	January 1 Cash Balance	\$ 10,000	
13	Receipts	\$ 3,500,000	
14	Expenses	\$ (2,850,000)	
15	Profits Paid Out	\$ (650,000)	
16	PPP Loan Forgiven	\$ 250,000	
17	December 31 Cash Balance	\$ 260,000	
18			

## What To Do?!?

- “Unearned” cash sitting in the practice’s bank account
- Distribution (How determined?)
- Stock Redemption / Equity Cash Out?
  - Specifically scrutinized by IRS
  - Can readily claim the funds were spent on items used to support forgiveness...simply pushing the cash out.
- Tax free cash sitting in the bank account. Work with your accountant to figure the best way to allocate these funds.

# Whaddya Doin' Wednesday September 29?!?

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Get reimbursed for COVID-19 testing and treatment of uninsured individuals. [Learn more »](#)

**HRSA**  
Health Resources & Services Administration



PRF Home

Future Payments

Reporting

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Past Payments

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## Future Payments

### New Distributions

On September 29, 2021, health care providers will be able to apply for \$25.5 billion in relief funds, including \$8.5 billion in American Rescue Plan (ARP) resources for providers who serve rural patients and \$17 billion for Provider Relief Fund (PRF) Phase 4 for a broad range of providers who can document revenue loss and expenses associated with the pandemic.

In order to streamline the application process and minimize administrative burdens, providers will apply for both programs in a single application and HRSA will use existing Medicaid/CHIP and Medicare claims data in calculating portions of these payments.

- **Phase 4 General Distribution** — \$17 billion based on providers' lost revenues and changes in operating expenses from July 1, 2020 to March 31, 2021.
  - To promote equity and to support providers with the most need, HRSA will:
    - Reimburse a higher percentage of lost revenues and expenses for smaller providers as compared to larger providers.
    - Provide "bonus" payments based on the amount of services they provide to Medicaid, CHIP, and Medicare patients, priced at the generally higher Medicare rates.
- **American Rescue Plan (ARP) Rural** — \$8.5 billion based on the amount of services providers furnish to Medicaid/CHIP and Medicare beneficiaries living in Federal Office of Rural Health Policy (FORHP)-defined rural areas.
  - To promote equity, HRSA will price payments at the generally higher Medicare rates for Medicaid/CHIP patients.



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- **75% of the Phase 4 allocation will be calculated based on revenue losses and COVID-related expenses.**
  - Large providers will receive a minimum payment amount that is based on a percentage of their lost revenues and COVID-related expenses.
  - Medium and small providers will receive a base payment plus a supplement, with small providers receiving the highest supplement, as smaller providers tend to operate on thin margins and often serve vulnerable or isolated communities.
- HHS will determine the **exact amount of the base payments and supplements after analyzing data from all the applications** received to ensure we stay within our budget and funds are distributed equitably.
- No provider will receive a Phase 4 payment that exceeds 100% of their losses and expenses.
- HHS will continue to use risk mitigation and cost containment measures in Phase 4 to protect program integrity and preserve taxpayer dollars.
- 25% of the Phase 4 allocation will be put towards bonus payments that are based on the amount and type of services provided to Medicaid, CHIP, and Medicare patients.

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**ARP Rural Distribution:** Providers who serve Medicaid, CHIP, and Medicare patients who live in rural communities are eligible for the ARP Rural payments.

- HHS will make payments to providers based on the amount and type of Medicare, Medicaid, and Children’s Health Insurance Program (CHIP) services provided to rural patients.
- HHS will price Medicaid and CHIP claims data at Medicare rates, with some limited exceptions for some services provided predominantly in Medicaid and CHIP.
- Providers who serve any patients living in Federal Office of Rural Health Policy-defined rural areas with Medicaid, CHIP, or Medicare coverage, and who otherwise meet the eligibility criteria, will receive a minimum payment.

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Dr. Price had an incredible impact on children’s health policy in Texas. With patient determination he helped pass policies related to seat belts, booster seats, insurance coverage of childhood vaccinations, bicycle helmet safety, prevention of the sale of tobacco to minors, fluoridation of water to reduce tooth decay, and Early Childhood Intervention, among other important laws. He was instrumental in launching and growing the Reach Out and Read program in Austin to boost early childhood literacy.

Dr. Price once shared with me that what motivated him to advocate was “children too often were last in line” in policy debates. He used his voice as a trusted pediatrician to draw attention to what worked to prevent child injury and deaths as well as save taxpayer dollars.

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# UHC Continues To Stink It Up...

COVID Admin Fees  
COVID Testing

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Malikai McPherson, 16, receives Pfizer's vaccine at a vaccination clinic in Melbourne, Florida on May 17, 2021. Paul Hennessy/SOPA Images/LightRocket/Getty Images

**Health-insurance giant UnitedHealthcare is paying doctors less than their costs to give COVID-19 vaccines to kids, and it could hinder efforts to end the pandemic**

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- But Sirota said UnitedHealthcare, the country's largest health insurer, has paid her practice at about half that rate. For each fully vaccinated patient, PediaTrust gets about \$25 to \$40 less from UnitedHealthcare than it does from other insurers, Sirota said.
- Allied Physicians Group, a large pediatrics practice with more than 30 offices in New York, has doled out 7,500 doses since it started vaccinating patients in May, said Dr. Brad Fell, a pediatrician who oversees billing and compliance for the group. While most health insurers have paid Allied \$40 per dose, UnitedHealthcare's payments range from \$13 to \$23 per shot, he said.
- Dr. Steven Abelowitz, medical director for an Orange County, California, pediatric practice called Coastal Kids, said multiple payers, including UnitedHealthcare, had been paying far below \$40 until July.
- "It makes the difference between making this possible for pediatricians to do versus not," Dr. Sue Kressly, who works on insurance issues at the American Academy of Pediatrics, said of UnitedHealthcare's low payments.



## Compassion Fatigue

**YOU ARE**  
*Responsible* FOR THE  
**ENERGY**  
 YOU BRING TO YOUR  
**WORKPLACE**  
*Choose Wisely*

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# Used Car Lots

64



# Used Car Lots

66



	Units	Rate	Total
Buy Cars	4	\$ 1,500	\$ 6,000
Sell Cars	4	\$ 1,750	\$ 7,000

Profit: \$ 1,000  
1-Month RoI: 16.67%

Profit If Flipped 12 Times: \$ 12,000  
Annual RoI: 200%





Vaccine Inventory Value	\$	17,500	\$ 17,500	\$ 17,500
Margin (Drug Only)		3.00%	5.00%	7.00%
Monthly Profit	\$	525	\$ 875	\$ 1,225
Inventory Turn Per Year		12	12	12
Total Profits	\$	6,300	\$ 10,500	\$ 14,700
Rol On Inventory		36.00%	60.00%	84.00%

Tight inventory management is key!

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January 11, 2021

## New Rules for Lease Accounting



Bruce Mayer



### Capitalizing Operating Leases

The new rule, FASB ASU (Accounting Standards Update) 2016.02, will require that all leases with a term over one year must be capitalized effective for years beginning after 12/15/2021. This will cover existing leases and early adoption is permitted. This new rule applies only to operating leases and not to leases that already were required to be capitalized.

Operating leases will need to be recorded as equal and offsetting amounts of assets and liabilities. This will not change the amount of equity but will significantly change the debt to equity ratio. The amount to be recorded will be the present value of the future lease payments.

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## Major Change to Your Balance Sheet

If you lease space or equipment under an operating agreement you will now need to capitalize those amounts. In the example below a cooperative starting out paying rent of \$100,000 per year with a 3% increase per year over 20 years will record an asset and a liability of about \$1.8 million. If they have a debt covenant on another loan this may well cause them to be in default. Some cooperatives are requesting loan modifications to indicate that a change in accounting rules will not be considered to cause a violation of a debt covenant. It is advisable to look at what your cooperative may need to capitalize in 2020 and take that into account when talking to lenders. The calculation to determine the amount to capitalize will take time. You need to determine which leases it applies to and then gather all of the information needed for the calculation. As the implementation date gets closer we expect that there will be software products available to assist in the calculations.

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## COVID-19 Isolation/Quarantine Self-Assessment

Have you tested positive with a PCR or rapid COVID-19 test within the past 10 days?

YES

NO

<https://bluefishmd.com/services/C19SA-1/>

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# Budgeting

Next Webinar Will Dive Into This...

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# Like to play with fire?

## RVU-based bonuses for providers

Next Webinar Will Dive Into This...

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# Physicians vs. Extenders

Next Webinar Will Dive Into This...

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# Finding Good People

History of good/bad HR management is showing the fractures...

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The bosses we remember...  
Based on the book by Vito Alzate

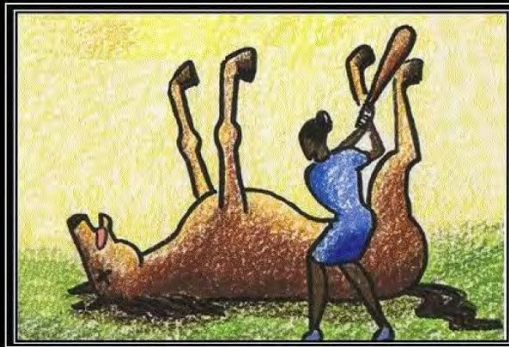
- ... provided us a safe place to grow
- ... opened career doors
- ... defended us when we needed it
- ... recognized & rewarded us
- ... developed us as leaders
- ... inspired us to stretch higher
- ... led by example
- ... told us our work mattered
- ... forgave us when we made mistakes

**THE BEST TIME TO PLANT  
 A TREE WAS 20 YEARS  
 AGO. THE SECOND BEST  
 TIME IS NOW.**

**- CHINESE PROVERB**

QUOTESPEDIA.ORG

# What else?



**NO, REALLY.**

You can stop now.



# Cash Flow Planning

Goto Forum and search "Cash Flow"

Forum.PediatricSupport.com

Check Your Vaccine Invoice Due Dates!

COVID 19 Business Impact Webinar #7 - April 30th Register Here / Is This Forum Helpful? Want To Say Thanks? / PMI's Recent White Paper / Watch Recent Webinar Now

## Cash Flow Projection Spreadsheet

Finance



Mar 25

Many of us know how to plan out cash flow... I thought I'd help everyone get started with this basic spreadsheet... more details during our webinar this evening

[PMI\\_Cash\\_Flow\\_Planning.xlsx \(43.8 KB\)](#)

Week of	Estimated Weekly Deposits	Estimated Payroll Expenses	Vaccine Invoices	Rent Payments	Expenses	Running Balance
3/29/2020	\$ 20,000	\$ 15,000	\$ 5,500	\$ 5,000	\$ 1,500	\$ 8,500
4/5/2020	\$ 20,000	\$ -	\$ 3,500	\$ -	\$ 1,500	\$ 24,500
4/12/2020	\$ 10,000	\$ 15,000	\$ 1,750	\$ -	\$ 1,500	\$ 23,750
4/19/2020	\$ 7,500	\$ -	\$ 1,750	\$ -	\$ 1,500	\$ 29,000
4/26/2020	\$ 7,500	\$ 15,000	\$ 1,500	\$ 5,000	\$ 1,500	\$ 12,500
5/3/2020	\$ 7,500	\$ -	\$ 2,000	\$ -	\$ 1,500	\$ 16,500
5/10/2020	\$ 5,000	\$ 15,000	\$ 2,000	\$ -	\$ 1,500	\$ 1,000
5/17/2020	\$ 5,000	\$ -	\$ 1,750	\$ -	\$ 1,500	\$ 4,750
5/24/2020	\$ 5,000	\$ 15,000	\$ 1,500	\$ -	\$ 1,500	\$ 19,250
5/31/2020	\$ 5,000	\$ -	\$ 1,200	\$ 5,000	\$ 1,500	\$ 111,450
6/7/2020	\$ 5,000	\$ 15,000	\$ 800	\$ -	\$ 1,500	\$ 123,850

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# Nothing Wrong With Being Over-Prepared

- Manage Your Cash -
- Manage Your Expenses -
- Defer Owner Bonuses/Deferred Comp Until End Of 2021 -

*Worse case, the amount due to owners/partners end up being much larger at end of the year...*

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# Homework

- HRSA Phase 4 Distribution & Rural Providers
  - Wednesday Sept 29th
- PMI Conference
  - Pre-Conferences Are Filling Up!
  - Registration
  - Hotel
- Cash Flow Planning
- Practice Budget
- EIDL Loan Expansion
- Review with accountant lease-related issues
- Contact UHC About COVID-Related Codes

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