



A CONCIERGE MEDICAL PRACTICE Q&A WITH JAY HUTTO

How can a CPA help manage the complexity of revenue streams that include both traditional insurance reimbursements and membership fees?

Concierge medical practices (or the cash healthcare model) often operate with dual revenue structures. In addition to traditional insurance billing, they have monthly or annual membership payments. While the latter provides a more stable revenue stream, it also creates accounting challenges like varied billing cycles, deferred revenue considerations and potential tax implications.

A CPA with healthcare experience can help set up appropriate systems to track these income streams separately while ensuring compliance with IRS revenue recognition standards and generally accepted accounting principles (GAAP).



Jay Hutto

A CPA with over 30 years of experience, Jay leads James Moore's Healthcare Services team and dedicates his efforts to tax, audit and consulting services for clients in that industry. He is also a co-host of AccountingRx, a monthly video series covering the accounting and business issues concerning healthcare practice owners today.

What tax strategies are often overlooked by concierge medical practices, and how can a specialized CPA help uncover them?

Concierge medical practices tend to focus on patient care and service quality first, which means tax planning often takes a back seat. But that can come at a cost. Many practices miss out on valuable deductions tied to office space, equipment depreciation, retirement plans, continuing education or home-based administrative work. Others overlook the benefits of choosing the right entity structure or fail to properly defer income on pre-paid membership fees, triggering a premature tax liability.

A CPA firm that understands the nuances of healthcare – especially one with experience in concierge models – can help you make smart, proactive decisions. That includes carefully considering your business structure, aligning your compensation model, optimizing retirement plan contributions and identifying deductions you may not realize you're eligible for. Using the full set of tools available can help you build a practice that's both compliant and financially sound.

What should a concierge medical practice look for in accounting software that can handle its unique needs?

Concierge medical practices rely on accurate, flexible financial systems to support their dual-revenue model. The right accounting software should support recurring membership billing, variable reimbursement cycles and seamless tracking of patient balances.

Integration is key; your platform should connect with practice management and EHR systems to reduce redundancy and improve data accuracy. It should also support proper revenue recognition for pre-paid fees and

deliver clear, audit-ready reports that align with tax and regulatory requirements.

As your practice grows, scalable tools become essential for tracking provider productivity, operating margins and patient retention. So it's important to choose and configure platforms that are built for healthcare, with the expanded capabilities needed for a concierge medical practice's financial operations. Ensure your financial system supports both daily operations and long-term planning without adding complexity to your workflow.



What financial reports should a concierge medical practice review monthly to maintain performance and compliance?

Concierge practices should monitor more than just cash in the bank. While cash flow is critical, accurate monthly reporting provides deeper insights into financial health and operational efficiency. Key reports to review include income recognition schedules (especially for pre-paid memberships), aged accounts receivable and expense variances against budget.

Tracking provider productivity, patient retention trends and payroll ratios also helps ensure your high-touch service model stays profitable as you grow. These reports can reveal issues like revenue leakage, underutilized staffing or timing problems with fee recognition that could trigger tax trouble.

A CPA who knows your business can design a reporting process tailored to your model and help you turn financial data into forward-looking decisions. With the right monthly reporting cadence, you'll stay in control without getting buried in spreadsheets.

As a concierge practice grows, how can it maintain a high level of service while managing the financial demands of expanding staff and operations?

Scaling a concierge practice requires deliberate investment in hiring, training and retaining employees who align with your service model. And that's important because in a concierge medical model, your staff isn't just operational support; it's part of the patient experience. Finding people who meet high service expectations, building competitive compensation plans and staying compliant with employment laws takes more than guesswork.

That's where a firm with both financial and HR consulting expertise can make a real impact. By offering services like compensation

benchmarking, HR policy design, talent acquisition strategy and ongoing compliance support, a CPA firm that offers outsourced HR services helps you build a team that reflects your practice's values. And by aligning these efforts with your budget and growth plans, they ensure your human capital strategy is as strong as your clinical care.

How can a concierge medical practice keep patient information secure while managing day-to-day technology demands?

Concierge care depends on trust, and that trust extends to how you handle sensitive health and payment information. Between HIPAA requirements, evolving cybersecurity threats and the increasing use of cloud-based systems, the risk of a data breach (or even a minor compliance misstep) is higher than many practices realize.

That's why it's critical to have more than just basic IT support. With a firm that understands both your financial and regulatory obligations, you can build a secure technology environment from the ground up. From HIPAA risk assessments and access controls to encrypted communications and staff training, the right partner helps you stay compliant, protect your reputation and focus on delivering exceptional care.



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