

Data Summary Sheet

Analyzing the Cost of Administrative Complexity in Group Practice

Utilizing the Group Practice Research Network (GPRN) to evaluate the impact of administrative requirements on group practices.

For more information regarding GPRN, visit [www.mgma.com/gprn](http://www.mgma.com/gprn)

n=94

Pharmacy Interactions	Average
What is the average number of calls per day you receive from pharmacies regarding formulary issues, Rx refills, generic substitutions or other similar issues for each physician full-time equivalent (FTE) (calls/day per FTE)?	7.01
What is the average amount of support staff time spent per call with pharmacies (minutes/call)?	6.9
What is the average amount of physician time spent per call with pharmacies (minutes/call)?	4.2
<b>What percent of calls from the pharmacy are for:</b>	
Formulary issues	12.33%
Rx substitutions (generic)	11.33%
Rx refills	63.49%
Other	12.85%

What staff position is responsible for the majority of the interactions with the pharmacy in your group?	Percent	Frequency
Registered Nurse	40.22	37.0
Licensed Practical Nurse	16.30	15.0
Medical Assistant	26.09	24.0
Administrative Staff	4.35	4.0
Other	13.04	12.0
Total	100.00	92.0

Insurance Coverage/Referral Authorization	Average
What is the average number of patients for whom coverage/copayment/deductible are verified per day for each FTE physician (verifications/day per FTE)?	4.88
What is the percent of information that is later determined to be incorrect?	9.3
What is the average amount of support staff time spent per verification (minutes/verification)?	12.64

Claims Processing	Average
What is the average number of claims denied per week because of lack of information/incorrect information on coding policies, documentation requirements, etc. for each FTE physician (denials/week per FTE)?	4.60
What is the percent of denied claims ultimately paid in whole or in part?	73.32
What is the average amount of support staff time spent per resubmission (minutes/resubmission)?	16.0

Credentialing for physicians	Average
How many credentialing applications are submitted each year for each physician for insurance companies?	13.24
How many credentialing applications are submitted each year for each physician for hospitals?	3.73
How many credentialing applications are submitted each year for each physician for ambulatory surgery centers?	0.47
How many credentialing applications are submitted each year for each physician for other?	0.42
Total credentialing applications submitted for each physician	17.86

<b>Credentialing for nonphysician providers</b>	<b>Average</b>
How many credentialing applications are submitted each year for each nonphysician provider for insurance companies?	<b>5.68</b>
How many credentialing applications are submitted each year for each nonphysician provider for hospitals?	<b>1.34</b>
How many credentialing applications are submitted each year for each nonphysician provider for ambulatory surgery centers?	<b>0.12</b>
How many credentialing applications are submitted each year for each nonphysician provider for other?	<b>0.45</b>
Total credentialing applications submitted for each nonphysician provider	<b>7.66</b>

<b>Applications</b>	<b>Average</b>
What is the average amount of physician time spent per application (minutes/application)?	<b>11.27</b>
What is the average amount of support staff time spent per application (minutes/application)?	<b>69.1</b>

<b>Insurers</b>	<b>Average</b>
How many different health plans do you contract with per year? (Count insurance networks as a single payer.)	<b>20.5</b>
How many insurance contracts are entered into or renewed each year?	<b>14.3</b>
What is the average amount of administrator's time spent negotiating each insurance contract (minutes/contract)?	<b>329.8</b>
What is the average amount of physician's time spent negotiating each insurance contract (minutes/contract)?	<b>26.1</b>

<b>Demographics</b>	<b>Average</b>
For your group, what is the number of FTE physicians?	<b>22.00</b>
For your group, what is the number of FTE nonphysician providers?	<b>4.61</b>

<b>For your group, what is the practice type?</b>	<b>Count</b>	<b>Percent</b>
Single specialty	<b>60</b>	<b>65.93</b>
Multispecialty with primary and specialty care	<b>15</b>	<b>16.48</b>
Multispecialty with primary care only	<b>8</b>	<b>8.79</b>
Multispecialty with specialty care only	<b>8</b>	<b>8.79</b>
<b>Total</b>	<b>91</b>	<b>100.00</b>

<b>For you group, what is the practice ownership?</b>	<b>Count</b>	<b>Percent</b>
Hospital/integrated delivery system	<b>8</b>	<b>8.79</b>
Management services organization	<b>3</b>	<b>3.30</b>
Physician	<b>72</b>	<b>79.12</b>
University or medical school	<b>4</b>	<b>4.40</b>
Other	<b>4</b>	<b>4.40</b>
<b>Total</b>	<b>91</b>	<b>100.00</b>

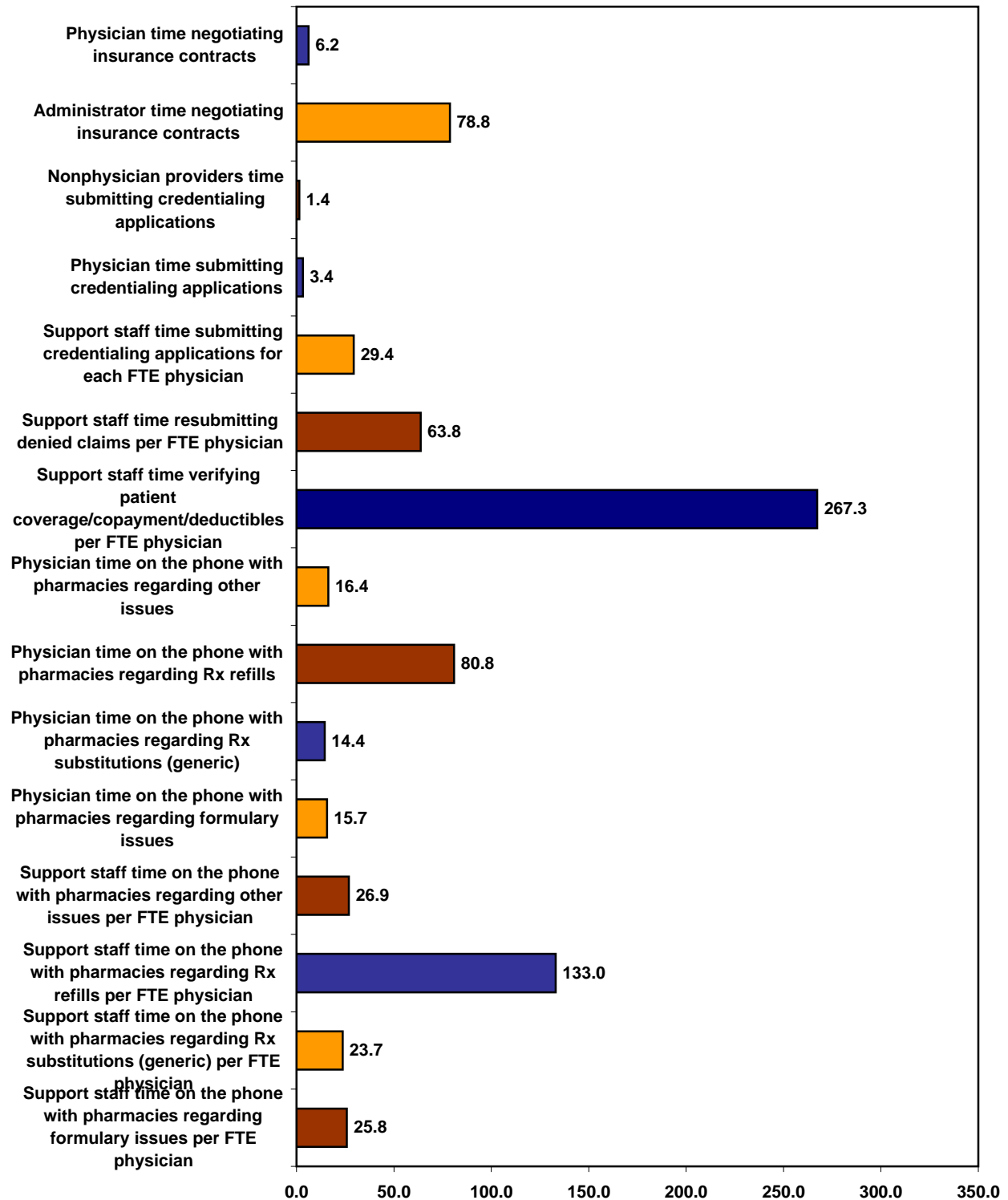
Time spent per FTE physician	Using the average value	
	Minutes per year	Hours per year
Support staff time on the phone with pharmacies regarding formulary issues per FTE physician	1,550	25.8
Support staff time on the phone with pharmacies regarding Rx substitutions (generic) per FTE physician	1,424	23.7
Support staff time on the phone with pharmacies regarding Rx refills per FTE physician	7,982	133.0
Support staff time on the phone with pharmacies regarding other issues per FTE physician	1,616	26.9
Physician time on the phone with pharmacies regarding formulary issues	942	15.7
Physician time on the phone with pharmacies regarding Rx substitutions (generic)	865	14.4
Physician time on the phone with pharmacies regarding Rx refills	4,850	80.8
Physician time on the phone with pharmacies regarding other issues	982	16.4
Support staff time verifying patient coverage/copayment/deductibles per FTE physician	16,039	267.3
Support staff time resubmitting denied claims per FTE physician	3,827	63.8
Support staff time submitting credentialing applications for each FTE physician	1,764	29.4
Physician time submitting credentialing applications	201	3.4
Nonphysician providers time submitting credentialing applications	86	1.4
Administrator time negotiating insurance contracts	4,727	78.8
Physician time negotiating insurance contracts	374	6.2
<b>Total per year per FTE Physician</b>	<b>47230</b>	<b>787.2</b>

Average Cost per Year	\$/hour
Cost per staff hour (\$30,160 per year avg wage / 2080 hours)	\$ 14.50
Cost per administrator hour (\$72,800 per year avg wage / 2080 hours)	\$ 35.00
Cost per nonphysician provider hour (\$67,600 per year avg wage / 2080 hours)	\$ 32.50
Cost per physician hour (\$208,000 per year avg wage / 2080 hours)	\$ 100.00

For a Typical 10 FTE Physician practice	Cost per FTI	Cost for a 10 physician practice
Support staff time on the phone with pharmacies regarding formulary issues per FTE physician	\$ 375	\$ 3,746
Support staff time on the phone with pharmacies regarding Rx substitutions (generic) per FTE physician	\$ 344	\$ 3,443
Support staff time on the phone with pharmacies regarding Rx refills per FTE physician	\$ 1,929	\$ 19,291
Support staff time on the phone with pharmacies regarding other issues per FTE physician	\$ 390	\$ 3,904
Physician time on the phone with pharmacies regarding formulary issues	\$ 1,570	\$ 15,698
Physician time on the phone with pharmacies regarding Rx substitutions (generic)	\$ 1,442	\$ 14,425
Physician time on the phone with pharmacies regarding Rx refills	\$ 8,083	\$ 80,833
Physician time on the phone with pharmacies regarding other issues	\$ 1,636	\$ 16,360
Support staff time verifying patient coverage/copayment/deductibles per FTE physician	\$ 3,876	\$ 38,761
Support staff time resubmitting denied claims per FTE physician	\$ 925	\$ 9,248
Support staff time submitting credentialing applications for each FTE physician	\$ 426	\$ 4,264
Physician time submitting credentialing applications	\$ 335	\$ 3,354
Nonphysician providers time submitting credentialing applications	\$ 47	\$ 467
Administrator time negotiating insurance contracts	\$ 2,757	\$ 27,573
Physician time negotiating insurance contracts	\$ 623	\$ 6,227
<b>Total cost per year</b>	<b>\$ 24,713</b>	<b>\$ 247,594</b>

<b>Time spent per FTE physician</b>	<b>Using the average value</b>	
	<b>Hours per year</b>	<b>Minutes per year</b>
Support staff time on the phone with pharmacies regarding formulary issues per FTE physician	25.8	1,550
Support staff time on the phone with pharmacies regarding Rx substitutions (generic) per FTE physician	23.7	1,424
Support staff time on the phone with pharmacies regarding Rx refills per FTE physician	133.0	7,982
Support staff time on the phone with pharmacies regarding other issues per FTE physician	26.9	1,616
Physician time on the phone with pharmacies regarding formulary issues	15.7	942
Physician time on the phone with pharmacies regarding Rx substitutions (generic)	14.4	865
Physician time on the phone with pharmacies regarding Rx refills	80.8	4,850
Physician time on the phone with pharmacies regarding other issues	16.4	982
Support staff time verifying patient coverage/copayment/deductibles per FTE physician	267.3	16,039
Support staff time resubmitting denied claims per FTE physician	63.8	3,827
Support staff time submitting credentialing applications for each FTE physician	29.4	1,764
Physician time submitting credentialing applications	3.4	201
Nonphysician providers time submitting credentialing applications	1.4	86
Administrator time negotiating insurance contracts	78.8	4,727
Physician time negotiating insurance contracts	6.2	374
<b>Total per year per FTE Physician</b>	<b>787.2</b>	<b>47230</b>

## Hours spent per year (per FTE physician) on:



## Data Summary Sheet

### MGMA Centers for Research: Complexity in Group Practice Research

#### Pharmacy Interactions

	Valid	Mean	Median	Minimum	Maximum
What is the average number of calls per day you receive from pharmacies regarding formulary issues, Rx refills, generic substitutions or other similar issues for each physician full-time equivalent (FTE) (calls/day per FTE)?	74	7.01	4.17	0.50	50
% formulary issues	88	12.33%	5.50%	0.00	80.00
% Rx substitutions (generic)	88	11.33%	5.00%	0.00	90.00
% Rx refills	88	63.49%	75%	0	100
% Other	88	12.85%	4%	0	100
What is the average amount of support staff time spent per call with pharmacies (minutes/call)?	70	6.9	5	1.00	20.00
What is the average amount of physician time spent per call with pharmacies (minutes/call)?	52	4.2	2.5	0.50	20.00

What staff position is responsible for the majority of the interactions with the pharmacy in your group?	Frequency	Valid Percent
Registered Nurse	37.0	40.22
Licensed Practical Nurse	15.0	16.30
Medical Assistant	24.0	26.09
Administrative Staff	4.0	4.35
Other	12.0	13.04
Total	92.0	100.00

Insurance Coverage/Referral Authorization	Valid	Mean	Median	Minimum	Maximum
What is the average number of patients for whom coverage/copayment/deductible are verified per day for each FTE physician (verifications/day per FTE)?	68	4.88	3.33	1.00	25.00
What is the percent of information that is later determined to be incorrect?	70	9.3	10	1.00	30.00
What is the average amount of support staff time spent per verification (minutes/verification)?	62	12.64	10	2	45

Claims Processing	Valid	Mean	Median	Minimum	Maximum
What is the average number of claims denied per week because of lack of information/incorrect information on coding policies, documentation requirements, etc. for each FTE physician (denials/week per FTE)?	73	4.60	2.78	0.56	25.00
What is the percent of denied claims ultimately paid in whole or in part?	70	73.32	85	10	98
What is the average amount of support staff time spent per resubmission (minutes/resubmission)?	62	16.0	15.0	4.00	30.00

<b>Credentialing for physicians</b>	<b>Valid</b>	<b>Mean</b>	<b>Median</b>	<b>Minimum</b>	<b>Maximum</b>
How many credentialing applications are submitted each year for each physician for insurance companies?	85	13.24	10	0	80
How many credentialing applications are submitted each year for each physician for hospitals?	86	3.73	2	0	32
How many credentialing applications are submitted each year for each physician for ambulatory surgery centers?	86	0.47	0	0	5
How many credentialing applications are submitted each year for each physician for other?	86	0.42	0	0	15
Total credentialing applications submitted for each physician	85	17.86	12	1	104

<b>Credentialing for nonphysician providers</b>	<b>Valid</b>	<b>Mean</b>	<b>Median</b>	<b>Minimum</b>	<b>Maximum</b>
How many credentialing applications are submitted each year for each nonphysician provider for insurance companies?	92	5.68	2.00	0.00	50
How many credentialing applications are submitted each year for each nonphysician provider for hospitals?	91	1.34	0.00	0.00	15
How many credentialing applications are submitted each year for each nonphysician provider for ambulatory surgery centers?	92	0.12	0.00	0.00	2
How many credentialing applications are submitted each year for each nonphysician provider for other?	92	0.45	0	0.00	15.00
Total credentialing applications submitted for each nonphysician provider	91	7.66	3	0.00	51.00

<b>Applications</b>	<b>Valid</b>	<b>Mean</b>	<b>Median</b>	<b>Minimum</b>	<b>Maximum</b>
What is the average amount of physician time spent per application (minutes/application)?	71	11.27	10.00	1.00	30.00
What is the average amount of support staff time spent per application (minutes/application)?	88	69.1	60	10.00	180.00

<b>Insurers</b>	<b>Valid</b>	<b>Mean</b>	<b>Median</b>	<b>Minimum</b>	<b>Maximum</b>
How many different health plans do you contract with per year? (Count insurance networks as a single payer.)	88	20.5	15	1.00	200.00
How many insurance contracts are entered into or renewed each year?	85	14.3	6	1	200
What is the average amount of administrator's time spent negotiating each insurance contract (minutes/contract)?	68	329.8	270	20.00	1200.00
What is the average amount of physician's time spent negotiating each insurance contract (minutes/contract)?	92	26.1	0	0.00	360.00

<b>Demographics</b>	<b>Count</b>	<b>Mean</b>	<b>Median</b>	<b>Minimum</b>	<b>Maximum</b>
For your group, what is the number of FTE physicians?	92	22.00	9	1.5	493
For your group, what is the number of FTE nonphysician providers?	84	4.61	2	0	123

<b>For your group, what is the practice type?</b>	<b>Count</b>	<b>Percent</b>
Single specialty	60	65.93
Multispecialty with primary and specialty care	15	16.48
Multispecialty with primary care only	8	8.79

Multispecialty with specialty care only	8	8.79
Total	91	100.00

For you group, what is the practice ownership?	Count	Percent
Hospital/integrated delivery system	8	8.79
Management services organization	3	3.30
Physician	72	79.12
University or medical school	4	4.40
Other	4	4.40
Total	91	100.00

What type of research would you like to see explored in the next GPRN research initiative?	Frequency	Valid Percent
Malpractice insurance premiums	17	18.89
Information technology application (EMR, eRx, etc.)	19	21.11
Medical group cultures impact on patient services & finances	9	10.00
Services for the uninsured	6	6.67
Ancillary services revenue	20	22.22
Insurance claims processing, claims denials and payments	10	11.11
Medical group and hospital relationships	9	10.00
Total	90	100.00

Time spent per FTE physician	Using the mean values		
	Minutes per year	Hours per year	Cost
Support staff time on the phone with pharmacies regarding formulary issues per FTE physician 4*5*9*(260)	1,550	26	\$375
Support staff time on the phone with pharmacies regarding Rx substitutions (generic) per FTE physician 4*6*9*(260)	1,424	24	\$344
Support staff time on the phone with pharmacies regarding Rx refills per FTE physician 4*7*9*(260)	7,982	133	\$1,929
Support staff time on the phone with pharmacies regarding other issues per FTE physician 4*8*9*(260)	1,616	27	\$390
Physician time on the phone with pharmacies regarding formulary issues 4*5*10*(260)	942	16	\$1,570
Physician time on the phone with pharmacies regarding Rx substitutions (generic) 4*6*10*(260)	865	14	\$1,442
Physician time on the phone with pharmacies regarding Rx refills 4*7*10*(260)	4,850	81	\$8,083
Physician time on the phone with pharmacies regarding other issues 4*8*10*(260)	982	16	\$1,636
Support staff time verifying patient coverage/copayment/deductibles per FTE physician 23*25*(260)	16,039.07	267	\$3,876
Support staff time resubmitting denied claims per FTE physician 30*32*(52)	3,827	64	\$925
Support staff time submitting credentialing applications for each FTE physician (40+47)*51	1,764	29	\$426
Physician time submitting credentialing applications 40*50	201	3	\$335
Nonphysician providers time submitting credentialing applications	86	1	\$47
Administrator time negotiating insurance contracts 56*57	4,727	79	\$2,757
Physician time negotiating insurance contracts 56*58	374	6	\$623
<b>Total per year per FTE Physician</b>	<b>47,230</b>	<b>787</b>	<b>\$24,759</b>

Average Cost per Year	\$/hour
Cost per staff hour (\$30,160 per year avg wage / 2080 hours)	\$ 14.50
Cost per administrator hour (\$72,800 per year avg wage / 2080 hours)	\$ 35.00
Cost per nonphysician provider hour (\$67,600 per year avg wage / 2080 hours)	\$ 32.50
Cost per physician hour (\$208,000 per year avg wage / 2080 hours)	\$ 100.00

<b>For a Typical 10 FTE Physician practice</b>	<b>Cost per FTE</b>	<b>Cost for a 10 physician practice</b>
Support staff time on the phone with pharmacies regarding formulary issues per FTE physician	\$375	\$3,746
Support staff time on the phone with pharmacies regarding Rx substitutions (generic) per FTE physician	\$344	\$3,443
Support staff time on the phone with pharmacies regarding Rx refills per FTE physician	\$1,929	\$19,291
Support staff time on the phone with pharmacies regarding other issues per FTE physician	\$390	\$3,904
Physician time on the phone with pharmacies regarding formulary issues	\$1,570	\$15,698
Physician time on the phone with pharmacies regarding Rx substitutions (generic)	\$1,442	\$14,425
Physician time on the phone with pharmacies regarding Rx refills	\$8,083	\$80,833
Physician time on the phone with pharmacies regarding other issues	\$1,636	\$16,360
Support staff time verifying patient coverage/copayment/deductibles per FTE physician	\$3,876	\$38,761
Support staff time resubmitting denied claims per FTE physician	\$925	\$9,248
Support staff time submitting credentialing applications for each FTE physician	\$426	\$4,264
Physician time submitting credentialing applications	\$335	\$3,354
Nonphysician providers time submitting credentialing applications	\$47	\$467
Administrator time negotiating insurance contracts	\$2,757	\$27,573
Physician time negotiating insurance contracts	\$623	\$6,227
<b>Total cost per year</b>	<b>\$24,713</b>	<b>\$247,594</b>