

## *HealthLeaders* ANALYSIS

# RELIANCE MEDICAL GROUP CEO: VIRTUAL OFFICE WILL 'EVENTUALLY GENERATE MORE REVENUE' THAN REGULAR CLINIC

BY **JACK O'BRIEN** | JULY 23, 2020

Jon M. Regis, MD, president and CEO of Reliance Medical Group, says virtual care options and the revenues they generate could "level the playing field" for medical groups.

Like many other businesses, physician practices and medical groups have **suffered significant financial losses** during the coronavirus disease 2019 (COVID-19) outbreak.

To remedy the patient volume declines and recoup lost revenue, most provider organizations have gravitated toward virtual care services, which have emerged as one of the most mainstream healthcare solutions during the pandemic.

**Reliance Medical Group** is a multispecialty primary care medical group based in Pleasantville, New Jersey with more than 20 locations across the southern part of the state.

According to **Jon M. Regis, MD**, president and CEO of Reliance, the medical group experienced a revenue decline of about 50% since the pandemic began in mid-March.

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Regis tells *HealthLeaders* that care delivery is likely "forever changed" by COVID-19 and independent medical groups like Reliance must adjust.

Given this dynamic shift, the organization pivoted to offering telehealth services, hitting a peak of between 400 to 500 visits per day, according to Regis.

Additionally, Reliance established a new "Virtual Office" and a remote patient monitoring (RPM) program, which Regis says will more conveniently serve patients and "maximize ancillary revenues."

He says that medical groups face challenges growing their markets and reducing costs as reimbursement rates dwindle but noted that virtual care options and the revenues they generate could "level the playing field."

"I think the virtual office will eventually generate more revenue than a regular clinical office that's seeing 30 patients per day," Regis says.

## **WELCOME TO THE VIRTUAL CARE OFFICE**

During a conversation with one of Reliance's business partners, Regis says he became aware of **new remote monitoring code reimbursements** available through the Centers for Medicare & Medicaid Services (CMS).

Regis says the organization decided to establish an RPM program as part of its existing Reliance Medical app, which includes the medical group's patient portal.

Reliance then partnered with **CAREMINDr**, a Silicon Valley remote patient monitoring startup, to debut the "Red Bag" concept, where Reliance provides patients with branded home monitoring equipment, such as a blood pressure cuff, and enrolls them into the app. Patients then answer several biometric questions.

Reliance monitors its patients and if they fall off of the guidelines, Regis says, then the Virtual Office staff get in contact with the patient. This offers the patient immediate medical assistance and, if they need to speak with a doctor, can generate a reimbursable telehealth visit for Reliance.

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Reliance's Virtual Office began with just one staffer, according to Regis, but has grown to encompass 12 employees that oversee the group's RPM program.

The Virtual Office staffers are responsible for putting patients on "journeys" for high blood pressure or diabetes and assisting the clinical staff on site. According to [an article](#) published in the Public Library of Science last year, journeys are "a key cross-functional business process where patient and providers share action and information flows between people and systems across various touchpoints."

Regis adds that the organization is aiming to expand its patient journeys to include asthma, COPD, and congestive heart failure in the future.

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Regis says the RPM program and Virtual Office require an investment on the part of provider organizations in order to get the technology in place, but he adds that reimbursements can come in within 30 to 45 days, which is a draw for physician practices facing critical revenue shortfalls. Regis says he has spoken with the organization's nurse practitioners who provide home health and he says he believes that the RPM program could triple revenues for that segment.

According to Regis, Reliance also recently tested an algorithm that placed 100 patients on various journeys and the function generated between \$12,000 to \$14,000 in additional monthly income for a local doctor, which could be a serviceable mitigation tactic for physician practices in the absence of another relief package from the federal government.

## **POTENTIAL REVENUE LIFELINE FOR STRUGGLING PHYSICIANS**

Regis says RPM programs potentially offer a reliable revenue source for small, independent physician practices that have been financially battered due to the pandemic.

Regis adds that medical groups are "in danger," warning that if patients remain too afraid to come into the office due to concerns surrounding the virus, the industry could face a nearly unprecedented trend: unemployed physicians.

"Maybe 30% to 40% of primary care doctors may not survive this pandemic. People talk about restaurants and hospitals in trouble, but your local primary care doctor, if he's not associated with a larger team, he could be in big trouble," Regis says. "Especially those [practices] in rural areas and some of the areas downtown. If [practices] don't look at other ways of generating revenue outside of an office visit, I fear that primary care as we know it will not survive."

Looking at how Reliance has adapted to difficult circumstances recently, Regis says he believes the Virtual Office and RPM program are both scalable solutions for physicians in critical need of revenue generation.

He says that the use of technology centralizes processes for physician practices while providing staffers with the resources to appropriately bill for services and create a new source for generating revenues.

"The concept of virtual and remote [care] monitoring, I think, is going to be the way of the future," Regis says. "You're going to see more applications of remote monitoring and you'll see CMS and other payers looking to start paying more codes for more remote monitoring technology as it goes forward. I think remote monitoring, as more technology companies get involved, is becoming the way to go."

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