

Practice Management 2005 – How to make your office thrive and survive!

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Practice Management 2005 – How to make your office thrive and survive!

Practice Management is not just about making money. This article covers what it really means and why you need to pay attention to managing your practice.

By Jeffrey Frederick, DPM, FACFAS

It's 8:35 am, you have a reception room (no, we don't call it waiting room anymore) full of people with 8:30 appointments. You arrive 10 minutes late and are greeted by the glaring, disapproving eyes of your receptionist. As you begin to put your lab coat on, your office manager approaches you holding a stack of papers firing questions at you hoping to get help with insurance problems. Just as you turn to help your office manager, your medical assistant tells you that Mrs. Jones, a patient that just had surgery on Friday, will be coming in during our lunch hour because she is still in pain, and Dr. Smith is on the phone and needs to speak with you. You leave this barrage of problems and head toward your treatment rooms, already 20 minutes late. As you enter the treatment room, you open the chart of the first patient to find the last treatment dictation missing. You look up to find the patient sitting on the side chair with their shoes and socks still on. You ask Mrs. Adams to take her shoes and socks off and have a seat in the exam chair. She kindly looks at you and states, I'm Mrs. Wells!

Any of these situations sound familiar? I'll bet they do. There are many scenes just like this going on in doctors' offices everyday. The real tragedy is that they keep repeating themselves. However, this need not be the case. The solutions to these problems can be found in the ability to manage your practice, or more simply known as, "*Practice Management*". This concept of managing your practice effectively could be the most important factor in determining the growth and success of your practice.

When you hear the phrase "*Practice Management*" most people think about increasing practice revenue. However, the concept of "*Practice Management*" in the year 2005 has more to do with increasing patient outcomes, increasing office efficiency and contributing to the success of a practice, than it does with just making money.

If you feel overwhelmed, overworked and are unable to take the time to stop and look around at what is happening in your practice, then you are a candidate for help through practice management. Practice management expert and author Michael Gerber, writes in his book, "The E-myth Physician" that you need to "stop working *in* your practice and begin to work *on* your practice". A simple play on words that sends a powerful message about how we, as physicians, get caught up in the daily routine of what we do and our failure to see the bigger picture. Physicians are being pulled in so many different directions that many of us feel it's impossible to stop and examine our protocols and policies. This is one of the biggest mistakes a doctor can make. It is very easy to get caught up in the daily grind of practice. However, unless you stop, examine and evaluate, you may find yourself just treading water, never really getting ahead!

This is what practice management is really all about; examination, evaluation and establishing protocols to produce a great product. That product is your practice and its ability to deliver a fantastic patient experience, good patient outcomes and ultimately a great place to work! Understanding practice management concepts can provide you the tools to achieve this goal.

Where to start? There are several major areas to examine when considering changes within your practice. Like everything else in life, implementing changes can be a difficult

undertaking. I suggest that you begin with the most important practice management area first: yourself. Begin by assessing your own attitude towards work. Are you grumpy when you walk through the door of your office? Are you conveying an attitude of being overworked or rushed? Your staff and your patients will pick up on this immediately. Remember, you set the tone. Your staff will reflect your attitude. One way to insure a good attitude is to be prepared for your day. That means, arriving at work early! Review your day and look at the charts of the patients scheduled for the day. This is the perfect time to leave notes on each chart to help your staff set up x-rays, suture removal kits or highlight special needs of a patient. This small time saving technique will help both you and your staff not feel rushed. By reviewing each patient's chart, this will also give you a chance to assess how you are managing your patients for the day. For example, what services are you actually providing to these patients and what might you be missing during a busy day that you should consider for a particular patient? If you pre-plan your course of treatment during a relaxed time versus the stressful busy time during the day, you might pick up on services that you have previously ignored. You might be saying, I just don't have the time to get to the office earlier. This is when practice management principals come into play. If your schedule will not permit you to arrive early, then your schedule needs to change. It's that simple. You are no longer working in the practice, but trying to work on the practice. This needs to take priority. This will require you to make changes. Remember, you cannot always do what you have done in the past and expect to change things for the better. You need to take a leap of faith. It is imperative that you shed that hurried, rushed, grumpy attitude. If it means changing your schedule so you can be more prepared, that's what you must do. The basic principals of practice management are geared toward achieving a better, more efficient outcome. You can only achieve this if you are willing to make adjustments. You will be surprised how much more productive your office is, if you are prepared for the day. This one small change, could yield enormous benefits.

Although the focus of practice management is not necessarily finances, the financial health of your practice certainly cannot be ignored! This side of your practice can be broken down into two major areas; medical coding and billing/collections. Both these areas need to be managed effectively. Failure to address the importance of coding can have a profound negative effect. Without question, most practice management experts agree, the individual doctor needs to understand the principals of correct coding. Lack of knowledge about CPT and ICD codes, charting, understanding modifiers and CCI (correct coding initiative) edits can severely stagnate practice success and growth. It is vital that a doctor have a full understanding of these concepts. A simple error such as billing for lower level evaluation and management codes when higher level codes would be appropriate, can cost a practice thousands of dollars over a year's time. Failure to use proper modifiers can cause consistent denials of insurance claims. Remember, each time a claim has to be resent; it costs your practice money. If this is an area of weakness in your practice, there are options for getting help. For example, workshops offered by The American Academy of Podiatric Practice Management can provide you with the necessary tools to understand coding. You have no excuse for not getting help. Yes, you will have to take time away from your practice to attend a workshop. But remember, you are working on your practice not just in it!

Billing and collections also play a major part of your practices financial picture. Without proper cash flow, your practice cannot function. When examining your billing and collections, a great resource is to compare your practice's account receivables to the national benchmarks. Are your outstanding accounts in line with the national standards? Is the ratio of overdue money higher than the national norm? What percentage of your

expenses does your payroll account for? Are you even running these reports? Practice Management principals dictate that you run and examine these financial reports on a consistent basis. You need to closely examine what you are being paid for your services and where your expenses are. Providing more services to more patients when you are not being paid or expending too much outflow is a formula for failure. It is not in your best interest not to be paid. If it seems that you are working harder and longer hours but your cash flow is diminishing, perhaps you are ignoring the financial side of your practice. Consider a basic principal of practice management and manage your accounts receivables!

Perhaps the hardest area for doctors to address, from a practice management viewpoint is, daily practice operations. In each of our practices there are hundreds of daily routines and processes that take place. These processes are the methods in which things get done by our team members (support staff, assistants and managers). This includes how the phone is answered, how patients are scheduled, what triage protocols are in place, who is responsible for what services, how bills are sent to patients, what paperwork patients fill out, how patients are greeted when entering the office, how patients are placed into the treatment room, how tests and x-rays are done, how charts are pulled and who is ultimately responsible for what. Each of these areas can have a significant effect on the experience a patient has in your office. The importance of these areas should not be underestimated. Something as simple as patient scheduling can have a ripple effect on your entire practice or at the very least, the tone of your day. If you haven't made a proper assessment, or if you have not established protocols for your staff to follow when scheduling patients, you are a disaster waiting to happen. Think about the situation for scheduling new patients in your office. A new patient visit requires more time scheduled than an established patient. This is just inherent in the nature of performing a proper history and physical along with adjunctive tests that might need to be performed. Some practices even designate certain times of the day for new patients. This allows for extra time and places new patients in slots that will not overlap with the busiest times of the day. Some offices place new patients only at the beginning of the day so that the doctor is less tired and more attentive to the patients needs. What if your office fails to understand this concept and just schedules new patients in the same time frame as established patients? Two things could happen. First, this design will cause you to run behind in your schedule. Second, this will cause a delay in your schedule increasing patient wait times. Unhappy patients do not refer their friends to your practice. Backed up schedules lend themselves to hurried patient visits and care. This is a simple concept, but if you have not established a protocol for new patient scheduling consider the benefits.

Just as daily processes can affect your practice, another area to consider are the simple tasks that affect your efficiency. Think about the tasks that you are performing yourself instead of your staff. After all, your practice is based upon "selling" your knowledge, time and skill. How effective is it for you to leave a treatment room to draw up a syringe when your support staff can do this? How much money is your time worth? Are you wasting your valuable skill on tasks that are being managed poorly?

Today's health care environment has placed immense pressure on medical practices to provide a superior product at less cost. How can your office compete if you are not efficient in what you are doing? Attempting to see more patients to overcome the decrease in reimbursements will only produce burned out doctors, unhappy patients, unhappy staff and longer hours at the office. It is in your best interest to understand practice management principals and how they can help you and your practice survive

and thrive in today's health care arena. If you find yourself working longer hours, getting paid less, feeling less in control at work and not having fun, then you need to increase your knowledge of practice management. I would highly recommend beginning by attending a practice management seminar and workshop. There is a reason that the American Academy of Podiatric Practices' membership has grown over the last 4 years from 200 to 750 members. The Academy can provide you with the necessary tools to begin to make positive changes in your practice. If you would like to learn more about these topics along with many more areas for practice improvement please contact the Academy (www.aappm.org). You might just find that you can transform your practice into an efficient, on time, fun place to go to work every day!

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