



**PIASCIK & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

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Innsbrook Corporate Center

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Glen Allen, Virginia 23060

February, 2006

Mr. A. Smith  
ABC Smith Company

Dear Mr. Smith:

**CASH FLOW—Physicians, does it matter to your practice and is your CPA helping you optimize it?**

Whether your practice's cash flow is good or not so good, it is something that you watch closely and it does impact the business decisions you make. In some respects, cash flow can be a circular argument. For example, say you wish to implement an EMR system. This system would allow you to efficiently code your services at their proper level, thus helping to ensure that you obtain the maximum reimbursement possible, which increases your cash flow. However, you find out that you do not have the cash flow needed to invest in such a system. How do you go about solving this dilemma?

Given the number of physician practices we serve, as well as our involvement on the Board of Directors for the Medical Society of Virginia Foundation, we see there are numerous issues that affect the day to day operations, and therefore, the bottom line, of physician practices, such as:

- Are procedures being properly coded to ensure maximum re-imburement?
- If you outsource your billing, is there a system of checks and balances regarding co-pays, specifically cash co-pays?
- Do the practice owners own their own building through a holding company, which they then lease back to themselves? If so, have they considered a cost segregation study? A cost segregation study is a cash flow enhancement tool that might be right for their property to generate cash—perhaps for that EMR system or other needed equipment.
- If you are not already doing so, have you considered having an in-house pharmacy to better serve your patients and to increase cash flow?
- Do you have plans for expansion—either to take on more physicians or increase your office locations—and will your current “financial fitness” help or hinder those plans?
- Perhaps you want to consider business succession. Is your business financially fit enough to warrant your asking price?

The financial health of your practice does not depend on one factor alone. You should consider your CPA to be the primary care provider for your business practice. The role of your CPA is not just to prepare your year-end tax returns but rather to help guide the overall financial process of your practice. Your CPA should be able to look at the money coming into your practice relative to what is going out and help maintain a system of checks and balances to ensure maximum cash



flow and financial business operations. For a financial check up of your practice, feel free to contact us at (804) 228-4179 to discuss issues that affect your practice.

Sincerely,  
PIASCIK & ASSOCIATES, P.C.

Ryan L. Losi, CPA, REALTOR  
*Business Development Manager*