

Six Perennial Practice Management Problems

Here's how to solve—or at least mitigate--them.

BY MARK TERRY

Every podiatric medical practice will face problems and challenges. It's unavoidable. But some problems and challenges are more common than others. This article will look at 6 of those "perennials" and how to prevent, resolve, or at least mitigate them.

Time Management/Performing Non-Physician Tasks

Broadly, many podiatric physicians find they don't have the time they need in the day to do what they want or need to get done. Often, this comes down to time management issues or lack of delegation.



Rem Jackson

aren't you getting done? What is the problem? Make a list of the things that are not working, that you don't have time to do, and get a little bit of clarity around the issue."

Along with time management is a key question that should be asked: Are you performing tasks that only you can perform? Generally, that means you should focus on performing clinical tasks that only you can perform, while delegating most other tasks. Learning to delegate non-physician duties is vital. Is there any reason you should be the one overseeing standing orders or

running to Costco to pick up paper towels?

On the other hand, if you're running a podiatric medical practice, you are running a small business and there are likely administrative tasks only you can perform.

Melissa Lockwood, DPM, Heartland Foot and Ankle Associates (Bloomington, IL), notes there are several things on her computer that she needs to complete and



Dr. Lockwood

Since the COVID-19 pandemic, many podiatrists have struggled to find and retain staff. The labor market appears to be loosening up a bit, but finding good people is likely to always be a challenge.

John Guiliania, DPM, MS, Medical Director—Podiatry for Modernizing Medicine (Boca Raton, FL), notes, "Finding the right staff has always been crucial and getting the right person in the

"You have to slow down so that you can speed up. That means you have to take the time to make an assessment."—Jackson

fill out, which is "an administrative burden as a business owner, as a single doc. But compensation comes in by making sure that I am adequately setting aside time to be able to do these things. Some of my colleagues are really fighting to make sure they protect any administrative time they have throughout the week."

In that regard, schedule the administrative time and stick to it. Otherwise, learn to delegate. Design schedules that make sense and stick to them.

Staffing

Staffing is often associated with time management issues or the physician performing non-physician tasks. Do you have the right people in the right jobs? Do you trust them to do their jobs? Do they have the training and resources to perform their jobs properly?

right seat, even post-COVID, is still very challenging. A lot of businesses have addressed this challenge by simply paying more money. That might be an answer for some, but I'm not convinced that the cash flow consequences aren't greater than the potential benefits."

He adds that it's important to understand that there are many good, hard-working people out there looking for something more than just higher pay. They may want better work-hour flexibility, for example. (It's okay, though, to pay staff competitive wages. Really.)



Dr. Guiliania

Continued on page 88

Problems (from page 87)

Lockwood notes that many people are looking for opportunities for education and growth. But she also suspects many physicians would benefit from education on hiring as well. “There are many digital online courses now for you to be able to educate yourself on state guidelines and how to make sure you’re compliant with proper hiring and training laws. There are also a lot of opportunities and a lot of platforms online to help hire a new employee. When I started going to HR courses, I learned so much that I didn’t know.”

Cash Flow/Leaving Money on the Table

Many people have noted that only a crazy person would try to run a business the way healthcare operates. Negotiating the price of services with payers, having payment declined over minutiae, having to justify every procedure ... the list goes on and on. But having cash flow problems in a medical practice typically comes down to two factors. Guiliana says, “Fixed costs and variable costs. Generally speaking, both need to be looked at critically and both need to be negotiated.”

Fixed costs, by their very nature, can be difficult to renegotiate. These typically include rent, malpractice premiums, and in many ways, staffing. Variable costs include

consumables, repairs and maintenance, training or continuing education, and physician compensation.

Guiliana says, “Variable costs definitely can be renegotiated. But you have to keep in mind that any unit cost that rises with total patient volume is indeed a variable cost.” For example, he says, laboratory tests.

He goes on to say that negotiating lower variable cost per unit eventually means a greater contribution margin, which is a measure of how a specific product contributes to the overall profit of the practice. If your fixed costs have already been paid for, the rest is profit. “On the flip side of that coin, or the reimbursements, doctors have to understand and confirm that the carriers are indeed paying according to their contracted rates. And in a broad sense, they

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have to also make sure that those contracted rates are higher than the practice’s variable cost per patient,” Guiliana said.

Variable cost per patient is calculated by knowing your collective variable cost divided by your total patient visits. It is basically the practice’s breakeven point. “If the contracted rates aren’t even meeting the variable cost per patient, you’re not even breaking even,” Guiliana adds.

So much of the cash flow issue comes down to whether you are leaving money on the table. How many of your claims are being rejected? Are you getting the money you’re owed? Jackson points out that many practices—and even their billing companies—don’t necessarily follow up on denials. “They don’t make sure every claim is paid. Sometimes the billing company has staffing issues and they don’t even tell you when the cash runs out. Pay attention to your accounts receivables. Pay attention to whether you’re getting paid for what you’re doing and what percentage you’re getting paid. Failing to focus on the cash in any company is a fatal problem because without it you can’t stay open.”

Even though you may have a billing service and work with a CPA, you still need to understand your profit/loss statement and have a grip on your practice’s finances.

Rising Cost of Technology

Gone are the days when the federal government incentivized buying electronic medical record (EMR) systems. Practices will undoubtedly continue to buy new technology, whether it’s digital x-ray systems, lasers, or practice management software. Still, much of this new tech is expensive and only increasing in cost.

Guiliana believes that when it comes to investing in technology, you should view it through a different lens.

Continued on page 89

Problems (from page 88)

“Technology should really and truly be looked at as an investment as long as an investment continues to create better innovation, better efficiency, and better accuracy. While the cost of technology increases, the investment is still there. You’re getting a return on that investment that’s greater than the actual price of that investment.” He mentions that an early version of EMRs cost \$69 per month. “But what did they do? They did hardly anything other than create digital records for you. Today’s technology is far greater than that.”

A caveat is that to get your return on investment from technology, you have to use it. This may require spending some time and money for someone on your staff to be trained on it and train the rest of the staff on its use. Or if it’s something like a laser, you may need to market that technology to patients so they understand how it can benefit them.

Not Keeping Track of Patient Engagement

We live in a consumer-centric world [“How Podiatrists Can Keep Patients in the Age of Consumerism.” Podiatry Management, September 2019]. Although sometimes tied to

media, patient portals, practice websites, emails, texts, or phone calls. But it’s easy for busy practices to let this be back-burnered.

Guiliana says, “Consumerism has hit medicine harder than ever over the past decade. Patients are defi-

“Technology should really and truly be looked at as an investment as long as an investment continues to create better innovation, better efficiency, and better accuracy.”—Guiliana

Millennials, it’s just as true that the entire world has grown accustomed to customized, near-immediate retail experiences, such as Amazon. And in this new world of insta-health-care, physicians must stay engaged with their patients, working hard to communicate with them where they are—whether online, through social

nitely shopping around. So we really need to keep our fingers on the pulse of the patient experience. And again, technology can help with this. You can send out automated patient surveys to find out how they experienced your practice and your staff and respond accordingly.”

Continued on page 90

Problems (from page 89)

Not Marketing Wisely

In some ways linked to patient engagement, it's very easy for podiatry practices to put up their website, maybe have a Facebook page and an ad in their local newspaper and otherwise forget about marketing their practice. Sometimes, Jackson says, "It doesn't get done because they don't know how to do it. And then they let some of these less-reputable companies talk them into things that don't work."

Marketing should be an ongoing process, not a sporadic "campaign" activity. It also should be multi-faceted. Jackson has a marketing structure with four pillars: web-based marketing, referral marketing, internal marketing, and external marketing. Together they make a successful marketing strategy.

The key is first to make sure you actually do the marketing. Second, develop a strategy and assign its ex-

ecution to someone on your staff. Some of those efforts may be regular social media posts, updating your website, or producing content such as relevant articles or blogs or informational videos for your site or even a YouTube channel.

A third factor is targeted marketing. Targeted marketing means you understand the contribution margin your treatments provide and that your marketing focuses on these high-contribution margin treatments. For example, podiatry has a variety of palliative treatments for conditions such as diabetic foot treatments. Some of them, such as remote patient-monitoring, have a higher contribution margin.

Or perhaps you have a type of patient or treatment that you particularly like to focus on, whether that is sports podiatry, the elderly, diabetic patients, or something else. To create more of the types of patients you want to treat, your marketing should

target those populations.

And finally, track your marketing efforts. One approach is to simply ask where new patients found you. If you use mailings or flyers at local events, consider a code on them that your staff can ask about.

Every practice will have challenges. It's unavoidable. But the most common problems can be mitigated or prevented by understanding the issues and creating processes and responses to minimize or avoid them. **PM**



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