

Strawberries to ACH

Many years ago I was blessed to be introduced to the profession of Medical Practice Management Consulting. The year to be exact was 1971. One of my first clients was a General Practitioner (GP) whose office was toward the middle of the state. Dr G had been in practice many years before I knew him and we learned a lot from each other. I was always amazed, when I went to see him, that his reception area was always packed with patients. (We used to call reception areas waiting rooms but we all know there is or should be little waiting when a patient goes to see his doctor). Right? Another amazing thing about Dr. G's office is that there always seemed to be strawberries and other items in the office that were accepted as forms of payment for services rendered. Dr G on average had over 100 patients a day enter and exit his office and he stayed until all were seen. A lot has changed since the days of Dr G. Dr G recorded his charges and collections in a spiral notebook and his assistant totaled the activity each day and kept a record of each patients balance. We have moved from the spiral notebooks to pegboard systems to computer systems to CPT-4 and ICD-9 to electronic medical records to E prescribing to conversations with patients through email. We now have Stark, HIPAA, OSHA and most recently, Red Flag Rules. Physicians hardly see a check today since most payments are made through the automated clearing house. Practice management issues have changed a lot over the years.



What does not seem to have changed is the preparation of Family Physicians for the business issues of medicine. Many Family Physicians are still finishing their residency programs with little or no education for life after residency. Whether, the Family Physician joins a group, is hired by a hospital or sets up his/her own practice, there is much to be known **before** making the decision. Recently I reviewed another contract for a resident soon to graduate and join a group. In the contract, there were a number of ambiguous clauses that could haunt the doctor later on not to mention simple errors. The base for bonus could float depending on the decisions of the owners for example. If the Family physician decides to set up his/her own practice, there are numerous decisions to be made such as type of legal entity, location, managed care contracts, staffing, equipment, financing not to mention ongoing management. Every Family Physician is different and has similar but different goals. All want to be successful but success is defined differently. Some want to have an expansive type practice that will include multiple providers. Some are content to be the only provider. In each instance, the Family Physician needs to be able to measure success toward their goals. A recent concept is the "Dashboard". When you are driving your car, you periodically look at the dashboard to see that you have enough gas to get you where you want to go. You may also look at the temperature gauge to see that the car is not overheating. You may also see a sign that your brakes need to be repaired. Family Physicians need to set up a dashboard to

measure important management issues such as the number of new patients they are seeing each month, where referrals are coming from, collection percentage, cost of operation and patient transfers to name a few dashboard items . The Family Physician may want to know how many medical procedures of a certain type he has performed during the past month or year. Almost all of the above information can be tracked from the office practice management system if someone extracts and measures the data.

We all acknowledge that patient care always comes first. However, if Family Physicians do not understand the business issues of their position or practice, they will struggle to meet their goals. Family Physicians may even be forced to change their goals.