



Physician Role in Practice Management

By Margie Satinsky

Just as patients schedule a visit to discuss one symptom when they really want to talk about a different one, I get requests for help on a myriad of practice management issues when physicians really want to talk about the role that they themselves play in managing their practices. This past month, I received calls about a two-practice manager not performing up to unclear expectations, accounts receivable out of control compared to ambiguous goals, escalating expenses compared to no budget, and workforce unrest related to failure to do performance reviews for two years. The real issue in each of these situations was the same: what

role were the physicians playing in practice management?

Medicine is a challenging field, but no less challenging than running a small business. As a small business owner, you need to know what must be managed and how to guide your staff. It is unlikely that you learned about business in medical school, so perhaps you are reluctant to get involved. What concerns hold you back? Where do you start? How do you learn what practice management means, and once you understand the scope, how do you master the skills that will help you succeed?

In my experience, two major concerns

deter many physicians from taking proactive roles in practice management. One, believe it or not, is the presumption that someone else is doing the job. Often, nobody is doing the job, and it shows. Second, many physicians don't know how to move from science to business. The difference in disciplines may be smaller than you think. The same diagnostic and problem-solving skills that you use as a clinician apply to practice management.

The body of knowledge that practice management encompasses includes many topics that you first need to master individually

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and then relate to each other. These topics include, but are not limited to, organization and management, financial management, human resources, compliance and operations, including information technology and quality management. Let's look at the role that physicians should play in order to actively managing their practices.

Organization and Management: You have three options for organizing and managing your practice. If your practice is large enough to support a professional practice manager, that individual can take a leadership role in initiating strategic and operational programs subject to physician approval on major decisions. You can also designate and compensate one physician as your managing partner. He/she then collaborates with a practice manager whose experience and skills are below those of a practice administrator. Finally, you can hire an office manager who follows your directions. Notice that I haven't listed the

option of rotating physicians as managing partners so that nobody gets "stuck" with the job. This last option epitomizes avoidance, so don't even consider it.

Financial Management: Financial management involves both revenue cycle management (e.g., managed care negotiations, billing and collections) and activities that you perform on a regular basis (e.g., budgeting, checks and balances). Information that you receive from your accountant and that you can extract from your practice management system is a tool that can help you with financial management, but don't confuse it with the managerial tasks. Physicians should play a major role in financial management, regardless of the way in which the practice is organized. It's your responsibility to make sure you have annual operating and capital budgets and that you use them to guide your revenue generation and spending. It's your job to review the reports that you receive, identify problems and take corrective action. It's your job to make sure that the appropriate policies and procedures are in place so you prevent problems before they occur. If you assume an active rather than a passive role in the financial management of your practice, you can prevent problems before they arise. Take a word of advice from hockey great Wayne Gretzky. When asked what made him such a great hockey player, he replied, "I skate to where the puck is going to be."

Human Resources: Your employees are your most valuable asset. As the owner of your practice, your job is to make sure that job expectations are clear, that employees are treated consistently and fairly, that training is available, that staff have the opportunity to meet with their supervisors, with each other and with the physicians, and that communications on what is important in your practice come directly from you. Practices that have the best staff retention and loyalty treat human resources as a major investment.

Compliance: Compliance with Medicare and Medicaid, HIPAA privacy and security rules, OSHA, CLIA and with

other government regulations is an essential component of running a medical practice. If physicians convey the attitude that compliance is important to your practice, your staff will adopt your attitude. Conversely, if you make disparaging remarks about compliance and are unwilling to support these activities, your staff will assume a similar attitude. You'll put your practice at unnecessary risk.

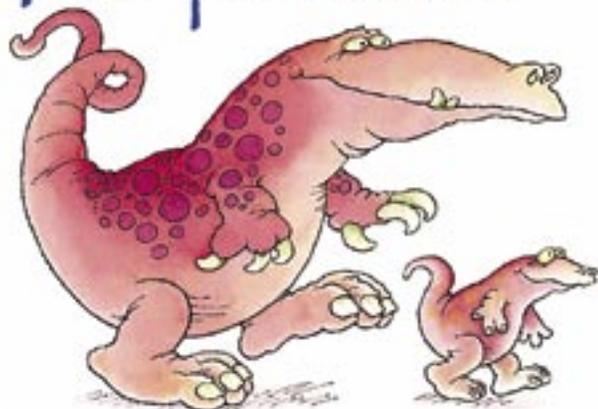
Operational Management: When is the last time the physicians in your practice looked critically at your work flow processes? Do you know what happens to patients from the time they contact your practice for an appointment to the time that they check out? Do you use patient satisfaction surveys and act on the results? How much do you know about the information technology applications that you have in your practice and about new options that are available? Do you have an active quality management program? Don't leave these important issues up to the discretion of your staff; get involved.

Once you know what you as a physician need to learn about practice management, how do you obtain the information and the managerial skills? Professional organizations such as the American College of Physician Executives (ACPE), Medical Group Management Association (MGMA) and your own specialty society offer mini-courses on practice management. You can also enroll in M.B.A. courses that are offered on weekends and/or online. Or you can ask one or more qualified consultants to teach you particular subjects that you want to learn. Finally, check the Internet. Many of those topics that are so mysterious to you will become very interesting once you begin your quest for knowledge.

You own your practice, and practice management is ultimately your job. With a methodical approach to both substance and skills, you can make a big difference.

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