



THE BODY OF KNOWLEDGE
FOR MEDICAL PRACTICE MANAGEMENT

A FRAMEWORK FOR SUCCESS

Advancing Leaders. Advancing Practices.™





It's a direct reference to what we do on a daily basis, of what you need to know ... Professionals demonstrate that knowledge by passing the board certification exam and earning Fellowship through ACMPE.

—**Todd D. Grages**, FACMPE, FACHE,
president, Methodist Physicians Clinic, Omaha.

Practice executives in different settings must be able to employ a variety of skills, from contract negotiations to clinical quality to performance reviews, and the list of expectations continues. The BOK is a resource that helps professionals define and assess their knowledge across the scope of all of these different requirements.

— **Debra Wiggs**, FACMPE,
Trinity Management Solutions, Bellingham, WA



THE BODY OF KNOWLEDGE FOR MEDICAL PRACTICE MANAGEMENT

3RD EDITION



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For additional brochures, visit mgma.org/bok to download or order free printed copies.

ABOUT THE BODY OF KNOWLEDGE

GROUP PRACTICE MANAGEMENT is unique, and the profession's nuances make it unlike any other. That's why the Body of Knowledge (BOK) for Medical Practice Management is so essential to success. It serves as a repository of industry knowledge, a guide to practice management, an assessment of competency and a learning tool.

A TOOL DEVELOPED FOR PRACTICE MANAGERS by medical practice managers, the BOK helps professionals design and maintain efficient and effective operations that support the delivery of patient-centered care. It also serves as the exam blueprint for MGMA members who are pursuing certification and Fellowship through the American College of Medical Practice Executives (ACMPE), the credentialing authority of MGMA.

GROUPS OF ALL SIZES AND SPECIALTIES have used the BOK in myriad ways to address operational issues, including:

- Restructuring staff responsibilities in a group practice
- Creating or enhancing job descriptions
- Designing effective referral letters
- Educating hospital executives who were hired to manage large organizations
- Outlining the components of strategic and operating plans
- Providing structure for due diligence analysis for proposed mergers
- Identifying key competencies for staff training and development
- Providing a consistent dashboard for benchmarking practice performance
- Explaining managers' roles and the contribution of administrative competencies to the success of clinical staff
- Promoting effective patient care via strong administrative process and infrastructure

ACMPE FELLOWS REGULARLY CONTRIBUTE TO THE BOK by writing papers and case studies that explore challenging issues in medical practices of every shape, size and ownership structure. This ensures that the BOK is a modern assessment of the knowledge, skills and abilities that practice managers need to be successful.

THE CERTIFIED MEDICAL PRACTICE EXECUTIVE (CMPE) credential has set the industry standard for more than 57 years, and is the only board certification available in medical practice management today.



I like to give back when given a gift. We were given the gift of other people's experience rolled up into the BOK when we were growing in our careers. Our challenge is to rewrap and give forward to the next generation in the industry.

— **Robert Bush, FACMPE**,
senior regional director,
MedHealth Methodist Primary Care Network, Dallas.



HOW DO YOU DEVELOP AND IMPLEMENT AN EFFECTIVE BUSINESS PLAN AND MANAGE DAILY OPERATIONS?

In medical practice management, operations management requires understanding of business operations and effective management of a medical practice.

OPERATIONS MANAGEMENT

Performance objectives

1. Demonstrate knowledge of industry benchmarks, best practices and total quality management techniques for process improvement.
 - Explain how quality assessment tools (process maps, run charts, Pareto diagrams, flowcharts, affinity diagrams and decision matrices) can identify organizational needs, potential risks and desired outcomes.
 - Establish a process improvement analysis to maintain and enhance quality within a medical group practice.
2. Demonstrate knowledge of master budgets, employment law, healthcare rules/regulations and the ability to apply project-management techniques to support the strategic plan.
 - Define a master budget and explain its use in a medical group practice.
 - Interpret employee-rights legislation and ensure compliance with employment laws.
 - Apply requirements related to employment offers and contracts.
 - Describe the legal relationship between patient and provider.
 - Identify an example of a healthcare ethical dilemma.
 - Develop a suitable budget for a project that supports the strategic plan.
3. Demonstrate skill to establish and coordinate processes for purchasing and asset management.
 - Design an inventory control plan to appropriately identify and purchase supplies and equipment.
 - Illustrate the steps of a procurement process.
 - Create a process for identifying and managing effective vendor relationships through purchasing alliances.
4. Demonstrate skill to provide a high quality and safe environment.
 - Identify and demonstrate compliance with all required regulations (e.g., those of Occupational Safety and Health Administration [OSHA], Americans with Disabilities Act [ADA], ADA Amendments Act of 2008 [ADAA]).
 - Assess, identify and resolve issues relating to facility management.
 - Describe the key stages to creating an effective facilities-management strategy and implementation plan.
 - Describe the process for the proper disposal of sharps and biohazardous waste products.
5. Demonstrate skill to identify and govern outsourced business services and external expertise.
 - Identify indicators that substantiate the need to seek outsourced expertise.
 - Identify all relevant IRS rules and regulations (e.g., Form 1099).
 - Perform a contract negotiation that promotes a partnership/strategic alliance and strengthens competitive position.
 - Explain how contract compliance, timeliness and quality are crucial to partnership and alliance performance.
6. Demonstrate knowledge of how information technology supports business needs and organizational goals.
 - Develop a technology plan, policy and budget that support the needs and goals of the medical group practice.
 - Illustrate a technology disaster-management plan in accordance with HIPAA that safeguards office and patient records, establishes a data backup and recovery plan, determines key personnel and responsibilities, and identifies a process of validation and testing.
 - Manage information integrity, including release and storage of information, security, and confidentiality according to HIPAA.
7. Demonstrate knowledge of communications, marketing and community relations.
 - Utilize market research, trends, demographics, economic influences, and other pertinent factors to develop a marketing plan.
 - Use components of the marketing plan to develop a corporate image and branding strategy.
8. Demonstrate knowledge of compensation plans, revenue allocation methods, expense allocation methods, and merger and acquisition agreements that establish productivity and compensation benchmarks for physicians and staff.
 - Describe the goal of a compensation plan and illustrate the steps to developing a plan that drives employee incentives and supports the organization's goals.
 - Evaluate types of benefit plans, including defined benefit, defined contribution, 401(k), 403(b), self-directed, employer-directed and profit sharing plans.
 - Ensure confidentiality of compensation data.
 - Discuss how revenue and expense allocation methods can be used to establish productivity and compensation benchmarks for physicians and staff.
9. Demonstrate the skill to monitor physician conduct and performance expectations.
 - Create policy standards for physician conduct.
 - Explain corrective action regarding conflicts of interest, performance issues and disruptive behavior that supports organization leadership, the governing body or a professional standards committee.
 - Provide an explanation of the most appropriate course of action when facilitating a conflict resolution.
 - Recognize inappropriate communication between physicians and staff.



HOW DO YOU DEVELOP AND MAINTAIN FINANCIAL SYSTEMS TO ENSURE A PROFITABLE PRACTICE?

Financial management in a medical practice requires skills in accounting, budgeting, revenue cycle management and financial analysis.

FINANCIAL MANAGEMENT

Performance objectives

1. Demonstrate the knowledge of regulations of coding and billing concepts, payer reimbursement policies and the revenue cycle.
 - Explain how the various functions of front-end operations are performed, including scheduling, insurance verification, authorizations and copayment and deductibles collection.
 - Identify inaccuracies in medical record documentation, charge capture and coding.
 - Conduct a charge audit.
 - Submit a claim.
 - Resolve an edit to a claim.
2. Demonstrate the knowledge to manage cash flow.
 - Manage a non-patient accounts receivable.
 - Analyze and design a cash flow projection.
3. Demonstrate the knowledge to manage accounts payable.
 - Describe the basics of bookkeeping.
 - Identify and give an example of the use of accounting software.
 - Discuss vendor payment terms.
 - Define lease agreements.
 - Explain segregation of duties.
4. Demonstrate the knowledge to manage payroll systems.
 - Explain the payroll process.
 - Illustrate a policy and procedure that ensures that the organization is paying employees the correct amount for the exact hours worked.
 - Identify employment and payroll regulatory requirements.
5. Demonstrate the knowledge to create and manage budgets.
 - Discuss the various types of budgets and their application for a medical group practice.
6. Demonstrate the knowledge to manage the audit process.
 - Describe the different types of audits and explain what an audit report should include.
 - Discuss the generally accepted auditing standards (GAAS).

HOW DO YOU UTILIZE HUMAN RESOURCES TO ACHIEVE AND ENHANCE ORGANIZATIONAL PERFORMANCE?

In medical practice management, human resource management requires demonstrating effective staffing strategy, recruitment and retention, training, a performance evaluation process, a personal commitment to enhancing your knowledge base, and compliance with employment law.

HUMAN RESOURCE MANAGEMENT

Performance objectives

1. Demonstrate the knowledge to create, implement and manage a staffing plan.
 - Establish a job classification system that includes position analysis, job descriptions and working conditions.
 - Identify the necessary skills required of competent nonclinical and clinical staff.
 - Perform an interview and give reasons for the decision.
 - Explain why pre-employment screening, background, criminal and reference checks are vital to the selection process.
2. Demonstrate the knowledge of clinical and nonclinical staff retention.
 - Describe a process to assess and manage employee motivation and teamwork in order to obtain high performance.
 - Develop a strategy to reduce employee turnover rate.
 - Create an employee satisfaction survey that measures employee engagement and creates opportunities to enhance the workplace.
 - Explain the benefits of employee assistance programs.
3. Demonstrate the knowledge to manage systems, processes and structures for training and development of clinical and nonclinical staff.
 - Discuss adult learning styles and delivery methods.
 - Illustrate a policy and procedure that promotes professional development and continuous learning among physicians and staff.
4. Demonstrate the knowledge of staff compensation and benefit plans.
 - Use market benchmark data to develop a wage and salary strategy that includes merit and cost-of-living increases.
 - Explain the management of effective compensation and benefit administration.
 - Define and discuss insurance, retirement and severance benefits.
5. Demonstrate the knowledge to evaluate staff performance.
 - Create a performance management review system that includes performance standards, professional development plans, goal setting, schedule for periodic reviews and evaluation tools.
 - Develop an incentive program.

HOW DO YOU ENSURE EFFECTIVE GOVERNANCE AND LEADERSHIP THROUGH POLICIES, LONG-TERM STRATEGIES AND THE STRATEGIC DIRECTION OF THE ORGANIZATION?

Organizational governance involves the ability to facilitate the corporate legal structure, define policy and define the organization's culture.

ORGANIZATIONAL GOVERNANCE

Performance objectives

1. Demonstrate the knowledge to facilitate the organization's corporate legal structure and governance.
 - Discuss legal structures and their impact on organizations.
 - List and define organizational policies and procedures.
2. Demonstrate the knowledge to integrate the corporate mission, vision and values statement into the organization's culture.
 - List and define the types of committees within a governance structure.
 - Illustrate and define board composition and procedural rules.

HOW DO YOU ENSURE THAT PATIENTS RECEIVE THE BEST POSSIBLE CARE, KEEP YOUR ORGANIZATION FOCUSED ON PATIENT SAFETY AND STRIVE FOR EFFICIENT OPERATIONS?

Patient-centered care refers to the ability to create an environment and develop processes that support the best possible patient encounters.

PATIENT-CENTERED CARE

Performance objectives

1. Demonstrate the knowledge to provide an environment to create, implement and maintain care-coordination processes that lead to the best patient outcome.
 - Explain patient workflow.
 - Differentiate appropriate and inappropriate patient communication.
 - Define and explain standards of care.
 - Define and discuss the significance of continuity of care.
2. Demonstrate the knowledge to design, implement and maintain quality initiatives and measurement activities.
 - Define and recognize industry quality standards.
 - Create a benchmark target and evaluate performance quality based on the established benchmark target.
 - Give an example of providing proper feedback and corrective action implementation.



HOW DO YOU PROTECT YOUR PRACTICE FROM MEDICAL MALPRACTICE AND ADVERSE LEGAL EVENTS?

Risk and compliance management involves maintaining a program to provide an overall safe environment, prevent or minimize adverse events, and comply with federal and state laws and regulations.

RISK AND COMPLIANCE MANAGEMENT

Performance objectives

1. Demonstrate the knowledge to create, implement and maintain a risk-management program to provide a safe environment.
 - Explain risk mitigation.
 - Develop a risk-management plan that addresses policies on blood-borne pathogens, emergency response, respiratory safety, fire safety, personal protective equipment, material safety data sheets, and right to know for hazard communication materials.
 - Identify the legal requirements of record keeping.
 - Describe the components of a successful risk and safety training program.
2. Demonstrate the knowledge to develop, implement and maintain policies and procedures to prevent or minimize the impact of adverse events.
 - Explain the impact of adverse events on the organization.
 - List and define the components of effective internal controls.
 - Design an emergency and evacuation plan in accordance with OSHA.
3. Demonstrate the knowledge to develop, implement and maintain a compliance program for federal and state laws and regulations.
 - List and define all necessary rules and regulations.
 - List the reasons for and explain the process of reporting to state and federal agencies.
4. Demonstrate the knowledge to comply with necessary accreditation and licensure requirements.
 - List and define the credentialing requirements for payers and facilities.
 - List and define all necessary licensing requirements (e.g., state, federal, specialty boards, Clinical Laboratory Improvement Amendments).

THE BODY OF KNOWLEDGE FOR MEDICAL PRACTICE MANAGEMENT



MGMA IS DEDICATED TO ADVANCING THE PROFESSION AND DELIVERING SKILLED LEADERS THROUGH PROFESSIONAL DEVELOPMENT.

This Body of Knowledge brochure provides a useful outline for the practice management profession and can help you identify opportunities for learning and growth. MGMA offers several resources, tools and assessments to help you achieve competency in each of the Body of Knowledge domains and in your quest for professional development. Visit mgma.org/bok to access tools and assessments, or to learn more about professional development opportunities.

ABOUT MGMA

The Medical Group Management Association (MGMA) helps create successful medical practices that deliver the highest-quality patient care. As the leading association for medical practice administrators and executives since 1926, MGMA helps improve members' practices through exclusive member benefits, education, resources, news, information, advocacy, and networking opportunities, and produces some of the most credible and robust medical practice economic data and data solutions in the industry. MGMA advances the profession of medical practice management with its industry-leading board certification and Fellowship programs through the American College of Medical Practice Executives (ACMPE).

Through its national membership and 50 state affiliates, MGMA represents more than 33,000 medical practice administrators and executives in practices of all sizes, types, structures and specialties. MGMA is headquartered in Englewood, Colo., with a Government Affairs office in Washington, D.C.

Please visit mgma.org.



**ADVANCE YOUR
CAREER TODAY
AND SHARE YOUR EXPERTISE**

Partner with MGMA and take the next step in your professional development.

Get board certified or become a Fellow through the American College of Medical Practice Executives (ACMPE) and get the professional recognition you deserve.

The Body of Knowledge performance objectives are the basis for the board certification exams and define the skills and knowledge necessary to be successful in the practice management profession. Apply today to join 6,600 of your peers who are contributing to the profession and transforming medical practice management.

Learn more about this professional development opportunity and how to apply at mgma.org/certification or mgma.org/fellowship.

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