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## CLIENTS

Nov. 2009 Online Exclusive Feature

**Scott Cytron** • Nov. 01, 2009

From privacy regulations to an overhaul of our nation's healthcare system, medical and healthcare clients have enough to figure out without focusing time and energy on accounting processes, software and systems. That's best left up to the professionals who actually work in accounting.

Now is a great time for accountants and technology consultants to prescribe their remedies, not only to provide practical solutions, but to enhance productivity and add to the bottom line. To provide a balanced perspective, I sat down with two providers of services to healthcare clients:

- **Larry Lioz, CPA, JD, LLM**, tax partner, and **Al Materazo, CPA**, audit partner — both with Margolin, Winer & Evens ([www.mwellp.com](http://www.mwellp.com)) in Garden City, NY; and

- **R. Scott Elliott**, president of Bradford-Scott Data Corporation ([www.bradfordscott.com](http://www.bradfordscott.com)) in Indianapolis, Ind.

This is part two of a three-part series of articles focused on specific markets served by tax and accounting firms. Part One looked at [Manufacturing Businesses](#) and Part Three explores

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**Scott Elliott: Founded**

in 1983, we specialize in healthcare and credit unions, with approximately 85 employees located in Indianapolis and Fort Wayne. Our Healthcare Division specializes

in ambulatory EHR (electronic health records) and Practice Management, and we are one of the largest healthcare IT vendors in the Midwest with more than 1,600 physicians and thousands of users on our products. We have over 25 years' experience working with a range of customers, from large hospital networks to single physician practices.

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**Scott Cytron: What**

**are the most in-demand services for your healthcare clients?**

**Al Materazo: Similar to other industries,**

healthcare and medical clients have needs that revolve around the tax and attest functions. In mergers & acquisitions, for example, clients ask us to review the documents to assess tax and financial reporting ramifications. They want us to prepare projections of the merged entity to determine the financial soundness of the transaction, as well as provide compliance with loan covenants.

We also provide an analysis of loan agreements, reviewing the documents to make certain the client will be in compliance with the loan covenants at the inception of the loan and project probable compliance in the future. We will also advise our clients as to whether the terms are reasonable, based on our experience, and suggest what areas the client should negotiate for more favorable terms.

**Larry Lioz: Specific in healthcare,**

we help clients keep abreast of current issues, such as the Red Flag Rules,

electronic health records, recovery audit contractors (RAC) and HIPAA compliance.

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**Scott Elliott:** More than anything else, our clients want service, service and more service. This has truly become part of our corporate DNA. For example, we have a policy of 29 minute or less callback times on support calls, with a 2008 average of only seven minutes. We also offer same-day hardware and software support.

Beyond great service, clients want software and hardware solutions, training and support, and integrated solutions for electronic health records, practice management and electronic data interchange. As a Sage VAR, we sell, and consult on Sage Intergrity EHR, a CCHIT-certified (Certification Commission for Healthcare Information Technology) product, Sage Intergrity Practice Management, Sage Intergrity Practice Portal, and Appointment Reminders, available to users of Sage Medical Manager and Sage Intergrity.

In addition to providing a designated trainer for an account, we offer on-site and computer-based training, unlimited classroom and Web training, and annual trainer account reviews.

**Scott Cytron:**

**How do you work with clients to help them evaluate what accounting solutions they need? Are these casual conversations or do you have a more defined process?**

**Larry Lioz:** We work with software vendors to analyze internal and external reporting requirements of the client, and work with the vendor to make sure the accounting solution will provide the necessary reports. We also ensure the accounting software provides the right features for the particular client.

For example, we want to make sure it doesn't fail to meet the requirements but also doesn't over deliver on what the client needs.

Scott Elliott: We always use an onsite evaluation to assess a client's

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**Scott Cytron:** How

**do you think pending healthcare legislation will influence your service delivery?**

**Larry Lioz:** I think healthcare practices

may make less money and incur additional expenses for staff, creating more paperwork

and requiring more sophisticated software to keep track of additional reporting requirements that would be required by the legislation.

We will help our clients navigate through the legislative requirements that affect their accounting systems. We also suspect they will be forced to implement or upgrade their electronic health records systems; this will no doubt be further encouraged by future legislation.

We anticipate more activity in mergers and acquisitions due to the legislation. Some healthcare practices may not be able to afford to operate under the new legislated guidelines and will seek to merge with other practices.

**Scott Elliott:** We're very excited

about the current media focus on pending healthcare legislation because it puts us in a great position to better serve our healthcare clients. With 26 years of experience, our CCHIT-certified EHR product and our fully integrated practice management system, we have all the resources and tools necessary to capitalize on the EHR adoption "push."

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**Scott Cytron:**

**How can accounting firms learn to be more responsive to their healthcare clients?**

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you don't give them the answer, someone else will.

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**Scott Cytron:** Scott,  
tell me two ways you interface with a tax and accounting firm to help the firm serve its clients who work in healthcare.

**Scott Elliott:** Since our inception in 1983, Bradford-Scott has been a client-driven organization providing unparalleled service and support to the medical industry. We have helped many firms service their clients by offering tools to eliminate data entry and user error, and by being able to generate month-end financial spreadsheets. These automated monthly downloads can be formatted in either Excel or PDF, and are completed through direct interface. Tax and accounting professionals often arrange for us to work with their clients directly, thereby saving Tier 1 support and training costs.

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**Scott Cytron:** Tell  
me an “ah-ha” story about one of your clients that surprised you in some way with regard to providing accounting services.

**Larry Lioz:** In the first year, when we worked with a particular client, the company's bookkeeper relocated. Our Small Business Department stepped in to provide bookkeeping services while we were interviewing new bookkeeper candidates. In the course of doing their bank reconciliations, we discovered the client was backdating deposits — recording deposits a month earlier than they were received.

For example, January's deposits were actually recorded in the prior

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clients in Indiana was struggling with the coding levels on his office charges. Because he was reluctant to code up to level 4, he constantly under-coded his charges, and the fear of an impending audit made him consistently underpaid for the services he provided.

One big asset of our Sage Intergrity EHR product is that it has a built-in E&M coding tool. The system more thoroughly documents and defines the office visit, thereby giving clients a better understanding of which coding level they should be using. The result is less room for error and that, of course, means far fewer audits.

When this particular client went live on Intergrity EHR, he was amazed at how comfortably and easily he could increase his level 4 charges. His increased revenue, together with a quicker return on his investment, has made him a very happy client ... and that made us happy, too.

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*For more than 20 years, Scott H. Cytron, ABC, has worked with CPAs and accountants, providing public relations, marketing and communications services. Author of The CPA Technology Advisor's MarketingWorks column, he works with firms and companies in professional services, including accounting, healthcare, legal, financial planning, collections and debt, and high-tech. You can contact him at [scottcytron@cpata.com](mailto:scottcytron@cpata.com).*

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