## THE LAST WORD IN PRACTICE ECONOMICS

## **Increase the Size** of Your Fishbowl

Growth often requires adding associates or physician extenders.

hen I was watching a news show the other evening, a featured report caught my attention. Giant goldfish were being found in a number of lakes around the country. Some of these were estimated to be football sized, weighing 9 pounds. I had previously heard claims that the size of the bowl limits the growth and eventual size of a goldfish. Reportedly, if you move one into a bigger bowl it will grow larger in size than one left in the smaller bowl. A comparable situation can be argued for podiatric practices. The size of a DPM's physical plant-its fishbowl-can limit the ultimate size of the practice. While it is obvious that the number of available rooms is important in determining how much a practice can grow, a less obvious "space availability limitation" is the number of slots in the appointment book for scheduling patient visits. A shortage of available appointments is often the most common constraint limiting practice growth.

If you were to ask physicians, "How many patients do you typically see when your schedule is fully booked?" you will receive widely varying responses. Some consider themselves "fully booked" at fifteen patients a day, while others are comfortable seeing thirty, forty, or even more. If you were to ask each of these doctors how they determined the "maximum" number of patients they can see on any given day, most would say that they have no idea. More often than not, whether electronic or paper, their appointment books have predetermined the maximum capacity of their practices—with this artificial determination often putting a lid on growth.

BY JON A. HULTMAN, DPM, MBA

Every practice eventually reaches a point of equilibrium at which volume levels off and growth stops. This point is different for each practice, but quite often, it is reached because a predetermined number of slots in the appointment book have been filled. This numfurther; he never considered the possibility of booking patients every fifteen minutes. Rather, he now saw his schedule as being "full" at twenty-four patients. Extra slots do not pose a problem. When you have them, you can use several in a "block" to schedule longer appointments for specific services.

Regardless of the type of appointment "book" you currently use, if you want your practice to grow, that "book" must have more slots available than the number of patients you

## A shortage of available appointments is often the most common constraint limiting practice growth.

ber of available slots has often been determined arbitrarily by their software company, or has been based on the volume numbers of another practice. This decision usually has nothing to do with the specific doctor's physical plant or that doctor's and staff's abilities to see more patients. When serving as a resident, I observed one practice where patients were booked every half hour. The doctor had a stellar reputation and was booked weeks in advance. One day, he decided to change his booking from every half hour to every twenty minutes. Instead of seeing sixteen patients a day, he now saw twenty-four (with no difficulty). Virtually "overnight," the volume and income of his practice increased by 50%. Interestingly, this practitioner never went any

could possibly see on your busiest day. When that busiest day starts to become your average day, this is a signal that it may be time to add another doctor or a physician extender to the practice who can increase the number of patients who can be seen each day.

Another appointing option to consider is to overbook your current schedule. There is a good argument that overbooking "works." Many practices are overly focused on no-shows, often resulting in scheduling policies that waste staff time, alienate patients, and can lead to lower productivity. While it is important to generate noshow and cancellation reports so that these patients can be tracked and followed-up on, practices that call all *Continued on page 170* 

## Fishbowl (from page 169)

patients in advance to remind them of their appointments—or threaten to charge fees for missed appointments—are expecting that this will for shorter visits are typically seen as they arrive at the office anyway, reducing the possibility that any late patient will put the doctor behind.

While there are software programs that can automatically call

At the end of the day, you do not want your appointment book or your scheduling policies to artificially limit the growth of your practice.

"help" with productivity. They are attempting to ensure that the doctor will not be idle. While it makes sense to call the small number of patients who are scheduled for surgery or lengthy visits (this does tend to assure they will be on time and helps the doctor to stay on schedule), it is generally unproductive to call all patients. A percentage of them will still cancel or become no-shows. Patients scheduled patients to remind them of appointments, a better "solution" is to overbook patients, based on the practice's historic no-show and cancellation rates. Two University of Colorado researchers published a study (which won the 2007 "Best Paper Award" from *Decision Sciences*) showing that overbooking actually increases productivity. If a practice is efficiently managed, implementing

.....

this scheduling policy can reignite growth. The worst-case scenario occurs on a day when every patient shows up—making patient waits longer than average on that specific day. While there are worse problems a practice can face, if this occurs consistently, it further signals that the practice should consider taking on an associate or physician extender. At the end of the day, you do not want your appointment book or your scheduling policies to artificially limit the growth of your practice. **PM** 



**Dr. Hultman** is Executive Director, California Podiatric Medical Association, President, Medical Business Advisors, specializing in practice evaluations, valuations, and mergers. He is the author of *Reengineering the* 

Medical Practice and Medical Practitioner's Survival Handbook.