

Parachute Checklist

Preparing for the jump into the world of private practice

Key to Success



The three A's

- **AVAILABILITY:** the amount of your time you are willing to spend in response to your patients' needs
- **AFFABILITY:** the impression of care and compassion you convey during that time
- **ABILITY:** the fund of knowledge and skill that you employ during the encounter

Common Myths

- Other physicians are my best referral source
- Always look for the lowest overhead
- You'll starve on your own
- The hospital has a great deal



Organization and Management Structures

Types of Medical Clinics

- Solo Practitioner
- Small single specialty group practice
- Large single specialty group practice
- Multi-specialty clinic
- Academic

Solo Practitioner

- Affords the most control to physicians
- Also provides the greatest number of headaches
- No economies of scale
- Best suited for very high income earners



Small Group Practice



- Composed of several physicians all in the same or similar specialties
- Affords some economies of scale
- Involves a greater commitment to working through the decision process

Large Group Practice

- Governance often by boards made up of rotating physician members
- Easy to get lost in the shuffle
- Offers superior negotiating abilities



Multi-Specialty



Multi-specialty

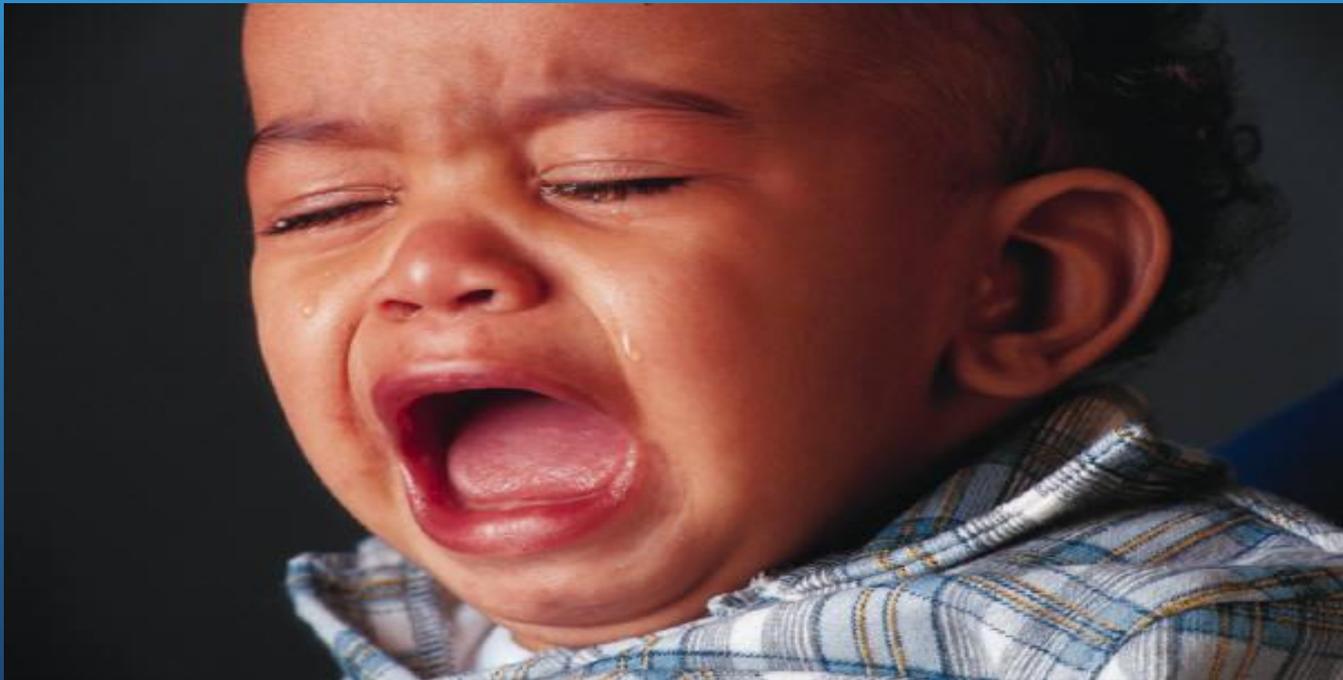
- Physician are employees of “The Machine”
- Very little input in day-to-day operations of your practice
- Zero autonomy
- Shared revenue from higher producers to lower achievers
- Income from multiple sources

Academia



- Rapidly changing division of the healthcare system
- Typically involves significantly less pay than similar private practice opportunities
- Headaches similar to those of solo practitioner
- More intellectually satisfying

Human Resources



H.R. Puffenstuff

- The most critical part of your private practice success after the three A's have been mastered
- The Puff: building up morale, listening to suggestions, lending support
- The Stuff: hiring, firing, conflict resolution, EEOC, OSHA, HIPPA, alphabet soup

Different strokes for different folks



- Can be a responsibility of a manager
- Most larger practices have a dedicated FTE for this role
- Multi-specialty and Academic practices typically have a Human Resources Department
- Consistency is critical!!

The Business of Medicine

“I just want to help people”

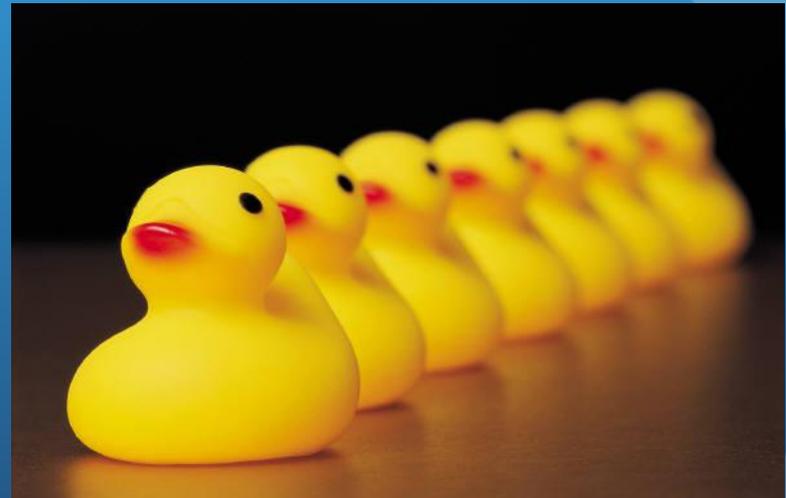
- It may have gotten you into medical school but it won't pay the rent
- There is nothing obscene, illegal, or immoral with making a better than average living practicing ethical medicine
- Ultimately, if your business model fails, you and your patients suffer

Good Doctor doesn't equal Good Businessman

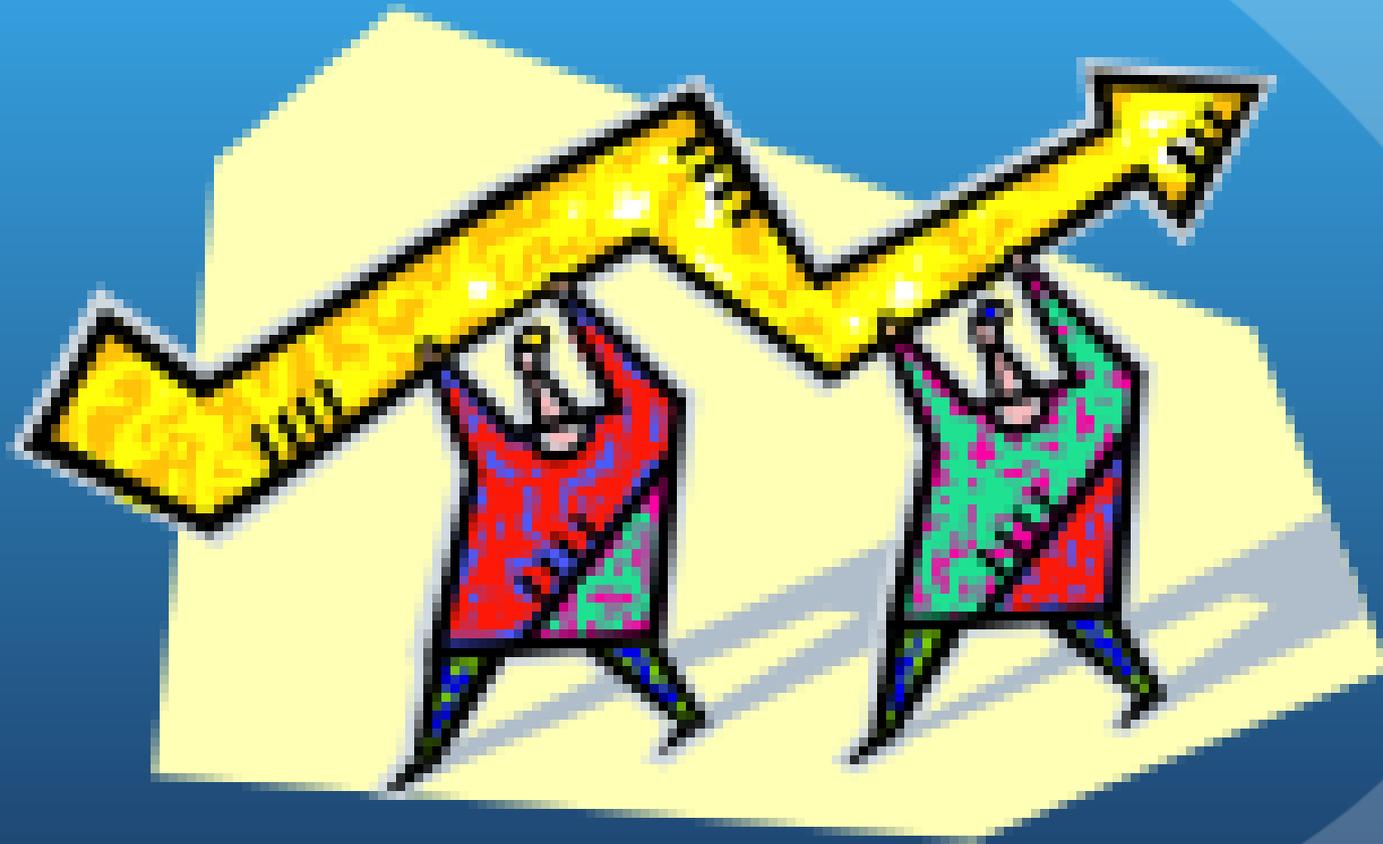
- Mistakes are often more expensive than advice
- You must physically work out with pen and paper both best and worst case scenarios
- Everyone makes mistakes. What you do with those mistakes determines your success
- There is no substitute for hard work

Business Success

- Always read completely any document before you sign it
- Nothing is as good as it looks
- Rely on opportunities that benefit from your hard work



Billing and Coding



Coding, Charge Submission, and Collections

- The first two components are a function of the physician
- Larger offices employ “coders” to enhance and expedite the process
- Collections are best handled in-house, although some or all of this function may be farmed out

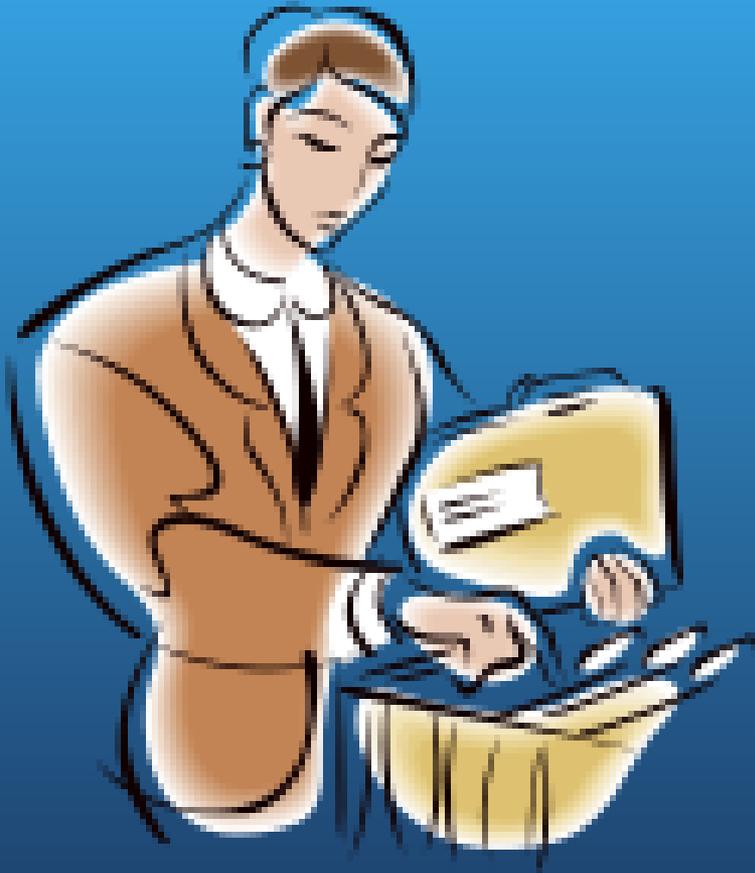
Benchmarks

- Manipulations of data regarding your practice that MAY suggest areas of possible improvement
- The numbers CAN lie if you present them in a half truth fashion
- Are often used in billing and collections to establish a physician's performance
- Wal-mart doesn't accept RVU's

Legal Issues



Lawyers, lawyers, everywhere...



- Attorneys are a permanent part of our society
- Surprisingly, the vast majority are hard working ethical people who will give you much more respect than you will return

Useful Lawyers

- Corporate attorneys - to assist you in setting up your practice
- Tax attorneys - to help you reduce your tax burden
- Malpractice attorneys - to reduce your chances of a successful claim against you
- Estate planning attorneys - to ensure that you do have an inheritance to leave your children

How do we put all this
together?

Systems based approach



- Identify those components of your practice that are working
- Look for ways to improve them
- Apply the strengths of that system to less productive components

Example #1 Public Service

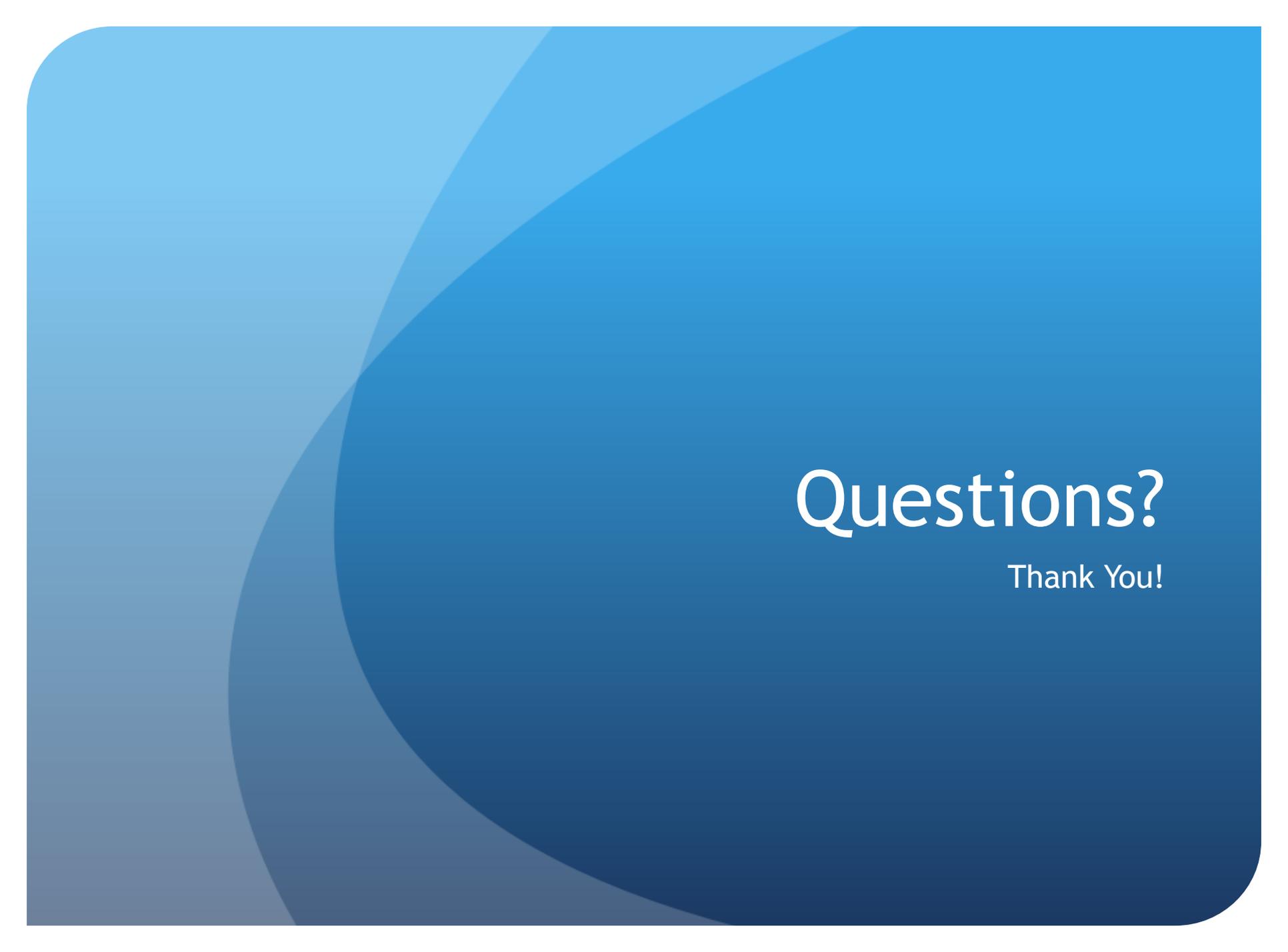
- You perform a scoliosis screening for the public school system in your parish
- You immediately notice an increase in new patients directly from this public service
- You decide to provide the same service to private schools and see not only an increase in patients but also in reimbursement from services performed on these better insured children

Example #2 Collegial activity

- You agree to serve as president of your 13-physician pediatric group
- Part of your duties include attending meetings at the local hospital, allowing you greater interaction with other specialties and hospital administrators
- Through this interaction, you seize the opportunity to let everyone know that your group has expanded its services to include treatment of childhood obesity
- You form marketing relationships with the hospital to promote your expanded services

Example #3 Turning failure into fortune

- Your 13-physician groups breaks apart when the hospital hires 4 of your least productive partners to become pediatric hospitalists
- You quickly and thoroughly reassess your market and determine that expanding hours and adding child psych services will maintain your profit margin
- You rapidly regain market share and the hospital offers you the exclusive contract for pediatric services in their facility

The background is a blue gradient with several overlapping, semi-transparent circular shapes of varying shades of blue, creating a layered effect.

Questions?

Thank You!