

Managing a Balanced Practice

By **Margie Satinsky, M.B.A.**



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Within the past year, eight physicians have contacted us for help in setting up new private practices, and several more who are already in practice have requested guidance in improving their existing practices. Although each situation is unique, all practices share a common challenge - i.e. achieving practice balance.

Success depends on setting and reaching goals in seven aspects of practice management - patient care; structure/management/governance; planning and marketing; financial management; practice operations (including information technology); human resources; and compliance. Shifts in health policy, reimbursement and other variables are beyond our control. That perfect balance depends not only on inner capabilities, but also on the ways and speed with which we respond to a shifting and unpredictable external environment.

Let's examine each of the seven important aspects of practice management.

Patient care is the No. 1 priority for every practicing physician. The increasing availability of online information offers many tools to help you diagnose, prescribe, treat and refer when appropriate.

As third-party reimbursement continues to move away from the fee-for-service model toward payment for total care management, can you readjust what you do while retaining high standards?

There are many reliable ways to quantify and evaluate the quality of the care you provide, so you can better manage specific populations. The challenge for practices is in knowing what to measure and how to use the results to continue making improvements in the quality of care.

Your **practice management** - the way in which you organize and manage your practice - sets the stage. If the managerial roles and responsibilities of physicians and your practice/office manager are clear, you are more likely to

accomplish your goals. If you regularly engage in a formal strategic business planning process and create a supporting budget, you'll have a road map to follow.

Your **marketing strategy** should be driven by your strategic business plan. Communication with key publics via the website and all other vehicles should focus on the excellent care and service you provide.

Financial management has multiple components. The ultimate goal is to maximize the revenue you receive for the care you provide and to manage your money wisely. Like every business, you need a formal budget and financial projections. These become benchmarks for measurement. In our opinion, "winging it" is risky business.

What's your current payer mix? Do you regularly initiate negotiations with your managed care plans or do you passively accept higher rates? Can you demonstrate value in the various and often different ways that the payers request?

If you are part of an Accountable Care Organization (ACO), do you understand how the ACO works and how money is distributed? Do you understand the fine points of the Medicare Access and CHIP Reauthorization Act (MACRA)? Effective January 2017, the important new law consolidates many financial incentive programs that previously required separate submissions.

Although there is currently no replacement for Obamacare, the Trump Administration will keep trying. Can you respond to an uncertain and ever-changing political landscape?

Do you, your practice/office manager and your certified public accountant regularly review both monthly financial statements and information from your practice management system? We hope you don't assess financial performance with one simple question at the end of each month: "Did we gross more revenue this month than last?"

Practice operations have a major impact on each patient's experience as well as on clinician productivity. What do patients think of the care they receive from you?

These days, patients wear their consumer hats in your office. They look carefully not only at clinical outcomes but also at the administrative aspects of your practice.

How pleasant are the staff members who answer the phone? Can patients easily make appointments by phone and/or online? Do patients have long waits in the reception area before being escorted back to an exam room? Is it easy for patients to obtain test results and discuss them with you and other clinicians?

With many patients facing increased financial responsibilities, do you provide accurate estimates of the cost of care and clear answers to questions about billing and collections? Do you have a secure patient portal that works efficiently for those patients who choose to use it, and do you have good ways of communicating with patients who don't like electronic communication?

Excellence in **human resources** applies to your internal workforce as well as to external professionals to whom you outsource work. Examples are your attorney, CPA, IT software company, IT support company, billing and collections and perhaps a practice management consultant.

As the challenges of practice management increase, many practices have come to the realization that they have neither the expertise nor time to manage everything internally. Understand that outsourcing doesn't mean unloading tasks from your full plate without managing them. Outsiders do best when insiders provide guidance and feedback.

With respect to your internal workforce, do you have a formal orientation process, a written employee handbook, a standard performance evaluation system, regular staff meetings and access to good legal counsel when you need it? Are you



well informed about the antidiscrimination requirements regarding potential and existing employees?

Compliance is the last important aspect of practice management. We're talking about coding compliance, OSHA, HIPAA and other external programs. For example, the passage of the HIPAA Final Omnibus Rule in 2013 made many

changes in both privacy and security.

Do you know what changed, and did you update all of your HIPAA materials? Compliance doesn't occur when trouble comes; it prevents problems before they arise.

Managing a balanced practice is complex to be sure. Make sure you understand the scope of it and that you are meeting the challenge!

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