



Managing a Balanced Practice

By Margie Satinsky

Within the past few months, two physicians have contacted me for help with practice start-up. One is fresh out of training, and the other has been practicing with a group for many years, and is now ready to open his own practice. The key to success in the 21st century for both of these physicians is the creation of a *balanced practice* that achieves measurable excellence in five areas: patient care, practice operations (including information technology), structure/management/governance, financial management, human resources and compliance.

In a series of articles that will appear in *M.D. News* during the next year, I'll select specific topics within each of these five important categories. Here's why each is so important.

Patient care is the number one priority for every practicing physician. You chose the medical profession so you could help patients, and the care that you provide for them must be clinically appropriate and safe. Hopefully, you didn't stop learning when you completed your training, and you'll continue to add to your knowledge base throughout your medical career. You don't have to know everything, but you must know how to access information that will help you make an accurate diagnosis, prescribe the appropriate drug and refer your patient elsewhere for care when appropriate. Your comfort level with information technology will play a major role in your ability to master real-time learning. So will your ability and willingness to document and measure quality.

Although you may think that patient satisfaction relates primarily to the clinical aspect of care, in fact, patients judge your practice on factors other than the care they receive. They pay careful attention to the

administrative aspects of your practice — that is, to your workflow. How patient-friendly are your processes for making appointments, checking in at the time of a visit, waiting to be escorted to an exam room, renewing prescriptions, obtaining test results, having follow-up conversations with you and other clinicians and handling inquiries about billing and collections? Your *practice operations* have a major impact on each patient's experience.

Information technology is rapidly becoming the backbone of practice operations. Your practice management system, your electronic health record, your Web site and the interoperability among these applications and others you may have in your practice will directly impact your ability to maintain and grow your practice.

The way you *organize and manage* your practice sets the stage. If you organized your practice with good legal advice and have in place the written legal documents that support your decisions, you will be well-positioned to tackle the many challenges that face your business. If the managerial roles and responsibilities of physicians and your practice manager are clear, you are more likely to accomplish your goals. If you engage in a formal business planning process and create a supporting budget, you'll lay out a roadmap for everyone in your practice. If you have a marketing program that is related to your business plan, you can promote the excellent care and service that you provide.

Financial management means you maximize the revenue that you receive for your hard work, and you manage your money wisely. You review your managed care contracts regularly, and you initiate requests for changes in reimbursement.

You actively engage in revenue cycle management so you don't put more energy into collections than you need to expend. You regularly take the financial pulse of your practice by working closely with your CPA, by carefully reviewing monthly financial statements, by identifying and measuring specific indicators and by doing financial planning for your practice.

Excellence in *human resources* means you hire carefully in order to build a team of like-minded individuals. You have formal written personnel policies that are applied equitably to your entire workforce. Your performance review system clarifies your expectations for each workforce member, and guides you in the provision of ongoing feedback. If an employee doesn't work out in your practice and you need to terminate someone, you know what to do and how to do it. You have good legal counsel to guide you when appropriate.

Finally, well-balanced practices pay attention to *compliance*. They put in place systems to ensure that they meet the requirements of Medicare and Medicaid, OSHA and HIPAA privacy and security. Compliance doesn't occur when trouble comes; it prevents problems before they arise.

Look for more information in the months to come.

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