



Dopkins & Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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The Four Boxes of Dopkins MC2

In our last MC2 entry we presented the four areas that we believe are the *inter-dependent* focal points in a managed care environment -

cost accounting/management,
performance management, organizational structure,
and
compliance.

To illustrate the inter-dependency of these critical focal points, consider the following:



Suppose your agency has engaged in a process improvement initiative within a specific program with an objective of eliminating wasteful activities. The focal point of concern initially is **performance management**; *process improvement and measurement to ensure the highest level of quality, efficiency and effectiveness.*

But to accurately assess the cost of waste and the resulting savings if eliminated, a traditional accounting report will not be much help. Rather, an understanding of the cost of activities to deliver the services is needed. This analysis would help to identify the wasteful activities and the associated costs to the agency. The costs that are essentially "freed up" by eliminating the waste can then be re-directed back into valuable direct program services; the **cost accounting/cost management** focal point. (*A system that can capture the true cost of service delivery and manage to the highest value and benefit*).

Further, to sustain the necessary changes in your service delivery model identified in your **process improvement** initiative, *new or re-defined roles and responsibilities may emerge to meet the changing demands of people served*; (The **organizational structure** focal point) Finally, none of these changes can put your compliance requirements at risk. (The **compliance** focal point)

Our MC2 strategy is designed to help you maneuver through the many challenges of the new managed care environment and equally as important, gain the benefits of paying attention to the inter-dependency of the key focal points of success.

Missed our first two messages?

We invite you to catch up. [Read the first piece](#), [the second](#), or just view this short excerpt from our FMA 2014 presentation on Lean Accounting. In this clip we reference the New York state Department of Health guiding principles of OPW



Ralph Jeswald

Ralph is a Tax Advisory Group Partner specializing in tax, business advisory and assurance services. As a trained facilitator, Ralph has concentrated on the design and implementation of custom performance management solutions for a variety of entities but focusing on not-for-profits and medical practices.

SAVE THE DATES

Not-for-Profit
Roundtable
October 16, 2014

Uniform Grant
Guidance discussion
November 12, 2014

The Dopkins Difference

You'll hear us refer to ourselves as One Firm. [Learn what that means to us and for you.](#)

DD reimbursement reform and illustrate how the principles of Lean Accounting are strikingly aligned; in our view, clearly a strong case for embracing change but with the necessary tools.

Please contact your Dopkins audit advisor or [me](#) for more information.

[Click here](#) for other accounting, regulatory and industry developments related to the not-for-profit sector.

Watch your inbox for future installments of our MC2 rollout!!

Sincerely,
The Dopkins MC2 Team Leaders



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MC2 presentations

["Lean Accounting"](#)

[Personal Outcome
Metrics; Measuring the
"Right Stuff"](#)

[Managing in a
Managed Care World](#)

[Six Sigma
Demystified Â](#)

[Performance
Management](#)