



Best Advice for Weathering Tough Times

Think like a CEO, not just a podiatrist.

BY MARK TERRY

Let's face it: healthcare can be a difficult business. The last decade, or even two, has presented numerous challenges to running a successful podiatric medical practice. Podiatric reimbursement trends show a significant long-term decline, especially with Medicare. This impacts profitability even with possible

Despite the gloom and doom, there are podiatric physicians who are not just surviving, but thriving. Here, podiatric physicians or practice management consultants offer their best advice.

1) Leverage Artificial Intelligence (AI). If you're



Rem Jackson

to create more efficiencies in your practice.

Rem Jackson, CEO of Top Practices, LLC (Las Vegas, NV), says, "All of us need to lean in very proactively on these AI tools that are coming, that are deploying right now."

For example, AI scribes, which Jackson predicts almost everyone will be using within the next year. "It's not hyperbole. It's real. It makes paperwork and everything associated with preparing your notes and billing infinitely less expensive and much more efficient, gaining a lot more time where you don't have to take work home."

Granted, Jackson notes that this is what was said about electronic health records (EHR) and practice management software one or two de-

Continued on page 72

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increases in patient volume. Medicare is also pushing for a shift from fee-for-service to a value-based reimbursement approach, which generally requires a risk-based model, which is difficult, or even impossible, for small and solo practices to implement.

skeptical about artificial intelligence (AI), that's reasonable. But whether you believe it's the next best thing to sliced bread or think it's overblown hype, it's here to stay at some level. And in many ways, as it currently exists for podiatrists, it has the potential

Best Advice (from page 71)

ades ago, and it was pretty much the opposite of what happened. “But AI is going to help the promise of that come into fruition,” he says.

Jackson also believes that another type of AI, the AI receptionist, is something to look at. “They can answer the phone. It is totally capable of handling complex conversations. If someone calls right after one call, they can handle that. It can talk to a thousand people at the same time in a hundred different languages. I’m not saying you’re not going to have

many things on our plate at once will lead to nothing getting done, and it might lead to anxiety.”

Dr. Wishnie says that what needs to be done first is evaluate what you have, then “perfect it, develop a well-oiled machine, and learn how to increase your per-visit revenue instead of seeing a zillion patients.”

3) Become the go-to specialist in your community. Do you specialize in sports medicine? Diabetic wound



Dr. Lockwood

“You might be at the point,” Lockwood says, “that procedure reimbursements are now down 10%, 15%, and in many cases 25% + lower for various reasons. It can depend on the payer; it can depend on the type of service that you’re providing. Diversifying those efforts can be fruitful in a couple of dif-

ferent ways.”

First, Lockwood says, many people are resistant to this kind of annual meta-analysis to find the lowest payer. For example, she says, “If you have a payer using Medicare, and they’re only paying me at 80% of Medicare, is that any longer worth my time for the reimbursement that I’m getting? Yes, it’s a body in the office. But if you actually look at the math, you might find you’re almost paying the patient to come in and see you when it comes to that payer.”

The point, Lockwood says, is that certain types of treatments and services that you’re providing may no longer be reimbursed at a rate that makes it profitable—or even break even. “It may not mean that you need to drop a payer; it might mean that you need to really minimize or decrease your risk of the number and types of patients you’re seeing for certain chief complaints.”

She notes that in podiatry, certain types of at-risk foot care “are so heavily regulated by the different payers that many commercial payers are no longer reimbursing for it, and they’re requiring so much administrative activity to get paid \$40 that your variable cost per patient is \$100 and you’re losing \$60 every time that nail care patient comes into the office.”

5) Diversity, Part 2. In Part 1, Lockwood suggests looking at paring down payers that are no longer reimbursing profitably as well as possible types of conditions you don’t necessarily enjoy treating routinely. She takes the next step, suggesting, “Can you find other things that are

Continued on page 73

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a receptionist in your office, because you need somebody to say, ‘Hey, it’s nice to have you here.’ If the patient asks to speak to a human, the AI will transfer them to the receptionist. They will be integrated either directly through APIs or into everybody’s EMR with access to the schedule and be able to schedule people and handle all the details 24 hours a day.”

2) Slow down to speed up. The secret to growing your practice—at



Dr. Wishnie

least if the definition of growth is “more profitable” or “greater revenue”—is, yes, slow down to speed up. Peter Wishnie, DPM, a leadership coach in Piscataway, NJ, says, “In today’s environment of getting information faster, we tend to want to do more. For example, we believe we have to see more patients to make more money. On top of that, maybe you want to build an in-office surgical suite, learn MIS (medical information system), add several cash modalities, or buy a larger office. Putting too

care? Pediatric podiatry? Focus your practice and promote it in a way that when anyone in your community says, “Oh man, I need to see a doctor for X,” their friends or family will say, “Oh, you should see Doctor Y. He or she is the best at that!”

John Guiliana, DPM, Medical Director—Podiatry, at Modernizing Medicine, says, “Instead of trying to be everything to everyone, position your practice as the local authority in whatever that focus might be—sports medicine and running injuries, diabetic wound care, minimally invasive procedures, pediatric podiatry, or regenerative medicine, for example.”

4) Diversify, Part 1. That might, on the surface, seem contradictory to the previous advice—specialize. That’s not quite what Melissa Lockwood, DPM (Heartland Foot and Ankle, Bloomington, IL) means here, though. She suggests you analyze your patient population and more importantly, your procedures, and evaluate which common procedures you perform where reimbursement has been on the decline.



Dr. Guiliana

PRACTICE MANAGEMENT

Best Advice (from page 72)

higher return on investment (ROI) that can be fruitful within the practice. Generally speaking, some of those might be different cash modalities, where you're offering regenerative therapies to the patient base and really promoting those items. I think a lot of docs tend to be very stagnant. You're not selling someone something, you're offering them a solution, and unfortunately, insurance doesn't have coverage for all of the solutions you offer them. But consider not letting insurance dictate your care."



Dr. Kelly

6) Leverage colleagues' experience. Pardis Kelly, DPM, Las Vegas Foot & Ankle Centers, notes that much of their success has come via the help and advice of colleagues. "We had our challenges," Kelly said. "We saw the most success, or what you call thriving, when we really became more efficient in our protocols and process-

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es; but that was predominantly done by joining groups like Top Practices. They outlined solutions for us. And we were able to talk to colleagues very openly about issues and numbers. So instead of reinventing the wheel, we copied each other's success and protocols. That's how we were able to really thrive."

7) Consider joining a group practice or network. After 26 years in practice, Kelly recently sold her practice to Balance Health. Some of the reasons for the sale are personal, but others are related to the ability of a network to leverage size and numbers to allow her to focus primarily on treating patients.

With the recent sale, she notes that she wanted to be part of a collective "that would take care of a lot of the background administrative issues." Kelly quotes Dr. Thomas Sowell, "'There are no solutions, there are only trade-offs.' So I traded. There are certain things I had in private practice, and now I'm part of the bigger group, and I traded off certain things that are more attractive to me as I am at the very last chapter of my professional life."

Continued on page 74

Best Advice (from page 73)

8) Make regular adjustments. Analyzing your practice's operations and procedures is not a one-time thing. Continuous process improvement is important. It's a good idea to evaluate your key performance



Cindy Sorenti

indicators (KPIs) regularly (See sidebar: 8 Key Performance Indicators).

Cindy Sorenti, president and CEO of Pinnacle Practice Achievement (Boston, MA), says, "First, make necessary changes and improvements every year based on pain points from the previous year. For example, if patient AR is out of control (a significant

“Utilize well-trained virtual assistants (VAs) for time-consuming tasks such as eligibility and benefit checks and prior-authorization requests.”— Sorenti

volume of patients with large, old balances), adjust your financial policy on the first of the year. Check that all patients have active coverage at every visit and collect a 'deductible deposit' from those with high-deductible plans (not Medicare patients)."

9) Maximize high-value services. This can apply to a wide range of services, but let's focus here on ancillary care products or services, such as physical therapy, vascular testing, and nerve testing. Guiliana lists several, including "a custom orthotics program, diabetic foot care programs with LEAP (lower extremity assessment protocol) protocols, in-office dispensing of products like creams, pads, and braces, durable medical equipment

8 Key Performance Indicators (KPIs)

These eight key performance indicators can help you track the health and success of your practice. They should be reviewed monthly, quarterly, and annually.

1 Monthly charges. This refers to the number of bills for service your practice makes.

2 Monthly collections. This refers to how much you actually receive, as opposed to how much you're actually owed.

3 New patients. Track how many new patients come into your practice. Look for trends associated with marketing efforts.

4 Total patient visits. Total number of visits isn't always a key number, but it's an important number.

5 Accounts receivable (AR). Accounts receivable is the outstanding monies owed to the practice. This is also a measure of how long claims are overdue. Claims over 90 days should be less than 20 percent of your total AR. That's how to know the KPI of revenue cycle management (RCM) is being handled appropriately.

What you want to know is "days in AR," or the average number of days it takes to collect the payments due to the practice. Although your medical practice management software should be able to handle it, a calculation is based on the average daily charges for several months (for example: add up the last six months of charges and divide by the total number of days in those months). Divide the total accounts receivable by the average daily charges, which is the Days in AR.

Typically, a high-performing medical practice's billing is 30 days or less in AR. The average is 40 to 50 days, and 60 days is below average.

6 Per visit value (PVV). This is also sometimes called revenue per visit (RPV). It refers to how much money you bring in per visit. Calculate by knowing the collections and dividing by total patient visits. This indicates how each provider is measuring up and comparing to one another on the clinical protocols and utilization of services.

7 Net collection ratio. This is $[(\text{Your Collections} + \text{Your Contractual Obligations}) \div (\text{Your Charges})] \times 100$. Once you properly adjust accounts according to contractually obligated write-offs, you can calculate your net collection ratio. The best net collection ratio is greater than 93%.

8 First-pass denial rate (FPDR). This indicates what percent of claims are not getting billed out correctly. For example, it costs about \$25 to rework a claim that has been denied. If you have 20,000 claims and a 20% FPDR, that comes to 4,000 denials; 4,000 denials X \$25 is \$100,000. It adds up. Ideally, the FPDR should be less than 5%. **PM**

like boots and AFOs (ankle-foot orthoses), regenerative options such as EPAT (extracorporeal pulse ac-

tivation technology), PRP (platelet-rich plasma), DPMx (human

Continued on page 75

PRACTICE MANAGEMENT

Best Advice (from page 74)

umbilical cord allograft), and nail restoration such as KeryFlex.”

10) Hire virtual assistants (VAs). Sorenti suggests leveraging virtual assistants, or VAs. These are remote professionals who provide administrative and sometimes technical or creative support. Sorenti says, “Utilize well-trained virtual assistants (VAs) for time-consuming tasks such as eligibility and benefit checks and prior-authorization requests. There are reputable companies that provide VA services at a very low cost when compared

“Think like a CEO, not just a podiatrist.”—Guiliana

to in-house staff. Paying a VA \$10 per hour to sit in hold with Blue Cross is much more cost-effective than paying a medical assistant \$18 per hour and pulling him or her away from patient care. Before hiring VAs, you must have a protocol in place for all the tasks you need them to perform. This allows them to train quickly and take on more responsibility in the future.”

11) Leverage digital marketing. By now, everyone likely knows that digital marketing is the way to go—potentially more affordable, and it certainly reaches people where they are, on social media and the Internet. The value of “a clean, fast, mobile-friendly website” can’t be overstated, says Guiliana. And ensure that your website and online presence are optimized for local search engine optimization (SEO), featuring reviews, up-to-date information, and fresh content, such as photographs, educational videos, and downloadable articles addressing common patient concerns.

12) Think like a CEO. And finally, Giuliana says, “Think like a CEO, not just a podiatrist. A thriving practice requires: strategic planning—the status quo is dangerous; financial literacy—learn how to manage finances; clear marketing systems; and investment in staff, tech, and patient experience.”

It seems like
the business of healthcare has long been a tough environment for running a medical practice. But with deliberate and thoughtful approaches, and a savvy strategy, it can be possible to thrive. **PM**



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