



# First COVID-19, Then the Change Healthcare Cyber-Attack... What's Next?

And are you prepared?

BY JOHN V. GUILIANA, DPM, MS

---

**W**hat interesting times we practice in! If COVID-19 and the recent Change Healthcare cyber-attack taught us anything, the lesson learned should be that there are common denominators associated with practice success... even during crises. The creation of a “have” and “have not” dichotomy within any industry is usually not caused by luck or good fortune alone. There are far more impactful strategies in play.

The first common denominator highlighted by these crises is that medical practices must be adaptable and flexible in a changing business environment. Business leaders must lead by example and create an environment where change is the norm rather than the exception.

Since your practice was established, market conditions and pa-

tient behavior might have changed significantly. This situation forces every business to adapt to new conditions or decline. You must show strong leadership and flexibility to adapt to changing circumstances to prevent decline. This may require upgrading the practice’s technology, pursuing new opportunities, or learning new skills.

There are a few signs that a business is at risk for decline:

- Cash flow declines.
- Increased employee turnover.
- Online complaints and poor reviews of your services.

---

**The creation of a “have” and “have not” dichotomy within any industry is usually not caused by luck or good fortune alone.**

---

- Patients pay bills late.
- Staff finds it difficult to collaborate.
- Lack of aspirations and leadership from management.
- Market share decreases.

Medical practices are also affected by the unexpected. For example, COVID-19 led to the inevitable inflationary pressures that our consumers now face. If we used economic terms to define how any given medical specialty is affected by inflation, we could do so by speaking about the “elasticity

*Continued on page 42*

*What's Next? (from page 41)*

of demand". When a good or service is inelastic, it simply means that the consumer needs that good or service, no matter the price or economic environment. For example, we can classify oncology as being relatively inelastic. But podiatry might be more on the elastic side of the scale. When faced with challenging economic choices, podiatric patients will eventually begin to reduce their consumption of services. So, again, it might be essential that you adapt and begin to plan how you will attempt to change consumer behaviors through an effective marketing strategy.

But it's not only just about marketing. It also might mean that you need to redefine your practice. The factors that will ultimately affect your elasticity of demand include the type of good or service, its price, consumer income, and whether a substitute is available. You may have heard of the term "fun-

Healthcare cyber-attack (<https://www.hhs.gov/about/news/2024/03/05/hhs-statement-regarding-the-cyberattack-on-change-healthcare.html>). If your cashflow was taken by surprise, you are not alone. In fact, according to a study performed by *Nationwide*, 70% of small businesses anticipate period

to an economic crisis is to cut staff. Use caution. It's often wise to refrain from considering the staff as a target to cut because when the crisis concludes (and it will), you'll want an experienced team in place to ramp up the practice. Removing key staff makes it hard to bring the practice

---

## In fluctuating economic times, liquidity is of the highest priority.

---

economic tough times, yet only 37% feel they are prepared for it.<sup>1</sup> Medical practices (and all small businesses, for that matter) must be better prepared for the unexpected.

To prepare yourself for the next inevitable crisis, there are a few proactive steps you should take. In fluctuating economic times, liquidity is of the highest priority. Without liquidi-

back to normal, and you may lose them to your competition. Additionally, staff reductions may make you ineligible or limited in the amount of financial assistance you receive from government programs.

Lastly, as an entrepreneur, the weight of the business resting on your shoulders can be a challenge. Take care of yourself mentally and physically during these crises, or risk professional burnout. You may need to connect with a business mentor, colleague, or even a professional counselor. If you don't take care of yourself, focusing on your practice's survival will be even more challenging. A crisis is usually temporary and, in every crisis lies an opportunity. People who are successful in business are not just lucky. They are also prepared. **PM**

---

## Take care of yourself mentally and physically during these crises, or risk professional burnout.

---

gibility". A good or service is fungible if one unit of the good is substantially equivalent to another of the same good of the same quality at the same time, place, etc. For example, money is fungible. One US \$10 banknote is interchangeable with any other genuine banknote. It is also interchangeable with two fives, ten ones, or any other combination of banknotes and coins, adding up to \$10.

On the other hand, diamonds and other gems are not perfectly fungible because their varying cuts, colors, grades, and sizes make it difficult to find several diamonds expected to have the same value. The specialty of podiatry needs to explore where the diamonds hide. How might you be able to differentiate yourself? You can explore niches in both clinical opportunities, such as comprehensive care for patients with diabetes to prevent lower extremity amputations, or niches in processes, such as customer service techniques that make your practice unique.

Recently, many medical practices were adversely affected by the Change

ty, you can't pay your bills, let alone yourself. Obtaining a business loan for working capital or a line of credit can act as a buffer, helping your practice bridge financial gaps and weather the downturn. However, the key is securing the right loan. Consider factors like interest rates, repayment terms, and potential penalties.

There might be other sources of money that can help. Some options to consider include Small Business Administration (SBA) loans, Business interruption insurance, and outstanding balances from existing patients. More attention to your accounts receivable could hold the answer to your transient cash flow crunch.

A crisis might be the time to review all your business expenses. Determine what can be trimmed so the business continues, but customer service doesn't get compromised. Look for non-vital services, advertising, and subscriptions to target. It pays to ask vendors if they offer short-term deferrals during economic turmoil.

A frequent knee-jerk reaction

### Reference

<sup>1</sup> Shippy, Graham, SURVEY: Small Business Owners Expect a Recession, But Few Are Prepared, *News.nationwide.com*, 2020, <https://news.nationwide.com/small-business-owners-expect-a-recession-but-few-are-prepared/>



**Dr. Guiliana** is a nationally recognized speaker and author on topics pertaining to medical practice management. He is a Fellow of the American Academy of Podiatric Practice Management and holds a Master's Degree in Healthcare

Management. He has authored numerous columns in various journals and is the co-author of *3 1/2 Essentials to Running Your Medical Practice*, as well as *The Million Dollar Practice...Keys to Success*. Dr. Guiliana is currently a Medical Director of Podiatry for Modernizing Medicine's award-winning technology. He can be reached at [John.guiliana@modmed.com](mailto:John.guiliana@modmed.com).