



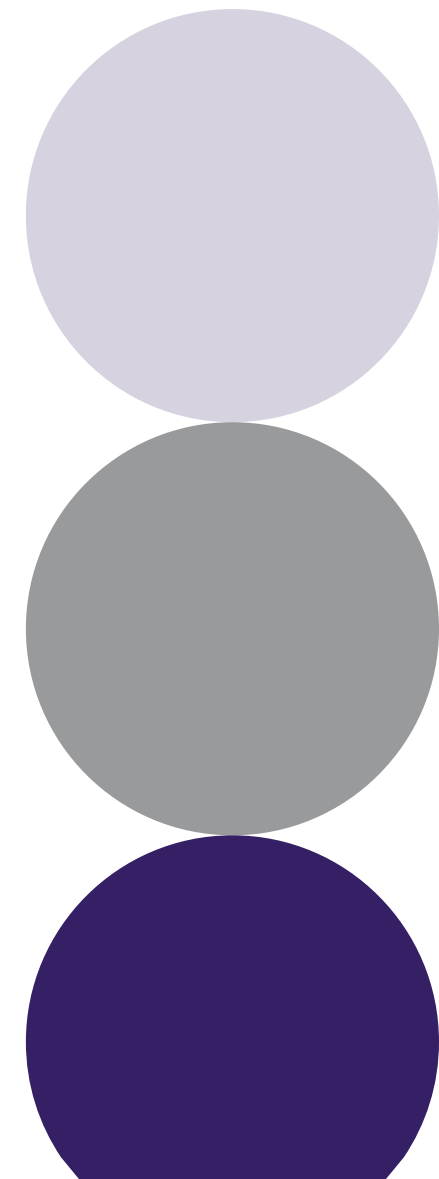
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# AAOE Roadmap to Recovery Series: Managing Your Practice Finances in the COVID-19 Era

Arvind Saini MD, MBA

Ann Hulett

Joy Woodke, COE, OCS, OCSR



# AAOE Roadmap to Recovery Webinar Series

Today's webinar is sponsored in part by a grant provided by  
**Allergan, an Abbvie company**

# Faculty

- Arvind Saini MD, MBA
  - Physician Owner, Integrity Eye Associates
- Ann Hulett
  - Senior Advisor, EyeHealth Northwest
- Moderator: Joy Woodke, COE, OCS, OCSR
  - Coding & Practice Management Executive, AAOE

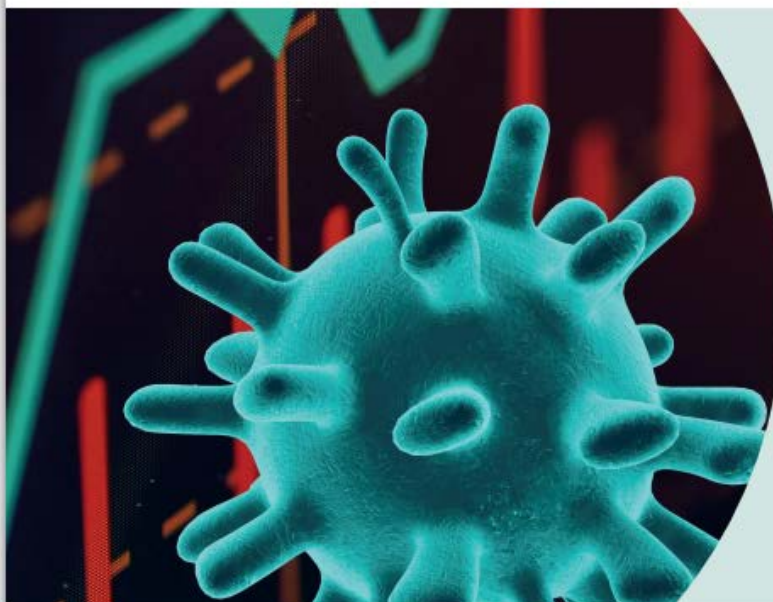


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## Module 1

# Reboot Your Practice

Post-Covid-19 Recovery Roadmap  
for the Ophthalmic Practice



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[aao.org/practice-management/article/reboot-your-practice-post-covid19-recovery-roadmap](https://aao.org/practice-management/article/reboot-your-practice-post-covid19-recovery-roadmap)

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# Questions for the Panel?

- Questions may be submitted through the Q&A button.
  - Please do not submit via chat or click on the raised hand.
- Attendees can “promote” a posted question to move to the top of the queue.
- A recording of this presentation will be posted following this live session to <https://www.aao.org/coronavirus/webinars-and-podcasts>
- Questions following the session may be emailed to [aaoe@aao.org](mailto:aaoe@aao.org)



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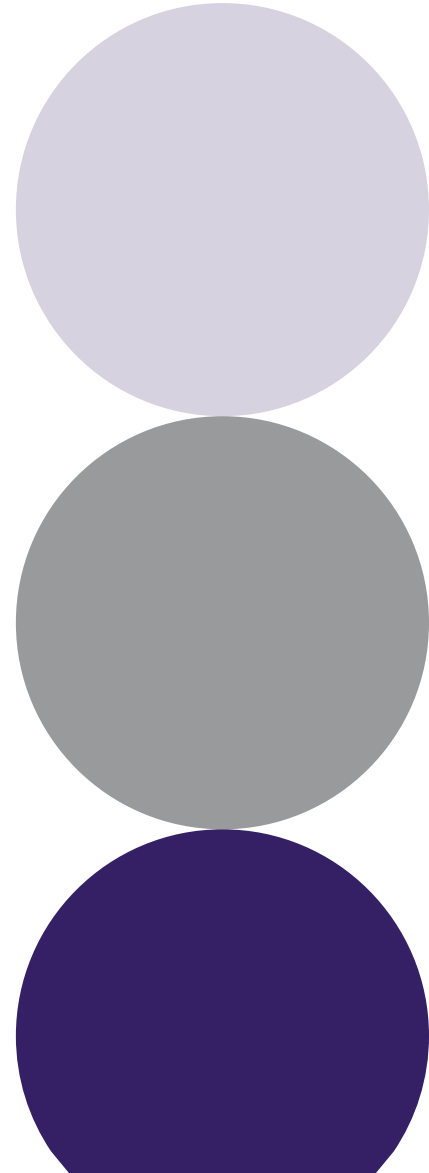
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# AAOE Roadmap to Recovery Series: Managing Your Practice Finances in the COVID-19 Era

Arvind Saini MD, MBA

Small practice owner—Integrity Eye Associates

AAOE—Board member, Practice Recovery Task Force



# Operational & Strategic Decisions

Optimizing Practice Finances



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# Situation



## “Black Swan” event

- Future practice environment is unclear
- None of us have been through this before
- Nobody has definitive answers

## General uncertainty in society

- Will there be “another wave” in the fall?
- What if illness impacts our practice directly?
  - what if you get sick
  - your staff gets sick, practice shut down?
  - your state has new stay at home orders?

## Patient Volume Decrease

### Social distancing guidelines

- Potential limit on schedule & therefore throughput



### Patient fear

- Desire to stay home and delay care



### Referral sources are impacted

- Optometrists & Primary Care are seeing less patients





# General Themes



Prepare for future  
volatility &  
modernize



Maximize Cash  
(liquidity)



Know your  
Numbers &  
Project



Control Costs,  
Overhead &  
Conserve Cash



Streamline  
Operations



Look for  
Opportunities



Focus on what  
you can control



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# Prepare for the Future Volatility



The “new normal”....a little more defensive

Given the uncertainty revenue goals should be tempered for months  
Anticipate slow and uneven increases in patient volume and revenue with disruption

Overall focus on “needs” rather than “wants”

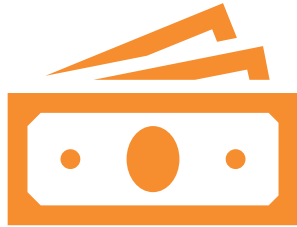
Seriously evaluate any capital expenditure or personal additions  
Focus on preservation of core business and consider downsizing to maximize income

Prepare for disruptions

Set up key staff and doctors for remote work (VOIP, home login access)  
If not already done, set up telemedicine capabilities from office and home  
Stock up on PPE when things seem “normal” so you can continue operations if needed



# Maximize your Cash with Uncertainty



**The initial focus was on optimizing cash position for all practices**



**Many practices are in good shape right now because....**

Furloughed around the time of the shut down  
Continued to have A/R coming in  
Received the PPP program and/or EIDL grant  
Received the Provider Relief fund payment  
Received a Medicare Advanced payment



# Know your Numbers



- Current Cash Balance
  - Budget for accounts receivable and accounts payable
- Loan Program Amounts
  - Track your stimulus money (PPP, Medicare Advance) and when it needs to be paid
  - Medicare Advance where interest (10.25%) and paid on unpaid funds after 210 days
- Projected Patient visits and Revenue
  - Run year to date production reports
- Scrutinize your Profit & Loss Statement
- Make a Financial Model or Cash Flow Projection until the end of the year
  - Hedge towards worst case scenario....be pleasantly surprised



# Control Costs & Overhead



- Identify your largest cost centers and drill down

## Payroll

- Are you overstaffed?
- Can some staff work part-time?

## Rent

- Landlord likely has other tenants that are stretched
- Abatement or Deferral
- Restructure your terms
  - Some months of abatement or lower monthly payments for extending lease

## Other

- Restructure Debt/Bank
  - Convert to interest only payments for a few months
  - Obtain lower interest rate
  - Obtain Line of Credit
- Vendors & Medical Suppliers
- Utilities
- Monthly subscriptions



# Streamline Operations

- Review accounts receivable & restart collection activities & follow-up on outstanding claims
- Use the PPP program as a “trial balloon”
  - Forget what your practice was, You have 2 months to see what your practice is, with its old overhead structure....does it work in this environment?
  - Track your daily patient visits and revenue collected
    - I have daily emails in terms of patient visits and collections
  - Base your staffing, purchasing, and projections purely on what is happening in Q3 and Q4. **It's a new practice.**



# Know your numbers & Project



## Financial Model

- Current Profit & loss (optimize)
- Projected Patient visits & Revenue (conservative)
- Current Cash Position & Repayment Obligations

What are your long-term goals?  
Do you have to restructure your practice?



# Staffing Opportunities



## Short term

- right size your staff
- keep your high performers
- cross-train for multiple functions
- plan for absences due to illness
- identify at risk staff with pre-existing conditions and consider modifying their duties
- determine which staff can work from home
- really know your local HR laws

## Medium term

- opportunity to virtualize the office
  - some back office personal home
    - Biller
    - Dedicated call center
- some scribes home
- Telemedicine

## Long term

- **potential decrease in overall payroll costs**
- if hybrid models persist (phone calls to populate chart information pre visit and follow up plan of care after visit)
- shift staffing ratio towards clerical from clinical, may decrease payroll costs
- staff may be willing to work part-time hours from home or have lower rate to work from home (childcare and commute savings)

How you treat your staff now will impact the resilience of your practice down the road.





# Real Estate Opportunities



## Short Term

- Shift in emphasis from waiting room to exam room
- Parking lot has become an extension of waiting room
- Virtualization of office to home
- Virtualization of exam room with telemedicine

## Medium Term

- Potential for savings
  - More staff work from home
  - Deemphasis on waiting room
- Less rentable square footage needed

## Long Term

- Opportunities to move practices to smaller spaces
- Opportunities to find very good deals on distressed commercial real estate



# Technology Opportunities



- Telehealth
  - An obvious winner, likely will stay
  - Implement to maintain some patient contact and revenue potential in ups and downs
  - Offers quality of life benefits to providers
- Virtualizing your office
  - Allows for handling disruptions
  - Allows for potential cost savings in staffing and real estate
- Digitization of patient experience
  - Paperless check in, digital payments, online scheduling, two-way text
  - Increase patient satisfaction, sanitary, decrease admin/staff time



# Efficiency Opportunities?



Virus has begun a cultural shift in terms of patient expectations

- The rapid acceptance of telemedicine & decreased time spent in physician offices
- Normalizing the idea of an office visit being more on data capture. Hybrid visit?

## Potential efficiency benefits

- Shifting expectation from time in exam room with doctor to more of follow up and follow through?
  - pre visit info, post visit plan, study results, medication orders, scheduled f/u
- This can ease burden from MD provider and share with office
- Emphasis on well run and efficient offices with effective technology and communication

# Partnership & Growth Opportunities



- Is there an opportunity to partner with another practice or specialist to share overhead costs?
- Is there an opportunity to buy the practice of a retiring ophthalmologist?
- With low commercial real estate and telemedicine is this the time to start that small satellite office?

# Patient Experience Opportunities



- Is this a time to increase your patient's confidence in you and your practice?
  - Messaging your safety protocols to keep patient's safe
    - When you call patients to schedule
    - Automated text messages or emails
    - Safety precautions in office
    - Signage
  - Increased services
    - Curbside optical delivery
    - Physicians and staff communicating more with patients (before and after visits)
    - New hours, more hours? Weekend, after work via telemedicine or clinic?





# Focus on what you can control: Practice

- Projects for the practice that will position you well for when volume increases
  - Marketing
    - Social Media, Website, Video content
    - Patient and Referral outreach
  - Staff Training
  - Patient experience
    - Online pay, scheduling, touchless check in
    - Education material and process, documents & forms
    - New service medial and surgical services or improved pre and post op experience
    - Telemedicine Program

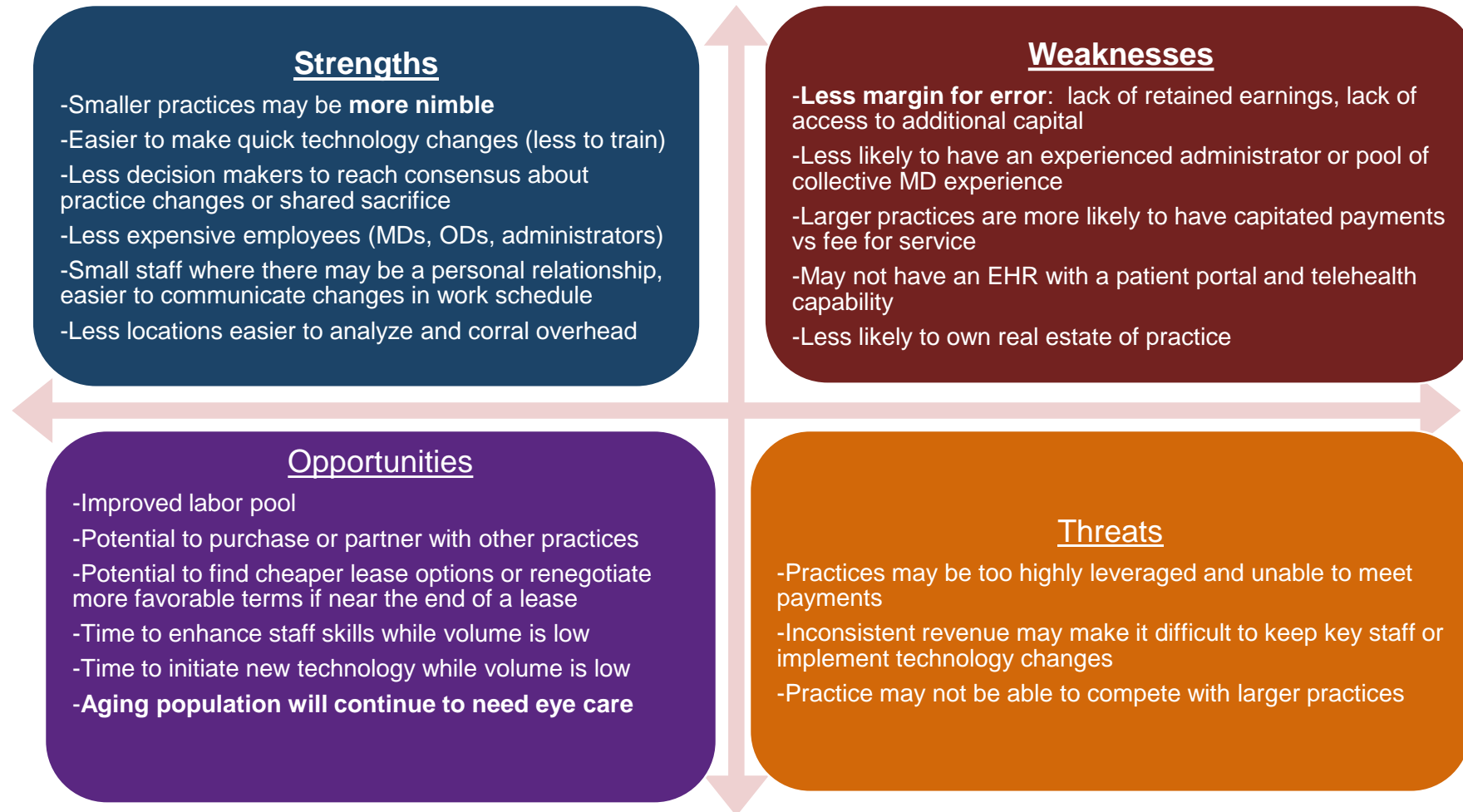


# Focus on what you can control: You!

- This will be a marathon, there will be another side
- Focus on non-monetary rewards
- Wellness
  - Exercise, diet, & weight loss
  - Time with friends and families
  - Projects and hobbies
  - Professional development and diversification



# SWOT: Small and Medium sized practices

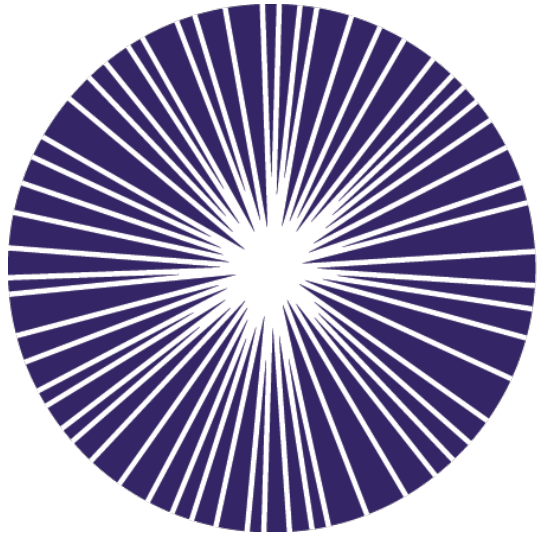




# Conclusions

- This virus has accelerated trends that can potentially make our offices more efficient and profitable
  - When our practices make it through this “stress test” we will be “lean and mean” and positioned better to succeed on the other side
- I am honored to be part of a profession with such intelligent, creative, and compassionate people who put our patients’ interests first.
- We will get through this and the demographic demands for our services have not changed.

**“Suffering becomes beautiful when anyone bears great calamities with cheerfulness, not through insensibility but through greatness of mind.” – Aristotle**



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