



# First Opinion



Issue 2 Spring 2004

## Quick brown fox .... -QMS launches Transcription Service

QMS has just launched an electronic service to enable Doctors to outsource all their dictation requirements, called **QMS Transcript**. This will free up personnel to concentrate all of their attention on patient liaison and care, rather than becoming snowed under with typing. As with all QMS's services, this will also save you money and ultimately increase the efficiency of your Practice.

QMS Transcript utilises the skills of highly proficient Professional Medical Transcriptionists and advanced technology to deliver a quality medical transcription service providing high quality and accurate letters, reports and other medical documents.



Each Doctor is allocated a team of transcriptionists who specialise in their field, to ensure quality through familiarisation on a regular basis. A key advantage of QMS Transcript is its tight quality control. Every transcribed document completed is checked twice, word by word against the original dictation by our Quality Assurance Department.

The service is easy to use:

Doctors can record their dictations into a digital recorder (very similar to a traditional Dictaphone) and upload them, via a cradle attached to the PC, to a secure dedicated website with just a few clicks. Ideally clients will have a fast internet connection.

Within 24 hours the transcribed documents are posted onto the secure website and accessed via the client's own unique login and password. A premium service is available to clients who require faster turnaround times.

Clients are billed per line depending on the complexity, volume, turnaround and formatting requirements. All information is encrypted for complete security and enables you to view documents and/or listen to the files 24 hours a day, 7 days a week from any where in the world.

As the service develops, Clients will be able to change their templates themselves online via the secure website. A digital toll free service is also being developed where clients will be able to dictate directly over the telephone via an automated service. This will provide an alternative to uploading voice files and eliminate the need to use the digital recorder.

### FREE TRIAL

QMS Healthcare is offering every Practice the chance to trial QMS Transcript.

Contact us on  
020 8834 1347

### Quick Glance Guide:

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## Q&A

### - A 60 second interview with Sam Meer - Taking the credit for QMS's credit control management success (set your timers and read on....)

*Sam Meer is QMS's Credit Control Manager and in an article on page 2, you will find some of his Top Ten Tips for achieving a positive cash flow. However in this sixty second question and answer session you can get to know Sam better first, before you learn more about how to take control of your cash flow.*

#### What is your commercial background?

I have a Business Studies degree (BA Hons) and a variety of commercial qualifications as well as ten years commercial experience. I have managed Accounts for organisations such as the



MoD, Railtrack, Merrill Lynch, The Home Office as well as private healthcare companies in UK and Europe.

#### What qualities have you brought to QMS in the two years you have been its Credit Control Manager?

My qualifications, coupled with my first hand experience in the commercial sector, has given me a unique insight into the systems and procedures required to increase cash flow and capture revenue. I have considerable experience of scheduling, the setting up and collection of consolidated invoices as well as experience in factoring.

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### So what would you normally recommend to a new Practice?

My experience has shown me that there is no 'norm'. No matter the size of the Practice, it is vital to tailor the systems to suit the Consultant's or Practices' work style and preferences. However, there are some good business practices which I would recommend starting with setting monthly targets and dead-

lines to reduce aged debts as well as implementing simple systems to monitor potential bad debt.

### Sam, QMS has a very high success rate of turning around potential bad debt situations, what are your recommendations for a fast way to start taking control of your credit control issues?

My first rule is simple - only do business with people who will pay you.

It may sound simple but it's absolutely vital. In addition, invest in a good patient booking system:

- 1) Capture patient data
- 2) Start using credit and debit card facilities (see the section on PDQ below for more information)
- 3) Monitor debts on at least a monthly basis

### How would you sum up your impact on a Practices' business?

Collecting money quickly is essential. Debts can

seriously effect cash flow, usually with a knock-on effect elsewhere in the business. Remember you can owe money at the same time that you are owed money. This is more relevant to those Practices who own and manage their own facilities. Cashflow is the key to the success of any business.

### Stop your watch!

## Quote: "The cheque's in the post..!"

Maintaining a consistent cash flow, keeping late payments to a minimum and avoiding bad debt are key to your Practice remaining financially healthy. "The longer a debt remains unpaid, the greater the chance it will remain unpaid" comments Suresh Sivagnanam, Chief Executive of QMS Healthcare. "Acting on the first day of default is a key factor in the credit control process."

A weak credit control system is the main reason why Consultants and GPs find themselves struggling. A good quality credit control system that can identify, monitor and action overdue accounts is therefore essential. Trying to recover long outstanding debts can result in a waste of time and money. "We have collected payments for some clients which have been over 2 years old" commented Mr Sivagnanam.

invoices effectively and assess your current financial situation at any time

2 Ensure patient records are detailed and maintained regularly

3 Clearly state payment terms on all invoices

4 Send invoices out promptly

5 Implement an automatic reminder process - a computerised patient management system will enable you to flag up all outstanding invoices

6 All debts should be followed up and a record of all telephone calls and copies of letters should be kept. Create a standard first, second and third reminder letter which can simply be top and tailed with personal information. QMS advises the following workflow:

- a) First reminder letter
- b) Second reminder letter
- c) Phone call; Third reminder letter
- d) Refer to a credit control agency

7 Implement a 'stop list' for late payers - all Practice staff should be made aware of this to prevent further treatment being provided

8 It is becoming increasingly popular for Practices to use invoice-discounting companies, which will pre-authorise and settle invoices immediately in return for a small commission

9 Instigate a PDQ Terminal to process credit card transactions while the

patient is in the Practice (see below for the full low down)

- 10 Nominate a key staff member to ensure cash flow is maintained and bad debt minimised. Make sure that this person conducts all dialogue regarding payment, so that you can maintain a cordial and professional relationship with your patients

Unfortunately, some degree

of debt is borne by every business and therefore is unavoidable; however it can be kept to a minimum. Credit control should be an integral part of your Practice and should be the responsibility of a key member of staff. A quality system that is monitored by trained staff will ensure that cash flow is maintained and bad debt is minimised, helping you concentrate on developing your Practice.

## PDQ

Failing to collect fees from your patient on the day of consultation is one of the main causes of bad debt. When patients fail to pay on the day, it can have a major impact on your cash flow. This can leave you short of money at that point in time (and possibly longer if the debt becomes an aged debt) and leaves you with the trouble of raising more finance to compensate for the delay in payment.

By offering a choice of payment methods to your patients you are adopting an effective credit control policy aimed at reducing your debt. However, collection methods must be cost effective and QMS Healthcare can help in a number of ways including the application process for a credit card terminal.

The benefits of a credit card terminal include:

- o cheaper to administer

- o than a cheque
- o a lot less bother and administration.
- o Minimises exposure to debt.

QMS Healthcare can arrange for you to have a credit card terminal installed in as little as 7-10 days. The system accepts a wide range of payment types including Mastercard, Visa, Switch, Solo, American Express and JCB.

- Statistics
- o At the end of 2002 there were 146 million payment and cash cards in issue in the UK, over three for every adult.
  - o Plastic cards are used for 44% of all non-cash payments.
  - o Credit card payment volumes are forecast to grow from 1.7 billion last year to 2.9 billion in 2012.

Source : Association of Payment Clearing Services (APACS)



### TOP TEN TIPS

So here are our top ten recommendations for a successful credit control system. Implement them and bad debts could be a thing of the past.

- 1 A computerised patient management system is recommended as it will enable you to monitor

## Q-Tips - "QUITE AN EVENING"

The first Q-Tips seminar at the Royal Society of Medicine in March 2004, was a resounding success. The results of the feedback survey from the 35 Medical Practitioners who attended were unequivocally positive, with the consensus agreeing that the content of the presentations were excellent or very good.



Suresh Sivagnanam's presentation on "Quitting - Planning Your Exit Route" focused on the wide range of practical steps a Practice needs to undertake to obtain the highest possible value when the time comes to step down from day to day control of the Practice.

- He explained that a valuation can be based on:
- 1 Assets/Liabilities
    - Historical earnings
    - Cash flow
  - 2 Projected earnings
    - Expertise
    - Quality of management
    - "Goodwill"
    - Will the Principal remain?
  - 3 Current market conditions
    - Reputation

After explaining various methods of valuing a Practice including incorporation, the Net Asset Method, calculating a Multiple of Earnings and Discounted Cashflow, Mr Sivagnanam, showed that there are several ways to increase the value of the Practice:

- o Increase revenue
- o Reduce expenditure
- o Increase profitability
- o The marketability and brand
- o Creating tiers within the Practice

Ramesh Sivagnanam demonstrated the need to adopt a range of promo-

tional techniques to create a distinct brand for the Practice to increase its marketability and therefore its value.

Branding can:

- o Build in added-value into products and services
- o Differentiate you from competitors
- o Improve your image, reputation and performance
- o Create patient loyalty
- o Very strong brands create licensing opportunities
- o A brand name can become a company asset on the balance sheet
- o Help distance you from your Practice to enable a smooth exit route

When considering how to create your brand, he explained the requirement to develop:

- o Patient values that cannot be matched by others
- o A strong positioning which differentiates you from others
- o Be innovative and provide a superior product/service

**If you would like a member of the QMS team to visit your Practice and deliver a personal Q-Tips seminar on Practice valuation and branding, please telephone 020 8834 1347**

## Quids In

### - MAKING YOUR ENTRANCE

13m people make a regular contribution towards their family's healthcare. Around 7m people have private medical insurance and over 6m are members of health care benefit schemes. There is a 13% increase year on year in the private healthcare sector.

According to Suresh Sivagnanam, "there has never been a better time to become an independent doctor." The second QMS Healthcare seminar will be presenting practical advice about how to enter the private healthcare market and capitalise on the healthy growth of private medicine.

This free, engaging and user-friendly Q-Tips seminar for Medical Practitioners aims to provide you with an initiation guide into the business of establishing and developing a thriving private Practice.

As if these were not good enough reasons to attend, the course will also be accredited by the Royal College of Physicians and will confer you with 2 hours of verifiable CPD.



- Date:** 17 June 2004  
**Time:** 6.30-8.30 pm  
**Venue:** The Marcus Beck Library, The Royal Society of Medicine, Wimpole Street, London W1
- Programme:** 6.30 Unwind after a stressful day with a delicious buffet supper and a chance to meet like-minded colleagues  
7.00 "Making an Entrance" seminar presented by Suresh Sivagnanam, Chief Executive, QMS Healthcare.  
7.30 Quids In - the benefits of Private Practice  
8.00 Interactive session - learn from personal experiences.  
8.15 Q&A session  
8.30 Close

### Q-tips offer

A FREE one-hour personal session with QMS Healthcare about Making an Entrance into Private Medicine, for every Practitioner who attends the seminar.

Places are limited, so to book your free place, please call 020 8834 1347.

## aquisition

### - the quest for smart money

*As Doctors, you would not give all your patients the same treatment. After having carefully diagnosed each patient's symptoms and medical history, you treat each patient individually, according to their unique needs.*

Likewise, QMS (in association with SME Finance) helps find and optimise the funding streams for clients. This approach allows you to access a much wider market place providing the benefits of *choice and even opportunity*. We can help you gain access to high street banks, international banks, leasing companies, finance companies, venture capitalists and business angels, where perhaps an equity partner is required.

There are a number of alternative options, of which you will need to take account of when considering your Practice funding, in particular when buying equipment:

- Cash Purchase
- Bank Loan
- Bank Overdraft
- Lease
- Hire Purchase

An overdraft is a short-term finance facility to fund working capital, not asset acquisition, and is therefore not appropriate for that purpose.

- Interest is normally variable and calculated daily
- Repayment is on demand.
- The asset is shown within the balance sheet.

Where as a lease allows easier budgeting - you know in advance what you will be paying irrespective of changes in interest rates.

There are multiple advantages to leasing equipment

- Conserves Cash Flow
- Deduct Lease Payments (Tax Efficient)

- Depreciate Equipment
- Flexible Terms, Payment Programmes
- Preserves Equity
- Easy Upgrade

**"Buy what appreciates; rent what depreciates"** JOHN PAUL GETTY

**Q. Why should we use leasing rather than pay cash or use a loan?**

Your cash may be better used elsewhere in the Practice, particularly as working capital helping to develop the business, rather than financing fixed assets. *Put it another way, when employing a member of your staff, you would NOT pay their annual salary in one go from the outset, instead you pay them from future profits*

**Q. What kind of equipment can be financed using leasing?**

A wide variety of capital equipment can be financed using leasing; from specialised medical equipment, telecomms, data comms, IT and security equipment to all kinds of technical equipment. Nearly any asset required to improve the efficiency of, develop and grow your Practice can be leased, including short term loans to refurbish the Practice

**Q. How do I arrange finance for equipment?**

You can contact us directly, by telephone, fax or email.

**Q. What value of equipment can I finance?**

Assets with a value from as little as £1,200 can be financed

**Q. How long will my finance agreement be for?**

It is up to you. There is a wide range of options from 1 year upwards, as long as the term does not exceed the expected useful working life of the equipment

**Q. How often do I make payments under my finance agreement?**

Most clients choose to pay monthly or quarterly, but a payment structure can be arranged to suit each individual Practice's requirements.

**Q. Do the leasing payments cover the VAT element of the cost of equipment?**

Yes, you pay VAT on the payments as they fall due, rather than pay the VAT up front in full, as you would do when you purchase equipment

**Q. How is my tax situation improved by leasing capital equipment investment?**

- 1) Under a lease purchase option, you claim the Writing Down Allowance. This allows you to offset a percentage of the asset value each year against your tax liability. Under the finance and operating lease options, the lessor is the owner of the assets and claims the Writing Down Allowance. However, the lessor will reflect some of its benefits to you through the lease price.
- 2) With a lease you can offset the payments in full against your tax liability. With hire purchase you can offset any interest paid on the loan against tax.
- 3) Using a lease option, VAT is payable on the payments as they fall due throughout the lease period. When you acquire an asset using lease purchase, the VAT is paid in full up front. In both instances you should be able to claim the VAT back (if VAT registered)

**Q. What happens if the equipment fails during the term of the agreement?**

If the equipment fails you are still required to make the lease payments.

**Q. Who is responsible for**

**insuring the equipment?**

As the lessee, you are responsible for insuring the equipment against loss and damage. You should make sure that the equipment is insured with a reputable company and for the full replacement cost. You may be required to produce evidence of the insurance policy

**Q. What do I do if I want to end the finance agreement early and how much notice do you require?**

You should inform your early termination request in writing and a settlement figure based on early termination would be provided. Normally you will be required to give 90 days notice of early termination.

**Q. What happens to the equipment at the end of the finance arrangement?**

It depends on the type of finance arrangement you choose. With a lease rental agreement you can choose either to continue leasing the equipment for a secondary period, arrange for an up-to-date replacement to be installed as part of a new agreement or simply return the equipment to the lessor. At the end of a lease purchase agreement you have the option to buy the equipment for a final, nominal sum.

**Q. What if I want to add, change or replace the equipment during the lease?**

Changes to equipment requirements can be easily accommodated via upgrade and add-on options. A simple adjustment to your payments will make this process easy.

**Our approach need not exclude your current providers, far from that; we will be looking to work with your existing funding providers. It will hopefully help to save you time, prevent delays - helping you in the long run.**