

# American Academy of Ophthalmic Executives® (AAOE®) presents:

#### Survival Skills to Thrive in a Small Practice!

By:

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Practice & Liability Consultants

www.practiceconsultants.net

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### A Few Housekeeping Tips

- Enter your questions into the <u>Q&A feature</u> and not the chat box. Questions entered in the chat box may not get answered.
- The webinar recording and slide deck will be available next week in the Practice Management Video Library:
- https://www.aao.org/practicemanagement/resources/videos
- Your feedback is important. Please submit the brief webinar evaluation following today's presentation.













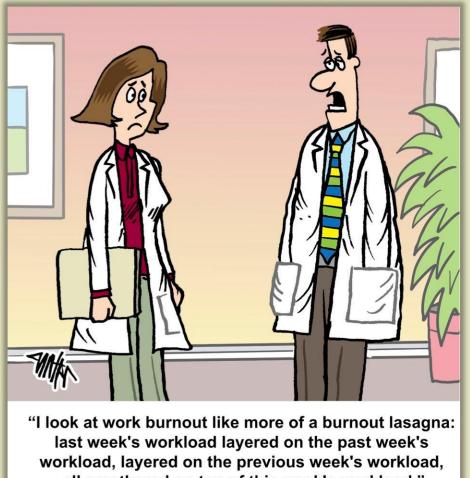
MGMA Stat poll. November 17, 2020 | Has your practice's ownership status changed in the last year?

956 responses. MGMA.COM/STAT, #MGMASTAT

## Medical Economics

The humorous side of being a physician October 19, 2020

https://www.medicaleco nomics.com/view/humor ous-side-of-being-aphysician



all smothered on top of this week's workload."



# **Employed physicians now exceed those who own their practices**

MAY 10, 2019 American Medical Association

- ◆ In 2018, 47.4% of practicing physicians were employed.
- ♦ 45.9% owned their practices, according to a new entry in the AMA Policy Research Perspectives (PRP) series.
- ♦ Nearly 65% of surgical subspecialists own their practices.
- Nearly 57% of physicians work in a practice with 10 or fewer physicians.







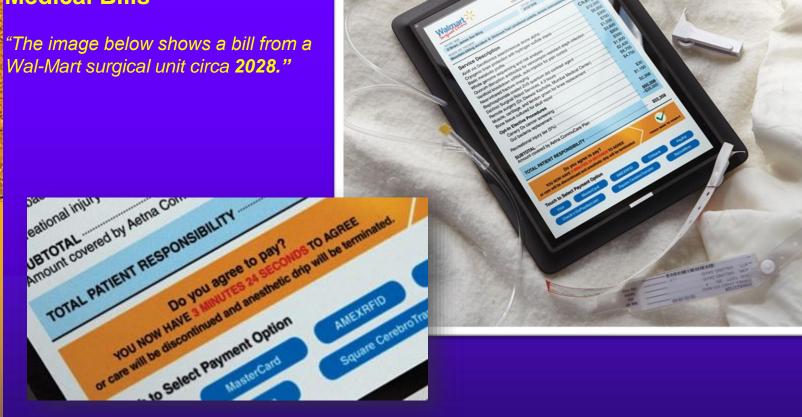
## Top Challenges facing MDs

### Getting Paid what you deserve

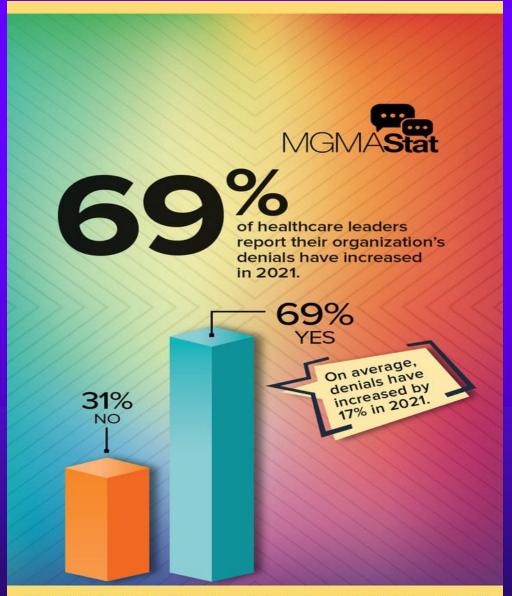
- ♦ Medicare .05% increase per year
- Managed Care Contracts not paying what your contract rate is



#### Found: The Future of **Medical Bills**







MGMA Stat poll. March 16, 2021 | Has your organization seen denials increase in 2021? 576 responses. MGMA.COM/STAT, #MGMASTAT



### AMA STUDY

CATHERINE I. HANSON, VICE PRESIDENT
PRIVATE SECTOR ADVOCACY AND ADVOCACY RESOURCE
CENTER

■ ACCURACY Metric 5 Results Payment consistency (contracted payment rate adherence)

| Aetna                     | 70.78% |
|---------------------------|--------|
| ■ Anthem BCBS             | 72.14% |
| ■ CIGNA                   | 66.23% |
| ■ Coventry                | 86.74% |
| Humana                    | 84.20% |
| ■ United Healthcare (UHC) | 61.55% |
| Medicare                  | 98.12% |



## **Key Steps in Performing an Analysis: PPO Contracts**

Perform Analysis of Top Ten Payors and Consolidate each of the Individual Insurance Plan Information on to Excel worksheets:

- One worksheet showing dollar comparison
- One worksheet showing % of Medicare comparison



## Sample Excel worksheet for All Insurance Plans By % of Medicare

|             | Dr. Jane Doe - Tax ID XX-12345678                                           |        |                    |        |        |        |        |
|-------------|-----------------------------------------------------------------------------|--------|--------------------|--------|--------|--------|--------|
| CPT<br>CODE | CPT CODE DESCRIPTOR                                                         | Plan A | Plan B             | Plan C | Plan D | Plan E | Plan F |
| 64721       | Neuroplasty, medial nerve at carpal tunnel                                  | 93%    | 146%               | 115%   | 109%   | 131%   | 100%   |
| 25447       | Arthroplasty, intercarpal or carpometal joints                              | 103%   | 157%               | 105%   | 109%   | 148%   | 117%   |
| 26055       | Tendon sheath incision                                                      | 137%   | 241%               | 118%   | 319%   | 186%   | 108%   |
| 26160       | Excision of lesion of tendon sheath or joint capsule                        | 127%   | 221%               | 104%   | 353%   | 174%   | 85%    |
| 26540       | Repair of collateral ligament, metacarpophalangeal or interphalangeal joint | 82%    | 135%               | 72%    | 109%   | 112%   | 68%    |
| 26541       | Reconstruction, collateral ligament, metacarpophalangeal joint, single      | 85%    | 138%               | 78%    | 109%   | 118%   | 79%    |
| 29846       | Arthroscopy, wrist, excision and/or repair of triangular fibrocartilage     | 124%   | 199%               | 107%   | 109%   | 173%   | 151%   |
| 25611       | Percutaneous skeletal fixation of distal radial fracture                    | 85%    | 135%               | 81%    | 109%   | 121%   | 81%    |
| 25620       | Open treatment of distal redial fracture                                    | 88%    | 1 <mark>36%</mark> | 87%    | 109%   | 127%   | 93%    |
| 23412       | Repair of rotator cuff – Chronic                                            | 93%    | 1 <mark>36%</mark> | 101%   | 109%   | 134%   | 112%   |
| 99213       | Office visit – est                                                          | 98%    | 138%               | 98%    | 104%   | 127%   | 70%    |
|             | 99243 Consultation                                                          |        | 139%               | 104%   | 104%   | 132%   | 78%    |
|             | 99212 Office visit – est                                                    |        | 139%               | 100%   | 104%   | 126%   | 69%    |
|             | 73100 X-ray, wrist, two view                                                |        | 134%               | 103%   | 109%   | 133%   | 99%    |
|             | 73140 X-ray, finger, two view                                               |        | 133%               | 102%   | 109%   | 133%   | 102%   |
|             | 99214 Office visit – est                                                    |        | 138%               | 99%    | 104%   | 127%   | 68%    |
| 99253       | Consultation                                                                | 108%   | 139%               | 118%   | 104%   | 146%   | 100%   |



### Negotiating Contracts

- 1. Choose your top 3 plans that you would like to target
- 2. Determine what you would be willing to accept from the insurers
- 3. Contact plan representatives to start negotiation talks
  - Start with your provider rep but move up the chain of command



## Top Challenges facing MDs

- ♦ Independence vs Employment
- "Resist the urge to merge or sell out simply because it's in the headlines"

• "Evaluate the metrics of your practice and decide if it's best to stay independent or merge"



### Serious Considerations

- ♦ Do you like to be in control?
  - If you answer yes, think very long and hard about how you will adjust to being an employee
  - Larger organizations take longer to make decisions with more layers of bureaucracy
  - You may still need to get involved with administration/personnel/etc, but may have no power to change anything



### Serious Considerations

- ♦ Ask other physicians who are in the entity
  - What is the culture?
  - How happy are they?
  - Do you know your present office visit/hospital/surgery/procedure volume and how will this translate to WRVU compensation?
  - Will you be able to help choose/direct or fire staff that work with you? Will your office manager be eliminated?
  - What reporting of your productivity will you able to obtain and your rights to audit?
  - What if you were doing procedures now that add to your net income and these will be taken away to another specialty?



### Serious Considerations

- Will you have to see Charity and Medi-Cal patients?
- Perform research?
- ♦ Is the compensation formula vague or very specific?
- Will you be forced to be in group with former competitors that you did not get along with?
- What is the composition of board that makes decisions?
  - Weighted toward physicians or hospital/foundation/University?
- Can you negotiate a 3-5 year guaranteed salary?



## 3 Centerpieces in Hospital-Owned Physician Group Compensation Plans

Written by Bob Herman | December 13, 2012 Social Sharing

Here are three common areas of hospital-owned group compensation plans and how much emphasis each area typically warrants according to the article:

- Individual production (WRVUs or collective revenues): 70 percent
- Individual performance (quality, safety, patient satisfaction, efficiency):
   10 percent
- Team/organizational performance (profitability, quality, safety, patient satisfaction, efficiency): 20 percent



# Must have National and Regional data

**Provider Compensation** 

| 2021 REPORT BASED ON 2020 DATA                                      |                |       |             |           |               |             |            |                            |               |
|---------------------------------------------------------------------|----------------|-------|-------------|-----------|---------------|-------------|------------|----------------------------|---------------|
| Ophthalmology for Western Section                                   |                |       |             |           |               |             |            |                            |               |
| ©2021 MGMA. All Rights Reserved. Data extracted from MGMA DataDive. |                |       |             |           |               |             |            |                            |               |
|                                                                     |                |       |             |           |               |             |            |                            |               |
|                                                                     |                |       |             |           |               |             |            |                            |               |
|                                                                     |                |       |             |           |               |             |            |                            |               |
|                                                                     |                |       |             |           |               |             |            |                            |               |
|                                                                     |                |       |             | Al        | l Practice Ty | pes         |            |                            |               |
| Specialty                                                           | Group<br>Count | Count | Mean        | Std Dev   | 10th %tile    | 25th %tile  | Median     | 75th %tile                 | 90th %tile    |
| Collections 0% TC                                                   | 3              | 10    | \$616,871   | \$216,725 | \$383,170     | \$482,176   | \$594,709  | \$665,137                  | \$1,113,498   |
| Collections to Total RVUs Ratio                                     | 1              | 1     | *           | *         | *             | *           | *          | *                          | *             |
| Collections to Work RVUs Ratio                                      | 2              | 6     | *           | *         | *             | *           | *          | *                          | *             |
| Compensation to Collections Ratio                                   | 3              | 10    | 0.569       | 0.168     | 0.271         | 0.463       | 0.562      | 0.736                      | 0.785         |
| Compensation to Gross Charges Ratio                                 | 5              | 17    | 0.274       | 0.105     | 0.127         | 0.236       | 0.254      | 0.310                      | 0.437         |
| Compensation to Total RVUs Ratio                                    | 11             | 24    | \$25.48     | \$9.94    | \$17.03       | \$21.53     | \$25.25    | \$27.07                    | \$30.23       |
| Compensation to Work RVUs Ratio                                     | 24             | 64    | \$63.51     | \$21.80   | \$47.28       | \$53.99     | \$58.98    | \$66.03                    | \$80.05       |
| Gross Charges 0% TC                                                 | 5              | 17    | \$1,588,164 | \$667,603 | \$730,302     | \$1,013,045 | \$1,474,54 | <mark>7</mark> \$2,161,359 | 9 \$2,540,593 |
| Retirement Benefits                                                 | 6              | 27    | \$28,081    | \$8,033   | \$11,400      | \$22,018    | \$30,502   | \$31,660                   | \$37,497      |
| Total Compensation                                                  | 34             | 168   | \$394,123   | \$183,841 | \$232,822     | \$269,518   | \$377,614  | \$468,898                  | \$600,933     |
| Total Encounters                                                    | 9              | 26    | 3,283       | 1,783     | 712           | 2,041       | 3,260      | 4,294                      | 5,071         |
| Total RVUs                                                          | 11             | 24    | 19,606      | 7,305     | 13,854        | 14,825      | 18,569     | 22,073                     | 30,181        |
| Work RVUs                                                           | 24             | 64    | 7,883       | 2,939     | 4,714         | 5,995       | 7,379      | 9,236                      | 12,228        |
| Work RVUs to Total Encounters Ratio                                 | 8              | 22    | 3.42        | 3.14      | 1.56          | 1.81        | 1.96       | 2.91                       | 10.28         |



| RVU DATA<br>Ophthalmology                | Physician<br>Work RVUs                                         | Physician Compensation per<br>Physician Work RVUs              |
|------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
|                                          | MGMA Physician Compensation and Production Survey 2021 General | MGMA Physician Compensation and Production Survey 2021 General |
| Mean                                     | 7,714                                                          | \$98.95                                                        |
| 90th Percentile                          | 12,002                                                         | \$147.77                                                       |
| 75 <sup>th</sup> -80 <sup>th</sup> Perc. | 9,652                                                          | \$108.83                                                       |
| Median                                   | 7,245                                                          | \$88.49                                                        |
| 20th-25th Perc.                          | 5,123                                                          | \$71.11                                                        |



# Sample Salary based on WRVU Ophthalmology Example

- Usually set at 80% of Median FMV Salary, may try to set at 25% level of \$ per WRVU, but production expectation set at Median level
- Median Salary = \$377,614 80% = \$302,091 base salary
- Minimum WRVU of 7,379 median is 80% = 5,903 WRVU
- Any WRVU achieved over this level will be paid at \$ per WRVU for example \$88.49.
  - MD achieves 800 additional WRVU gets additional compensation 800 WRVU x \$88.49 = \$70,792 Plus base of \$302,091 = \$372,883 for the year close to median expectation.
  - What if expectation of productivity was at median level, but bonus at 25%
     \$ per WRVU? 800 x \$77.11 = \$61,688 plus base \$302,091 = \$363,779
     Difference of \$9,104



### Private Practice Group vs. Hospital Foundation Model

Medical Group Administration

Instrastructure

Physician determined

| Micalcal Gloup Authinistration |                         |                                |  |  |
|--------------------------------|-------------------------|--------------------------------|--|--|
|                                | Private Practice Group  | Hospital-Foundation            |  |  |
| Culture                        | Physician driven        | Hospital-Foundation driven     |  |  |
| Profit-sharing                 | Physician determined    | Hospital-Foundation determined |  |  |
| Governance and Strategy        | Physician led           | Hospital-Foundation led        |  |  |
| Scope of Practice              | Physician controlled    | Hospital-Foundation directed   |  |  |
| Physician Input                | Valued by medical group | May not be sought/valued       |  |  |
| Independence and Autonomy      | Supported               | May be Discouraged             |  |  |

Hospital-Foundation oriented



# Private Practice Group vs. Hospital Foundation Model

#### Medical Practice Administration

|                                                     | Private Practice Group           | <b>Hospital-Foundation</b>                              |
|-----------------------------------------------------|----------------------------------|---------------------------------------------------------|
| Hospital Admissions                                 | Physician determined             | Hospital-Foundation directed                            |
| Choices about physician and non-<br>physician staff | Physician involvement encouraged | Hospital-Foundation determined                          |
| Bureaucracy                                         | Minimal                          | Can be significant                                      |
| Reproductive Medicine                               | Physician freedom to choose      | Limited by Hospital requirements /religious affiliation |
| Clinical Policies/Procedures                        | Physician developed              | Hospital-Foundation developed                           |
| Location/relocation of office practice              | Physician determined             | Physician may have no input/choice                      |
| Clinical Procedures                                 | Physician determined             | Hospital-Foundation determined                          |
| Referral patterns                                   | Little change                    | Hospital-Foundation directed                            |
| Schedule                                            | Physician determined             | Hospital-Foundation determined                          |
| Physician Recruitment                               | Physician determined             | Hospital-Foundation determined                          |



### Obtain professional assistance

- Have an experienced medical practice consultant/appraiser perform or counter the valuation, the financial/compensation/buy out methodology
- Have experienced CPA advise on tax ramifications
- Have experienced Attorney advise on legal implications/advocate/negotiate
  - The DEVIL IS IN THE DETAILS!!!!



# "You will either step forward into growth or you will step back into safety."

Abraham Maslow



### Future Trends

- ♦ The membership/access model (\$200 per year)
- Employer coverage for the membership/retainer fee
- ♦ Full concierge model (\$1000 plus per year)
- Cash only practices
- Out of Network models
- House Calls/Urgent Care
- Micro Practice
- ♦ Virtual Visits



## Merging

◆ Just like a marriage - Money the biggest reason for divorce

 Merging is a process and should not be rushed for economic, competitive or managed care pressures

"Courage to communicate, confront and compromise"



### Reasons to Merge

◆ Increased contracting opportunities

Overhead reduction

◆ Call reduction

Ability to recruit new doctors

Ability to sell the practice



### Reasons to Merge

Spread capital equipment purchases

Access to capital

Hire a higher level administrator

Provide better benefits for staff

Spread management responsibilities of MD



### Reasons to Merge

"There but for the Grace of God, Go I"

 Safety in numbers if MD is sick or disabled, the partners pitch in and cover the practice.

Remain in Control and Self – Employed



## Top Challenges facing MDs in

♦ MOC Maintenance of Certification



## Top Challenges facing MDs

- ♦ Embrace Remote Medicine
  - Telemedicine & Virtual Visits



## Top Challenges facing MDs

Risks and Rewards of Team Care

ODs and other Health Care Personnel

Liability Issues



### Analogy

"Physicians performing all work is similar to automotive engineers changing sparkplugs"

Frees up MD to perform more difficult work, expand the practice, increase net income



## TEAM APPROACH

Optometrists – Collaborative Practice



## Areas of Liability

- Allowing OD to see patient too many times w/o seeing an MD
- Access/Collaboration/Communication OD
- Review of charts
- Performance evaluations
- Continuing Education for OD



## Top Challenges facing MDs

◆ Data Vulnerability

♦ Connecticut Hospital paid \$90,000 for stolen laptop with 9,000 Patient information

♦ HIPAA compliant emailing and texting



# WHAT IS "BENCHMARKING"

• Comparing "Best Practices" key financial data with your peers to identify areas of strengths and weaknesses to improve your financial picture.



# Prepare Better Profit Loss Reports

◆ Purchase Software, e.g.. QuickBooks

◆ Train Managers, or

Explain to CPA its use as a management tool



# Better-performing practices use benchmarking and patient surveys, study finds

- ◆ According to a recent report from the Medical Group Management Association (MGMA), better-performing medical practices use formal surveys to gauge patients' satisfaction with their practices.
- ◆ More than 30% of these practices benchmark the results to other practices, and more than 60% educate physicians about behavior. In addition, better-performing practices spend more on information technology operating expenses and reported less bad debt to fee-for-service activity per full-time-equivalent (FTE) physician



| Sole Proprietor or<br>Partner |           |              |
|-------------------------------|-----------|--------------|
| <b>Profit Loss Report</b>     | Actual \$ | % to Revenue |
| REVENUE                       | \$600,000 |              |
| Expenses                      |           |              |
| Accounting                    | \$5,000   | .8%          |
| Medical Supplies              | \$2,000   | .3%          |
| Rent                          | \$25,000  | 4.1%         |
| Staff Wages                   | \$120,000 | 20%          |
| <u>Telephone</u>              | \$10,000  | 1.6%         |
| TOTAL EXPENSES                | 400,000   | <u>66.6%</u> |
| MD Net INCOME                 | \$200,000 | 33.3%        |



| Corporation Profit Loss Report | Actual \$        | % to Revenue  |
|--------------------------------|------------------|---------------|
| REVENUE                        | \$600,000        |               |
| Expenses                       |                  |               |
| Accounting                     | \$5,000          | .8%           |
| Medical Supplies               | \$2,000          | .3%           |
| Rent                           | \$25,000         | 4.1%          |
| Staff Wages                    | \$120,000        | 20%           |
| Officer Wages                  |                  |               |
| <u>Telephone</u>               | <u>\$10,000</u>  | <u>1.6%</u>   |
| TOTAL EXPENSES                 | <u>\$598,000</u> | <u>99.66%</u> |
| Corporation Net<br>Income      | \$2,000          | .33%          |



# Reducing Overhead - "Lean, Mean, Fighting Machine"

- Learn comparison data for overhead line item expenses
- Medical Group Management Association MGMA (303) 799-1111
  - www.mgma.com
- ♦ Practice Support Resources (816) 455-7790
- ◆ AMGA (703) 838-0033
- ◆ NSCHBC (800) 313-6242
- Specialty Society Studies



# Develop More Detailed Expense Categories

♦ Separate staff from employee MDS/ODs

Separate out benefits/payroll tax

 Separate office/medical supplies and office expense



## Income and Expense Ratios

♦ How does the practice ratios compare to "norms?"

 Have Manager or CPA prepare profit/loss reports with a column for each line item expense to be divided into actual total collections - % to collections

Staff and rent are the two largest expense categories



## **Evaluate Productivity**

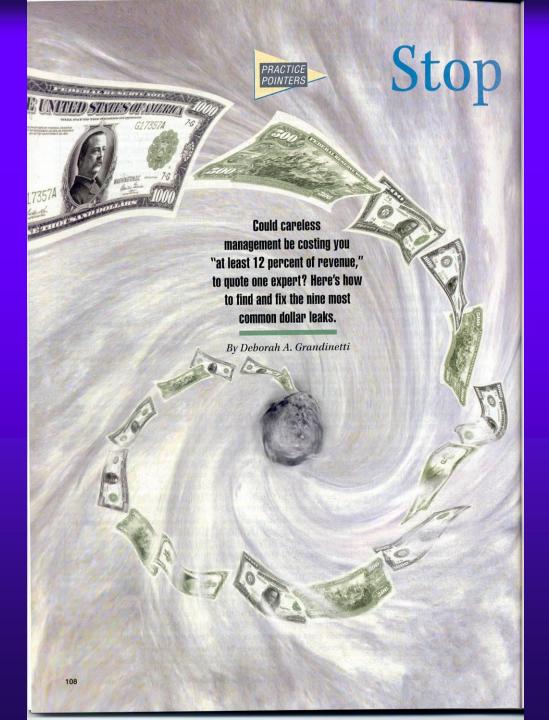
- Number of patients seen
- Number of new patients seen to measure practice growth
- Number of office and hospital visits
- Number of surgeries / procedures or high revenue generation
- Income generated by doctor



## Monthly Productivity Report

| Year:               | Medical Prac | tice of: |          |            |             |          |
|---------------------|--------------|----------|----------|------------|-------------|----------|
| Month:              | 1            | 2        | 3        | 4          | 5           | 6        |
|                     | Monthly      | Actual   | Variance | Yr-To-Date | Yr -To-Date | Variance |
|                     | Budget       | Monthly  |          | Budget     | Actual      |          |
| Physician Product.  |              |          |          |            |             |          |
|                     |              |          |          |            |             |          |
| Office Visits       |              |          |          |            |             |          |
|                     |              |          |          |            |             |          |
| Hospital Visits     |              |          |          |            |             |          |
|                     |              |          |          |            |             |          |
| Ratio MD Office Hrs |              |          |          |            |             |          |
|                     |              |          |          |            |             |          |
|                     |              |          |          |            |             |          |
| Ratio Staff / Pts.  |              |          |          |            |             |          |
|                     |              |          |          |            |             |          |
| Staffing            |              |          |          |            |             |          |
|                     |              |          |          |            |             |          |
|                     |              |          |          |            |             |          |

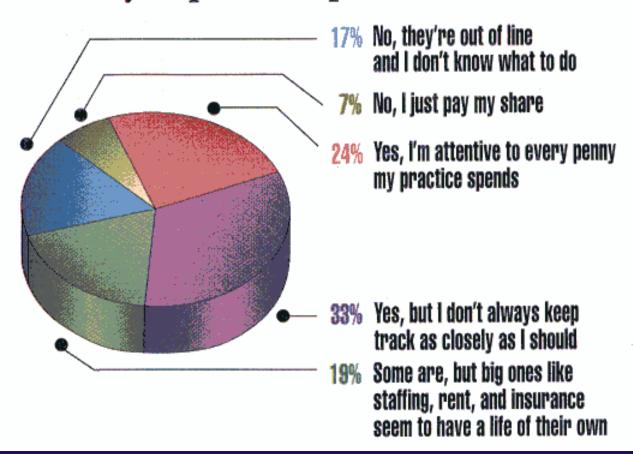






## **Medical Economics**

### Are your practice expenses under control?



Ron Leuty covers biotech

and sports business

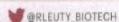




#### BIOFLASH

RLEUTY@BIZJOURNALS.COM

415-288-4939



REAL ESTATE

## A workplace alone is just not enough

Biotech workers want amenities such as a food court, pool tables, ping-pong and bowling alleys

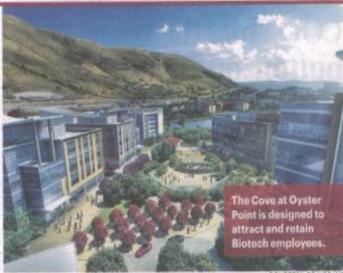
Biotech real estate developers are rolling with the times, designing space for young, cash-flush companies desperate to hold on to talented employees who want more than a bench and a place to hang their lab coats.

Take HCP Inc., which is breaking ground on the second phase of its massive Cove at Oyster Point development in the sterile- and-scrubbed heart of the life sciences industry in South San Francisco. Along with two lab and office structures totaling 230,000 square feet, HCP's next stage of the potential 884,000-squarefoot project includes 20,000 square feet of retail, attempting to fill a desperate need among biotech workers.

The first two-building phase, which will open in the third quarter, includes a marketplace-like food area on the ground floor as well as pool tables, table tennis and a two-lane bowling alley.

"It's really taking an urban-type downtown environment and bringing it to a suburban market," said HCP Executive Vice President Jon Bergschneider. "It's large space for people to break out and team build."

In the tech industry, such "amenity space" is commonplace in the tug-of-war to keep and attract fresh, young talent. Despite occasional events at individual companies - South San Francisco-based biotech granddaddy Genentech Inc. is



COURTESY OF HCP INC

well known for its bi-monthly "Ho-Hos" get-togethers - biotech has mostly maintained a buttoned-down focus.

Biotech executives and developers say that is changing. Employees can be in their labs at any time of the day or night, and the east side of Highway 101 in South San Francisco is largely a food and entertainment desert, so they often jump in their cars at break time. But the growing millennial workforce is different, they say, wanting services within walking distance.

#### **COVE AT OYSTER POINT**

Total square footage: 884,000

1st Phase: 250,000 square feet to be completed in third guarter of 2016.

2nd Phase: 230,000 square feet of laboratories and offices, plus a fourstory parking garage and 20,000 square feet of retail space. Ground broken on Jan. 29.

Tenants: CytomX Therapeutics Inc. and Denali Therapeutics Inc.



### **BIZARRO** Piraro





#### Medical Economics How to survive in independent practice Aug 2014

- Most practices lose 12% of billings
- Improving internal billing practices is generally better than outsourcing billing altogether.
- "There are some fundamental flaws in how a billing service can work," "If a billing service is going to get 5% of what is collected, how much effort is it going to put into chasing \$100?"

#### Monthly Flash Sheet for ABC Medical Clinic

|                          | This Month |          |          |           | <b>Last Month</b> | Last Year |
|--------------------------|------------|----------|----------|-----------|-------------------|-----------|
|                          | Smith      | Jones    | Brown    | Total     |                   |           |
|                          |            |          |          |           |                   |           |
| Production               | \$65,059   | \$55,267 | \$59,872 | \$180,198 | \$175,648         | \$166,542 |
| Adjustments              |            |          |          | \$55,316  | \$56,448          | \$40,558  |
| Receipts                 |            |          |          | 129,645   | \$115,963         | \$103,850 |
| Refunds                  |            |          |          | 3,549     | \$2,514           | \$2,874   |
| Cash on hand             |            |          |          | 25,145    | \$14,785          | \$24,798  |
| Gross collections ratio  |            |          |          | 72%       | 66%               | 62%       |
| Net collections ratio    |            |          |          | 101%      | 95%               | 81%       |
| Total AR                 |            |          |          | \$375,678 | \$380,654         | \$335,485 |
| Days in AR               |            |          |          | 98        | 95                | 90        |
| MGMA avg.                |            |          |          | 70        |                   |           |
|                          | Current    | 30 days  | 60 days  | 90 days   |                   |           |
| Aged AR                  | \$131,487  | \$41,325 | \$33,811 | 169,055   |                   |           |
| Percentage               | 35%        | 11%      | 9%       | 45%       |                   |           |
| MGMA avg.                | 45%        | 25%      | 10%      | 20%       |                   |           |
|                          |            |          |          |           |                   |           |
| Total operations expense | Э          |          |          | \$75,645  | \$70,587          | \$59,466  |
| Overhead percentage      |            |          |          | 59%       | 61%               | 58%       |
| MGMA avg.                |            |          |          | 48%       |                   |           |







## Reducing Staffing Costs

- Mergers
  - Reduce FTES per MD by sharing staff
- Medical Assistants/Techs
  - Use Per Diem staff esp. MA/Techs
  - Train well

Scribes



## FTE Full time Equivalent / MD

What is your total staff payroll as a percentage of gross income?

What is your Full Time Equivalent staff ratio to physician?

- Varies by Specialty:
  - $-2.01-7.08 \, \overline{\text{FTE/MD}}$



# Zoom Virtual Receptionist





## Ruby Receptionist

https://www.ruby.com/

Simply put, a ringing phone or a static web page means missed opportunities.

Engaging your customers is critical to the survival of your business, but so is having the time to serve your customers. Investing in your customers' experiences ensures whoever engages with your business feels heard, secure, and eager to share their positive experiences with others—but you may not be able to deliver that experience every time.





## Reducing Staffing Costs

#### Overtime

- Personnel Policies must state overtime has to be authorized
- Consider charging the MD/provider who runs staff into overtime

#### Benefits

• Evaluate plans/costs every year for employee only



## Reducing Staffing Costs

- Create job descriptions
  - hold staff accountable, e.g., A/R ratios

Use Interns, College Students/Med Students

- Create incentives
  - reward staff for ideas that make or save the practice money







## Peter Drucker's brilliant 47-year-old idea could transform healthcare

"The most successful organizations will cultivate a culture of decision making on the front-lines, by instituting processes and methods that support and encourage it."

Dunn, Lindsey. "Peter Drucker's brilliant 47-year-old idea could transform healthcare." Becker's Hospital Review. September 17, 2014. http://www.beckershospitalreview.com/healthcare-blog/peter-drucker-s-brilliant-47-year-old-idea-could-transform-healthcare.html



## Office Space

- Rent
  - Extend hours
  - Share space cost per MD goes down
  - Billing/ A/P move to less costly space
  - Medical Records Room still have charts? Move off site to storage and repurpose the space
  - Negotiate leases carefully



# Storage Units – Get rid of old equipment etc. in storage





### Seminars & Webinars

Keep attending AAO/AAOE programs!

◆ Take advantage of **online CME** for physicians, midlevel providers, clinical staff and managers.



### Discounts

- ♦ Pay bills on time 2% net
- Malpractice insurance
  - Negotiate group rates
  - Take advantage of any <u>discounts offered by your</u> <u>malpractice carrier</u> by completing risk management surveys, attending seminars or on site audits
- Local/State Medical Association/AAO/AAOE discounts for insurance/services



### Medical Records



♦ Have Patient forms on website: Patient History, Registration, etc. prior to appointment

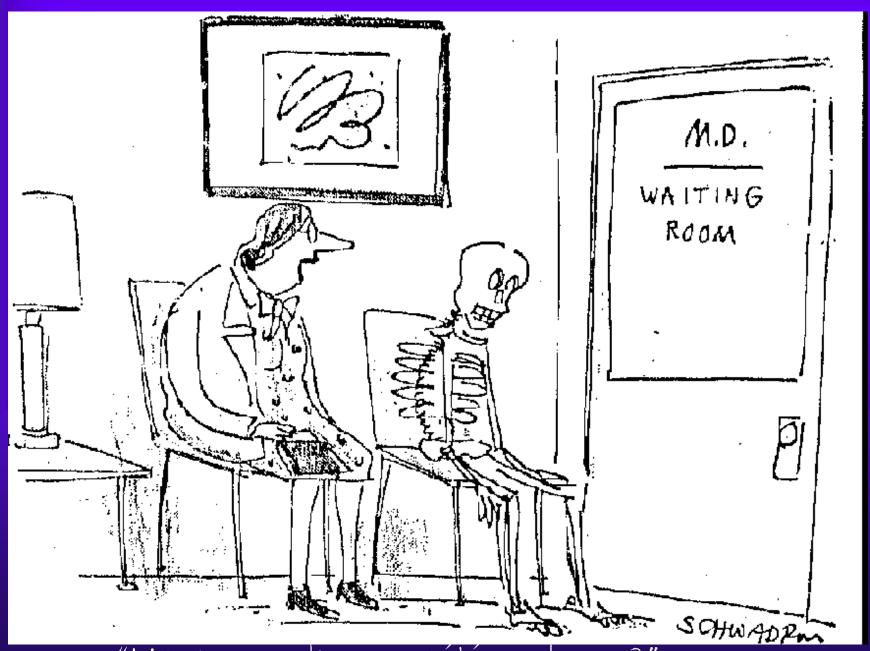
 Reduces time at front desk and speeds patients back to exam room

Reduces demographics errors for billing





"These EHR formats are an indecipherable headache to try and wade through. I miss the old days when the doctor's writing was all we had to figure out."



"Have you been waiting long?"



# Patient Waiting times Which cities, states have the shortest physician wait times? Beckers Hospital review March 24, 2016

- ◆ Wait time and patient ratings are correlated. Physicians with higher ratings on Vitals' website had shorter patient wait times. Here is a breakdown of the wait time from the highest rated physicians (5 stars) to the lowest rated physicians (1 star).
- ♦ 5 stars 12 minutes and 56 seconds
- ♦ 4 stars 18 minutes and 19 seconds
- ♦ 3 stars 21 minutes and 40 seconds
- ♦ 2 stars 26 minutes and 11 seconds
- ♦ 1 star 33 minutes and 1 second



## Eliminate Clutter

Shred or move to storage all unnecessary paper

 Organize files neatly, saves time looking for things















#### Paul Sweigert, MD FACP

is proud to announce and welcome you to his new Internal Medicine practice beginning Monday, March 2, 2015.

> 1100 Trancas Street, Suite 240 Napa, CA 94558 Phone (707) 927-5322 Fax (707) 927-5463



Visit redbikemedicine.com

1100 Trancas Street, Suite #240 Napa, CA 94558



# Website/SEO/Internet marketing

◆ Don't advertise in Yellow pages, invest in website and Search Engine Optimization

- ♦ Have Content Management to change easily
  - don't pay developers

◆ Track other marketing efforts and reduce if no return on investment.



## Websites

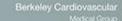




 Have Content Management to change easily

 Home site needs Key Words for search engine optimization





Your mission statement here.



#### out Us

Page Title

#### About Us

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#### A balanced, integrative, and holistic approach to health and healing.

#### My Care Philosophy

I am a doctor of osteopathic medicine (D.O.) who uses a balanced, integrative, and holistic approach to health and healing. I explore non-pharmaceutical options whenever possible and seek to create a dialogue with patients to better understand their health concerns. By working with patients as a team, we together craft a personalized plan aimed at optimizing health. The office utilizes an electronic health record (EHR) and a website featuring a personal health record (PHR) and secure e-mail to maximize communication with both patients and caregivers. We make every attempt to schedule same day, urgent appointments whenever possible. I also utilize a handful of osteopathic manipulative treatment (OMT) techniques for selective musculoskeletal conditions.

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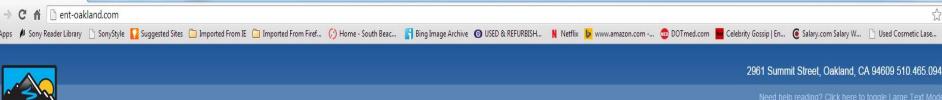
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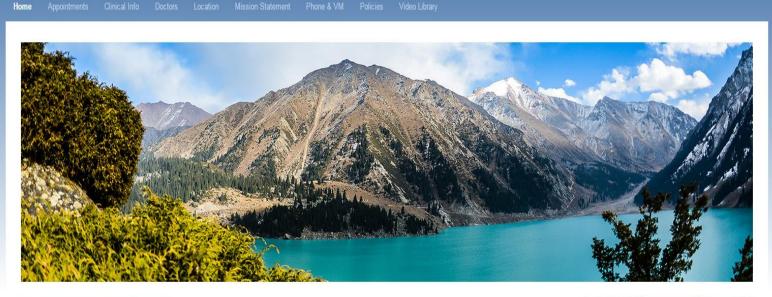


Providers & Staff Locations





2961 Summit Street, Oakland, CA 94609 510.465.0941



#### Welcome to Summit ENT

ent-oakland.com

Summit, Ear, Nose, and Throat (ENT) Medical Associates is a medical practice with a location in Oakland, California. Our doctors are Board Certified Specialists in the field of Otolaryngology, Head, and Neck surgery. We have the latest knowledge and technology for diagnosis and treatment of diseases of the ear, nose, and throat, and related structures. We offer medical and surgical treatment as well as hearing testing, hearing aids, and allergy testing and treatment. Our professional staff operates as a team, and we take pride in each staff member's training and capabilities. We want you to have confidence in them and let them serve you fully. This site is designed to inform you about the practice and our procedures, and to anticipate your questions. The goal is to let us serve you better as informed patients. There is also a library of clinical information on various topics related to ear, nose and throat problems.

The Summit ENT office is located in the Pill Hill section of Oakland at 2961 Summit Street, close to the Summit Medical Center hospitals. There are several parking lots near the office. We recommend the Peralta lot, which can be entered from 29th street.



View our Video Library



## Rating Sites

Most reviews about physicians are positive





## Journal of General Internal Medicine

- Examined 300 MDs and 33 sites
  - 88% positive reviews
  - 6% negative
  - 6% neutral



# Be proactive about handling patient complaints





- Provide a forum for patients to address their concerns on your website, and encourage patients to use it.
- Develop a policy for handling complaints.
- Utilize a patient satisfaction survey.



# What can you do about negative on line reviews? CMA Medical Legal library





- Don't over react
- Don't respond back publicly Always maintain patient confidentiality
- Try to work with the patient and resolve issues the patient can remove a negative review



# What can you do about negative on line reviews? CMA Medical Legal library





"Our practice takes patient concerns seriously. Federal laws preclude us from responding to patient concerns publicly. If you are our patient, please contact our office directly at ----- so we can address your concerns confidentially"





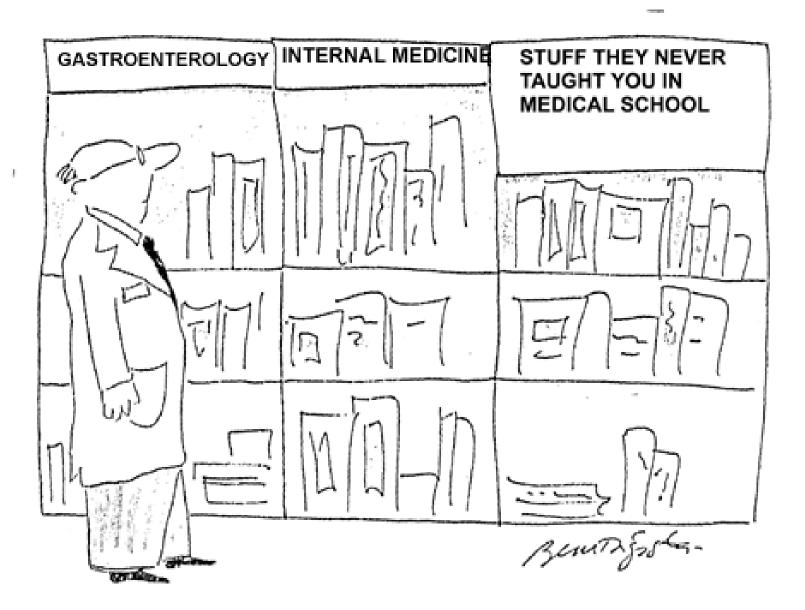


# 38% Conduct Research Prior to Seeking Out a Physician

Kyruus recently released a report on consumer behaviors when searching for a healthcare provider. Here are some key findings from the study:

- Prior to seeking out a specific physician, 38% of consumers conduct healthcare-related research.
- Almost three quarters of these consumers are looking for information about specific physicians.
- 90% of respondents say it is important to confirm that their healthcare is covered by their insurance.
- A physician's clinical experience with the patient's specific condition was important for 85% of consumers.
- ♦ 14% of consumers book appointments through an online resource.
- Over half of consumers (58%) book appointments through a phone-based resource.

Source: Kyruus, October 26, 2015

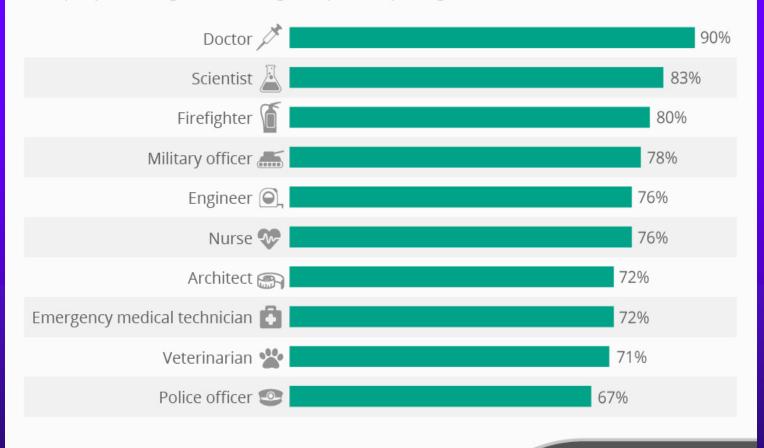


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### The Most Prestigious Professions In America

% of people finding the following occupations prestigious in 2016









Source: The Harris Poll

Forbes statista





# Thank you for Attending!

If you have questions:

Contact Debra Phairas, President

Practice & Liability Consultants, LLC (415) 764-4800

<u>dphairas@practiceconsultants.net</u> <u>www.practiceconsultants.net</u>