



THE BODY OF KNOWLEDGE  
FOR MEDICAL PRACTICE MANAGEMENT

# OVERVIEW & PERFORMANCE OBJECTIVES



**MGMA**®

# THE BODY OF KNOWLEDGE FOR MEDICAL PRACTICE MANAGEMENT

3RD EDITION



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## ABOUT MGMA

Medical Group Management Association (MGMA) is the premier association for professionals who lead medical practice. Since 1926, through data, people, insights, and advocacy, MGMA empowers medical group practices to innovate and create meaningful change in healthcare. With a membership of more than 40,000 medical practice administrators, executives, and leaders, MGMA represents more than 12,500 organizations of all sizes, types, structures and specialties that deliver almost half of the healthcare in the United States.

# ABOUT THE BODY OF KNOWLEDGE

Developed for practice managers by medical practice managers, the Body of Knowledge for Medical Practice Management (BOK) provides professionals the guidance they need to design and maintain operations that support the delivery of quality, patient-centered care.

Featuring timely contributions from Fellows in the American College of Medical Practice Executives (ACMPE), BOK writings serve as a repository of industry insight that medical groups of all sizes rely on to answer the toughest questions in six designated domains:

- **OPERATIONS MANAGEMENT**
- **FINANCIAL MANAGEMENT**
- **HUMAN RESOURCE MANAGEMENT**
- **ORGANIZATIONAL GOVERNANCE**
- **PATIENT-CENTERED CARE**
- **RISK AND COMPLIANCE MANAGEMENT**

As a collection of the skills and abilities that make up today's practice manager, the BOK also serves as the exam foundation for professionals who are pursuing board certification through ACMPE.

See what it takes to become a successful medical practice executive — keep reading for the performance objectives the BOK can put you on track to master.

## OPERATIONS MANAGEMENT: Building an effective business plan and managing daily operations

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### PERFORMANCE OBJECTIVES

#### 1. 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. Master budgets, employment law, healthcare rules/regulations and project management

- 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.
- Identify the important risks of a project that may affect the strategic plan.
- Apply appropriate techniques to assess ongoing project performance and ensure consonance with the strategic plan.

#### 3. 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. High-quality and safe environments

- Identify and demonstrate compliance with all required regulations (for example, those of Occupational Safety and Health Administration [OSHA], Americans with Disabilities Act [ADA], ADA Amendments Act of 2008 [ADAAA]).
- Assess, identify and resolve issues relating to facility management.
- Describe the key stages to creating an effective facilities management strategy and implementation plan.
- Detail the process for the proper disposal of sharps and biohazardous waste products.

#### 5. Outsourced business services and external expertise

- Identify indicators that substantiate the need to seek outsourced expertise.
- Detail all relevant IRS rules and regulations (for example, 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. Information technology

- 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. Communications, marketing and community relations

- Use 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.

- Use various forms of media (print, electronic, social) to create advertisements that promote community outreach and collaboration.

#### 8. Compensation plans, revenue allocation methods, expense allocation methods, and merger and acquisition agreements

- Describe the goal of a compensation plan and illustrate the steps to develop 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. 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.

## FINANCIAL MANAGEMENT:

Maintaining financial systems to ensure a profitable practice

### PERFORMANCE OBJECTIVES

#### 1. Coding and billing concepts, payer reimbursement policies and revenue cycles

- 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. Cash flow management

- Manage a non-patient accounts receivable.
- Analyze and design a cash flow projection.

#### 3. Accounts payable management

- 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. Payroll systems management

- 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. Budget management

- Discuss the various types of budgets and their application for a medical group practice.

#### 6. Audit processes

- Describe the different types of audits and explain what an audit report should include.
- Discuss the generally accepted auditing standards (GAAS).

### TEST YOUR BOK KNOWLEDGE

Visit [www.mgma.org/bok](http://www.mgma.org/bok) to access a brief assessment covering each of the six domains.

## HUMAN RESOURCE MANAGEMENT:

Utilizing human resources to achieve & enhance organizational performance

### PERFORMANCE OBJECTIVES

#### 1. Staffing plans

- Establish a job classification system that includes position analysis, job descriptions and working conditions.
- Identify the 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. Clinical and nonclinical staff retention

- Describe a process to assess and manage employee motivation and teamwork to obtain high performance.
- Develop a strategy to reduce employee turnover.
- Create an employee satisfaction survey that measures employee engagement and creates opportunities to enhance the workplace.
- Explain the benefits of employee assistance programs.

#### 3. Clinical and nonclinical staff training and development

- Discuss adult learning styles and delivery methods.
- Illustrate a policy and procedure that promotes professional development and continuous learning among physicians and staff.

#### 4. 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. Staff performance evaluation

- 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.

## ORGANIZATIONAL GOVERNANCE:

Ensuring effective governance and leadership through policies & strategic direction

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### PERFORMANCE OBJECTIVES

#### 1. Legal structure and governance

- Discuss legal structures and their impact on organizations.
- List and define organizational policies and procedures.
- List and define the types of committees within a governance structure.

- Illustrate and define board composition and procedural rules.

#### 2. Corporate mission, vision and value statement implementation

- Manage a non-patient accounts receivable.
- Analyze and design a cash flow projection.

## PATIENT-CENTERED CARE:

Delivering quality care focused on patient safety and efficient operations

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### PERFORMANCE OBJECTIVES

#### 1. Care-coordination processes

- 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. 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 implementing corrective action.

## RISK AND COMPLIANCE MANAGEMENT:

Protecting organizations from medical malpractice and adverse legal events

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### PERFORMANCE OBJECTIVES

#### 1. Risk management

- 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. 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 Occupational Safety and Health Administration (OSHA).

#### 3. 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. Accreditation and licensure requirements

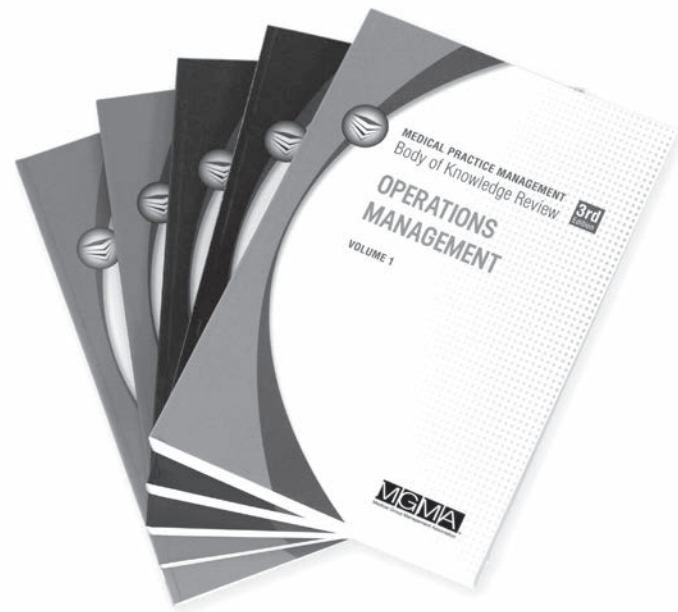
- List and define the credentialing requirements for payers and facilities.
- List and define all necessary licensing requirements (for example, state, federal, specialty boards, Clinical Laboratory Improvement Amendments [CLIA]).

## READY FOR THE ANSWERS TO ALL YOUR PRACTICE MANAGEMENT QUESTIONS?

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Build a stronger practice and jumpstart your professional development with the five-volume collection of the MGMA Body of Knowledge Review Series, 3rd Edition.

Visit [mgma.org/mybok](https://mgma.org/mybok) to order the complete series or a specific domain of your choice — available only through MGMA.



The Body of Knowledge performance objectives are the basis for ACMPE Board certification, the industry standard for more than 60 years, and the only board certification in medical practice management available today.

Partner with MGMA to take the first step on your path towards certification.

Apply now at [mgma.org/certification](https://mgma.org/certification)





## HOW OTHERS ARE USING THE BODY OF KNOWLEDGE:

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“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 Body of Knowledge is a resource that helps professionals define and assess their knowledge across the scope of all of these different requirements.”

— *Debra Wiggs, FACMPE*  
*Partner, Wier Management Solutions, Bellingham, WA*

“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 exams and earning Fellowship through ACMPE.”

— *Todd D. Grages, FACMPE, FACHE*  
*President and Chief Executive Officer, Methodist Physicians Clinic, Omaha, NE*

“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*  
*Vice President, MedHealth Methodist Primary Care Network, Dallas, TX*