

Life After Residency

How To Plan



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PARADIGM SHIFT

FROM

Specialized Care
Institution Based
Treatment
Acute Care
Individual Patrons
Cost Unaware
Technology Oriented
Indemnity
Competition
Local Market
Content Mastery
Retrospective
QA
Internally Focused
“Scrimping”

TO

Primary Care
Ambulatory Based
Prevention
Chronic Care
Patient Panels
Cost Aware
Humanistically
Managed Care
Cooperation
Regional Markets
Process Mastery
Prospective
QI
Externally Oriented
“Having A Little \$\$\$”

Largest Shift

- ◆ **Move from an environment where controls are based on traditions and training to:**
- ◆ **Free Market Controls**
- ◆ **Both systems have methods for making sure that you don't do the wrong thing for very long.**
- ◆ **You will understand the controls in the teaching setting and pay a tuition, of some sort, to be in this environment.**
- ◆ **In the Healthcare Market you can do anything you want to do.**

Free Market

- ◆ **This “Ultimate Freedom” has “Unseen Controls”**
- ◆ **Depending on whether or not you meet expectations of:**
 - ◆ **patients**
 - ◆ **payers**
 - ◆ **employees**
 - ◆ **colleagues in the referral chain**
- ◆ **The Tuition?**
 - ◆ **The amount of salary that you don’t take home**
 - ◆ **And if you carry your freedoms too far, you can be housed in another very well controlled environment**

Free Market

- ◆ **So how do you not pay too much tuition in the Free Market Place**
- ◆ **You set your own controls**

SET GOALS!

- ◆ **Personal Goals**
- ◆ **Professional Goals**
- ◆ **Practice Goals**

GOALS ...

Should be:

(1) quantifiable, and

(2) in writing

to be clearly understood!!

PERSONAL GOALS

- ◆ **The amount of income required to maintain current or desired lifestyle**
- ◆ **The amount of income required to educate children**
- ◆ **The amount of income required in the next few years for special purchases or investments**
- ◆ **The amount of time off required each day, each week, and each year**
- ◆ **Expected date of retirement**
- ◆ **Funding for retirement**

PROFESSIONAL GOALS

- ◆ **The type of practice, solo vs group**
- ◆ **The types of patients the physician prefers to see**
- ◆ **The types of patients the physician prefers not to see**
- ◆ **Number of patients the physician wants to see each day**
- ◆ **Call rotation the physician would be willing to accept**
- ◆ **Desire to pursue medical political office**
- ◆ **Type of continuing education to be pursued**
- ◆ **Desire to pursue an academic career**
- ◆ **Level of desire to do research**
- ◆ **Willingness to become involved and spend time in “marketing”**
- ◆ **Level of involvement in business issues**
- ◆ **Role of physician in strategic planning**

PRACTICE GOALS

- ◆ **Use the Interview Process**
 - ◆ **Mission and Vision Statement**
 - ◆ **Written Long and Short-Term Goals**
 - ◆ **Position Description**
 - ◆ **Physicians' Manual**

PRACTICE GOALS

- ◆ **The ultimate size of the practice**
- ◆ **The types of patients to be attracted**
- ◆ **Types of patients, you don't want**
- ◆ **The number of offices and their locations**
- ◆ **The number of hospitals/facilities that will be serviced**
- ◆ **The type and depth of services to be offered**
- ◆ **Hours of operation**
- ◆ **Fee structure**
- ◆ **Participation in insurance plans, including HMOs, PPOs, or other types of plans**
- ◆ **Practice involvement in teaching**
- ◆ **The need for capital to build a new building, surgery facility or purchase equipment**
- ◆ **The commitment to developing a Practice marketing plan**

CLARIFYING THE PRACTICE'S MISSION

- ◆ **What business should we be in?**
- ◆ **What is our basic purpose?**
- ◆ **What is unique or distinctive about our Practice?**
- ◆ **Who are our principal patients?**
- ◆ **What are our main services, present and future?**
- ◆ **What are our principal market segments, present and future?**
- ◆ **What are our primary delivery sites present and future?**
- ◆ **What is different about the Practice from what it was 3-5 years ago?**
- ◆ **What is likely to be different about the Practice 3-5 years in the future?**
- ◆ **What are the economic concerns and how are they measured?**
- ◆ **What philosophical issues are important to the Practice's future?**
- ◆ **What special considerations do we have in regard to the following:**
 - ◆ **owners, employees, patients, suppliers, general public, others?**

STRATEGIC PLANNING

- ◆ **Maximize Cash Flow**
- ◆ **Minimize Risk**
- ◆ **Defend Market Share**
- ◆ **Promote Orderly Growth**
- ◆ **Maintain an Up-to-date Practice**
- ◆ **Anticipate Problems and Downturns**
- ◆ **Improve Productivity (physicians & staff)**
- ◆ **Expand Practice Asset Value**
- ◆ **Improve Patient Care**
- ◆ **All of which translates into “inertia”**

SEEK ASSISTANCE

- ◆ **Mentor**
- ◆ **Placement Resources**
- ◆ **Practice Management Consultant**
- ◆ **Healthcare Attorney**
- ◆ **Healthcare Accountant**

JOB SATISFACTION DEPENDS ON ...

- ◆ **A Good Match**
 - ◆ **Not just with them, but with your own personality**
 - ◆ **For example, is your personality more toward research**
 - ◆ **Would you rather be an employee?**
 - ◆ **Or do you want to be the owner?**
- ◆ **Trusting Ethical Relationships**
 - ◆ **Above Board**
 - ◆ **or Walking the Line**
- ◆ **Of all the aspects of joining a practice, this match is the most important**
- ◆ **Regardless of best intentions and well defined contracts, etc. difficulties will surface.**
- ◆ **It's how you and your employer/partners overcome them, that is your measure**

THE CONTRACT

A written contract provides definition to the relationship.

- ◆ **Partnership or Shareholder Agreement**
- ◆ **Employment Contract**
- ◆ **Independent Contractor Agreement**

EMPLOYMENT CONTRACTS

- ◆ **Begin with a written letter of intent**
 - ◆ **Less Formal**
 - ◆ **Less Adversarial**
 - ◆ **Easy to Develop Terms and Conditions**
 - ◆ **Becomes Outline for Contract**
 - ◆ **Not Binding**

UNDERSTAND THE CONTRACT RELATIONSHIPS

- ◆ **Obtain Copies of All Referenced Materials**
- ◆ **Understand How the Parties to the Contract Relate - Who Has the Power?**

EMPLOYMENT CONTRACT - POINTS TO BE COVERED

- ◆ **Professional Time**
- ◆ **Salary and Incentives**
- ◆ **Professional Liability Coverage**
- ◆ **Dues and Licenses**
- ◆ **Insurance - Health, Life, Disability**
- ◆ **CME**
- ◆ **Vacation Days**
- ◆ **Retirement Plan**
- ◆ **Auto Allowance**
- ◆ **Professional Publications**
- ◆ **Inability To Work**
- ◆ **Non-compete Covenant**
- ◆ **Termination**
- ◆ **Term of Contract**
- ◆ **Ownership Process**
- ◆ **Use a State-based Healthcare Attorney to review the final contract**

KEY ELEMENTS OF A WELL RUN PRACTICE

- ◆ **As a physician, you are trained not to give medications w/o knowing the contraindications. Management of a practice requires the same discipline.**
 - ◆ **Business Management by Executive Overview**
 - ◆ **Physicians Perform as an Executive Management Team**
 - ◆ **Established Management Structure**
 - ◆ **The “Keystone” - Practice Manager**
 - ◆ **Adoption of Well-Proven Business Methods and Disciplines**
 - ◆ **Structured Information Meetings**
 - ◆ **Customized and Meaningful Management Reports**

MANAGEMENT STRUCTURE

- ◆ **Depends on the size of the organization**
 - ◆ **Larger practices may allow for a more executive type involvement, I.e. a taller hierarchy**
 - ◆ **Smaller practices require a flat and lean management, I.e. you need to roll up your sleeves, involvement**
 - ◆ **Regardless of the size or style, “abdication of involvement” is always fatal.**

MANAGER RESPONSIBILITIES

- ◆ **Administering**
- ◆ **Hiring and Firing**
- ◆ **Training**
- ◆ **Motivating**
- ◆ **Selling and Cheerleading**
- ◆ **Leading By Example**

HAVE THE RIGHT PERSON!

- ◆ **Approachable**
- ◆ **Motivates**
- ◆ **Good Listener With Good Communication Skills**
- ◆ **Delegates Effectively and Appropriately**
- ◆ **Able to Provide Direction and Discipline to Employees**
- ◆ **Can “Walk the Physicians’ Talk”**
- ◆ **Willing To Document**
- ◆ **Computer-oriented**
- ◆ **Can set priorities and balance multiple issues**

TRADITIONAL BUSINESS MANAGEMENT TOOLS

- ◆ **Mission & Value Statement**
- ◆ **Written Goals With Regular Feedback Mechanisms**
- ◆ **Job Descriptions**
- ◆ **Practice Policy and Procedures Manual**
- ◆ **Regular Performance Evaluations & Compensation Evaluations**
- ◆ **Physician Handbook (large Practices)**

REGULARLY SCHEDULED PHYSICIAN MEETINGS

- ◆ **Weekly Operations Meeting**
- ◆ **Monthly Business Meeting**

CUSTOMIZED MANAGEMENT REPORTS

- ◆ **Do they monitor the “handoffs” where the work occurs or are they “hands-off”**
- ◆ **Practice Trend Analysis**
- ◆ **Budget Variance Report**
- ◆ **Referring Physician Reports**
- ◆ **Periodic Chart Audits**
- ◆ **Compliance Issues**

FRAUD, ABUSE, COMPLIANCE, & PRIVACY PLANS

- ◆ **Do compliance and privacy plans exist?**
 - ◆ **Unnecessary services**
 - ◆ **Inadequate records**
 - ◆ **Unintentional misuse of modifiers**
 - ◆ **Limiting charge violations**
 - ◆ **Failure to comply with participation agreement**
 - ◆ **Etc.**

FRAUD, ABUSE AND COMPLIANCE PLANS

- **Fraud - The intentional deception or misrepresentation which the individual knows to be false ... and leads to some benefit being gained.**
- ◆ **Knew or Should Have Known**
 - ◆ **Billing for services not provided**
 - ◆ **Billing covered codes for non-covered services**
 - ◆ **Deliberate false diagnosis coding to obtain payment**
 - ◆ **Routine waiver of co-insurance or deductible amount**
 - ◆ **Falsifying records to justify payment**
 - ◆ **Changing dates of service to circumvent coding edits**

POTENTIALLY ILLEGAL INCENTIVES

- ◆ **Payment or Any Incentive by a Hospital for Patient Referrals**
- ◆ **Free or Significantly Discounted Office Space or Equipment (usually near a hospital)**
- ◆ **Free or Significantly Discounted Billing, Nursing or Other Services**
- ◆ **Supplemental Income From a Hospital if Below a Certain Level**
- ◆ **Low Interest or Interest Free Loans Which May be Forgiven**
- ◆ **Payment of Travel and Expenses for Conferences Which do not Directly Benefit the Hospital**
- ◆ **Excess of Fair Market Value Paid for a Physician's Services**

HOW IS FRAUD AND ABUSE DETECTED?

- ◆ **Complaints from Beneficiaries or Family, and Employees**
- ◆ **Complaints from Other Physicians**
- ◆ **Anonymous Tips**
- ◆ **Billing for Services or Supplies Appearing to be Unjustly Expensive**
- ◆ **Peer Comparisons**
- ◆ **Provider Utilization Patterns**
- ◆ **Charge Limit Violations**
- ◆ **Focused Medical Review**

COMMON AUDIT DISCREPANCIES

- ◆ **Fragmentation of Surgery Codes**
- ◆ **Medically Unnecessary Skin Lesion Removal**
- ◆ **Up-coding of E&M Codes**
- ◆ **E&M Codes Billed on the Same Day as a Procedure**
- ◆ **Inappropriate Use of Modifiers**
- ◆ **Referrals Billed as Consultations**
- ◆ **Inappropriate Billing of Anesthesia Time**

AVOID MANAGED CARE DE-SELECTION

- ◆ **Be Accessible**
- ◆ **Return Phone Calls**
- ◆ **Respond to Written Notices**
- ◆ **Show Care and Concern**
- ◆ **Be Timely**
- ◆ **Provide a Pleasant Environment**
- ◆ **Comply with Rules and Regulations**
- ◆ **Keep Complete and Legible Medical Records**
- ◆ **Be Open to Audits and Receptive to Suggestions**

STRATEGIES FOR WIN/WIN PARTNERSHIPS

- ◆ **Make a “good match” for you**
- ◆ **Listen and Respond to Patients**
- ◆ **Emphasize Good Communication Skills**
- ◆ **Commit to Quality**
- ◆ **In All Relationships Share a Vision and Have Common Goals**
- ◆ **Tap into Larger Resources When Necessary**
- ◆ **Focus on Local and Regional Healthcare Needs and Issues**

REMEMBER

- ◆ **That “paying tuition” in the healthcare marketplace is not uncommon and you aren’t the first person to make a mistake.**
- ◆ **Learn and enjoy your profession.**

Thanks

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