The Future of Ophthalmic Practice: A Culture of Collaboration

Ravi D. Goel, MD
Financial Disclosure

Nothing to disclose
Emotional Intelligence: 
Be Awesome.

Rob Melendez, MD, MBA
Eye Associates of New Mexico

Maureen Waddle, MBA
BSM Consulting
“What Makes a Leader?”

“IQ and technical skills are important, but emotional intelligence is the sine qua non of leadership.”

- Daniel Goleman

Leadership Characteristics

- Charisma
- Confidence
- Decisiveness
- Intelligent
- Creative
- Integrity
- Strategic
- Goal-oriented
- Responsible
- Loyal
- Funny
- Consensus Builder
- Articulate
- Energetic
- Calm
- Decisiveness
- Contemplative
- Thoughtful
- Aptitude
- Determined
- Organized
- Positive
- Adaptable
- Detail Oriented
-Works Hard
- Motivational
- Outgoing
- Positive
- Inquisitive
- Passionate
- Adaptable
- Energetic
- Positive
- Inquisitive
Key Aspects of Being an Effective Leader

- Social Skills
- Empathy
- Motivation or passion
- Ability to self-regulate or manage emotions
- Self-awareness
Personality/Behavior Styles: Your Color Energy Mix

- Competitive
- Focused
- Determined
- Strong
- Purposeful
- Sociable
- Dynamic
- Demonstrative
- Enthusiastic
- Caring
- Encouraging
- Sharing
- Patient
- Relaxed
- Cautious
- Precise
- Deliberate
- Questioning
- Formal
- Aggressive
- Controlling
- Driving
- Overbearing
- Intolerant
- Excitable
- Frantic
- Indiscreet
- Flamboyant
- Hasty
- Docile
- Bland
- Plodding
- Reliant
- Stubborn
- Stuffy
- Indecisive
- Suspicious
- Cold
- Reserved

Prepare for Change: Disruptive Technologies and Trends in Ophthalmic Practice

Robert Wiggins, MD MHA
Linda Harrison, PhD
AAOE Ophthalmology Business Summit, March 23, 2019
Disruptive Technology and Eyecare Delivery

1. EHRs-scribes, assistants, and throughput
2. Part B drugs-models of administration (e.g. PA’s, APN’s)
3. Online glasses, contact lenses, refractions, and exams
4. Artificial intelligence, application-based examination selfies and disease diagnosis and monitoring
Disruptive Innovation
Clayton Christensen: The Innovator’s Dilemma 1997
Disruptive Innovation

What Can AI* Do Now?

• Some input data (A) is used to quickly generate a simple response (B)

• A photo tagger will require tens to hundreds of thousands of pictures (A) to tell you if there are people in them (B)

• A speech recognition system requires tens of thousands of hours of audio (A) together with transcripts (B)

*AI = Artificial Intelligence=Prediction Machines
Value Your Practice: Current Investment Trends in Ophthalmology

Mark Abruzzo, Esq.
Robert Wiggins, MD, MHA
Kristin Carter, MD
Should Method Matter?

- Methods will produce varying results
  - Most appraisers use various methods and average the results
  - All methods require subjectivity, to some degree
  - Methods, if correctly applied, should NOT produce WILDLY different results
Summary: Real Estate Valuation and Sales

• Real estate equity valuations and sales require careful consideration by potential new partners and current owners

• Rising interest rates may require some “work arounds” to promote buy ins that are fair to new and current owners

• Valuations of medical real estate by commercial investors are currently relatively high.
Solo/Small Practice

- IN THE ERA OF CONSOLIDATION/ PRIVATE EQUITY

- Small practice offers
  - Local community knowledge
  - Can better manage patient experience in the office
  - More personal feeling than large corporate practice
  - More control over your own destiny
  - Ability to quickly “pivot” in response to constant changes in healthcare industry.
Understanding Financial Statements

Derek Preece, MBA
Ann M. Hulett, CMPE
Three Key Financial Statements

**Balance Sheet**
- What the practice owns on a given date
- What the practice owes on that same date
- What remains is equity

**Income Statement**
- Collections coming into your practice
- Money paid out for expenses
- Net profit

**Cash Flow**
- Beginning Cash
- Cash inflow
- Cash outflows
- Ending Cash
# Financial Statement Best Practices

| TIMELY          | Production Reports by the 10th  
|                 | Financial Statements by the 15 - 20th  
|                 | KPI Reports by the 20- 25th  |
| ACCURATE        | Consistent selection of accounts for posting of expenses  
|                 | Consistent philosophy on “above and below” the line costs  |
| CONCISE         | Statements designed to meet your financial management needs. Nobody can effectively absorb and prioritize twenty pages of data.  |
| COMPARATIVE     | Income Statements should always include the prior period information or budget comparison if you have one.  |
| TREND ANALYSIS | What is the number “supposed to be”? Good KPI reports show six and twelve month trends  |
THE ART OF CONTRACTING: EMPLOYMENT AND PAYER

Mark D. Abruzzo, Esq.
Wade, Goldstein, Landau & Abruzzo, P.C.
61 Cassatt Ave.
Berwyn, PA 19312
610-296-1800
mabruzzo@wadegold.com
PREPARATION

• With knowledge and understanding leverage (or lack thereof), have a game plan
  o Objective
  o Who to deal with
  o Negotiating style

• Be prepared to change on the fly
RESPECT THE PROCESS

• Put all your demands on table at the outset
  o “Piecemeal” negotiating can aggravate the other party
  o There is 0% chance you will get what you DON’T request.

• Prioritize your requests
Make Better Management Decisions Through Financial Data

Derek Preece, MBA
Ann M. Hulett, CMPE
Knowing How You Are Paid

Virtually every payer contract in the practice is a function of the Relative Value System and related to Medicare reimbursement in some manner.

Payment terms are most often expressed
- As a percentage of the Medicare allowable
- As a conversion factor that is applied to the Medicare RVU system.
## ANATOMY OF THE CODE

**CATARACT aka how we get paid...**

<table>
<thead>
<tr>
<th></th>
<th>National</th>
<th>Portland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Units</td>
<td>8.52</td>
<td>8.52</td>
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<tr>
<td>Work GPCI</td>
<td></td>
<td>1.01</td>
</tr>
<tr>
<td><strong>Adjusted Work Units</strong></td>
<td></td>
<td><strong>8.61</strong></td>
</tr>
<tr>
<td>Practice Expense Units</td>
<td>9.04</td>
<td>9.04</td>
</tr>
<tr>
<td>Practice Expense GPCI</td>
<td></td>
<td>1.054</td>
</tr>
<tr>
<td><strong>Adjusted Practice Expense</strong></td>
<td></td>
<td><strong>9.53</strong></td>
</tr>
<tr>
<td>Medical Malpractice Units</td>
<td>.60</td>
<td>.60</td>
</tr>
<tr>
<td>Medmal GPCI</td>
<td></td>
<td>.783</td>
</tr>
<tr>
<td><strong>Adjusted Medmal Units</strong></td>
<td></td>
<td><strong>.47</strong></td>
</tr>
<tr>
<td><strong>Total Adjusted RVUs</strong></td>
<td><strong>18.16</strong></td>
<td><strong>18.61</strong></td>
</tr>
</tbody>
</table>
**Analyze the Return on Investment**

<table>
<thead>
<tr>
<th>Example Return on Investment - OCT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instrument Cost</strong></td>
<td>$61,000</td>
</tr>
<tr>
<td><strong>Other Costs:</strong></td>
<td></td>
</tr>
<tr>
<td>Shipping and Install</td>
<td>$2,000</td>
</tr>
<tr>
<td>Maintenance Fee for Four Years</td>
<td>$14,000</td>
</tr>
<tr>
<td><em>(first year is warrantied)</em></td>
<td></td>
</tr>
<tr>
<td>EMR Interface</td>
<td>$1,250</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td>$78,250</td>
</tr>
<tr>
<td><em>(Assuming no other incremental costs)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Useful Life</strong></td>
<td>5 years</td>
</tr>
<tr>
<td><strong>Annual Cost ($78,250/5 years)</strong></td>
<td>$15,650</td>
</tr>
<tr>
<td><strong>Your Expected Utilization</strong></td>
<td>40/month</td>
</tr>
<tr>
<td>92133 – 25 patients</td>
<td></td>
</tr>
<tr>
<td>92134 – 15 patients</td>
<td></td>
</tr>
<tr>
<td><strong>Payable by Medicare?</strong></td>
<td></td>
</tr>
<tr>
<td>National Allowable</td>
<td></td>
</tr>
<tr>
<td>Other payers may pay more or less.</td>
<td></td>
</tr>
<tr>
<td>92133 - $38.52</td>
<td></td>
</tr>
<tr>
<td>92134 - $42.28</td>
<td></td>
</tr>
<tr>
<td><strong>Resulting Annual Revenue</strong></td>
<td>$19,166</td>
</tr>
<tr>
<td><em>(300 * $38.52 plus 180 * $42.28)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Return on Investment %</strong></td>
<td>22.46%</td>
</tr>
</tbody>
</table>

**Common Pitfalls**
- Shipping, install, table and training
- Fees to interface to the EMR
- “Incremental” staff costs
- Space is usually already available and not likely an incremental cost.
- Additional supplies
- Are you financing? If so, the interest is an additional cost.
- Are you purchasing the Service Agreement?

These *Other Costs* need to be added to the Annual Cost of the instrument.
Key Data Points You Need to Make a Good Strategic Decision

• Current Patient Access
• Revenue per Encounter for an MD
• Revenue per Encounter for an OD
• Projected Additional Encounters
Benchmark Process

- Identified the top 10% of practices and calculated the median results for this group.
- Identified the practices from 25-75% and the median of their results.
- Identified the bottom 25% of practices and median results from this group.
- Compared each of these three groups to identify differences and what we can learn.
What is the Secret Sauce of Top Tier Practices?

- High patient demand for services
- Highly productive doctors
- Patient flow spread over fewer doctors
- Sufficient quantity and quality of staff to allow the doctors to be productive
- Focus on profitable activities
Diagram Your Play: Strategic Management of Ophthalmology Practices

Robert Wiggins, Jr., MD, MHA
Maureen Waddle, MBA
2019 OBS
Strategic Planning Process

1. Gather Information
2. Market, Industry Analysis
4. Meeting: Identify Opportunity/Prioritize Goals
5. Develop Action Plan
6. Implement, Measure

Strategic Planning Process

Prepare
- Gather Information
  - External Forces: Market, Industry Analysis
- Situation Analysis:
  - Financial, Benchmarking, SWOT
- Identify Opportunity/Prioritize Goals

Meet
- Develop Action Plan

Do!
- Implement, Measure
# SWOT Examples

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weaknesses</strong></th>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Aging Providers</td>
<td>Have outgrown space; good rates available</td>
<td>Loss of Key Contacts</td>
</tr>
<tr>
<td>Reputation</td>
<td>Office Appearance</td>
<td>Demographics increasing demand – Add providers? New specialties?</td>
<td>New Competitor</td>
</tr>
<tr>
<td>Staff Experience</td>
<td>High Debt</td>
<td>New, large employer – possible satellite?</td>
<td>Closing of Surgical Facility</td>
</tr>
<tr>
<td>Control of Managed Care Contracts</td>
<td>Underutilization of Physical Space</td>
<td>Retiring Physician: Acquire Practice?</td>
<td>Hospital Backed Practice</td>
</tr>
<tr>
<td>High Market Share</td>
<td>High Expenses</td>
<td>Patient requests for glasses, contacts, and LASIK: Add New Services?</td>
<td>Merger of Competitors</td>
</tr>
<tr>
<td>Referral Network</td>
<td>Poor Systems</td>
<td></td>
<td>Loss of Referral Source</td>
</tr>
<tr>
<td>Experience Management</td>
<td>Chaotic Processes</td>
<td></td>
<td>Multi-Specialty Practice Adding Ophthalmology</td>
</tr>
<tr>
<td>Reporting</td>
<td>Overstaffed</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*AMERICAN ACADEMY OF OPHTHALMOLOGY®*

Develop a Culture of Excellence in Your Practice

Linda Harrison, PhD
Kristin Carter, MD
Rob Melendez, MD, MBA
Characteristics of a Culture of Excellence

- Mission Statement
- Clear Purpose and Meaning
- Mastery of Roles & Focus on High Performers
- Resilience to Change and Challenges
- Highly Collaborative Teams
- Pioneer Mentality
Why is it important to retain and engage staff?

A skilled and talented staff:

• Help ensure high quality patient care
• Make doctor's and practice administrator’s jobs easier
• Help clinic run smoothly and finish on time
• Can play a role in excellent reviews of practice and great first impression of practice
• Are the eyes and ears of the practice
2019
Know your Patient’s Communication Preferences

20 yo 40 yo 60 yo 80 yo 100 yo

PHONE APPS
PATIENT PORTAL
CELL PHONE USER
FIRST CLASS MAIL
TEXTING
Key Strategies: The Challenging Patient

• Preparation and self-awareness
• Communication skills
• Time management
• Written guidelines
• Documentation
• Second opinion, consultation, and referral
• Terminate the relationship
After an Unexpected Outcome or Error

- Disclose
- Empathize and Listen
- Consider an apology
- Answer questions
- Provide a roadmap
- Reinforce commitment
- Remain engaged
Growing Your Practice Through Collaborative Partnerships

Ravi D. Goel, MD
Anthony P. Johnson, MD
Heather Dunn, COA
Four barriers to collaboration

1. The not-invented-here barrier  
   (unwilling to reach out to others)

2. The hoarding barrier  
   (unwilling to provide help)

3. The search barrier  
   (unable to find what they are looking for)

4. The transfer barrier  
   (unable to work with people not known well)
The Level 5 Leader & Serving Leader

Level 5 Executive
- Build on Strength
  - Blaze the Trail
  - Raise the Bar
  - Upend the Pyramid

Level 4 Effective Leader
- Run to Great Purpose

Level 3 Competent Manager

Level 2 Contributing Team Member

Level 1 Highly Capable Individual
The Level 5 Leader, Serving Leader & Collaboration

- Personally humble
- Run to Great Purpose
- Devoted to service of others
- Organizational performance
- Disciplined collaboration optimizes results
Why Do You Need an HR Policy and a Manual?

Mark D. Abruzzo, Esq.
Key Components of an Effective HR Manual

• Maintained and Up-to-Date.
  o Compliant with current laws.
  o Consistent with the actual policies and procedures of the practice.

• Sets out policies in a clear and concise manner.
  o Easy to understand language.
  o Eliminate ambiguous wording.

• Communicated to staff through training sessions.

• Signed acknowledgement of receipt, review, and understanding.

• Consistent enforcement.
Important Policies to Include in an HR Manual

• Electronic Resources Policy
• Social Media Policy
• Confidentiality Policy
• Paid Time Off and Leave Policies
• Harassment/Discrimination Policies (sample provided)
• Discipline and Termination Policy (sample provided)

**The sample policies do not constitute legal advice, and should not be used without the review of a local employment attorney.**
Unlock Your Clinic’s Full Potential with The Lean Practice

Session 8A: 9:10 AM - 11:30 AM

Robert E. Wiggins, Jr., MD, MHA
Aneesh Suneja, MBA
CUSTOMER: The Patient

ROOMING
PT: 1 MIN
Wait: Exam Room
WT: 20 MIN

MD & SCRIBE
PT: 7 MIN

WRITE & WAIT: Rooming
WT: 20 MIN

SCRIBE
PT: 2 MIN
Wait: Exam Room
WT: 0 MIN

CHECK OUT
PT: 2 MIN
Wait: Check Out
WT: 5 MIN

Wasted Time: 62 MIN
Footsteps: 180

Total Visit: 88 MIN
Total Value: 26 MIN

VALUE STREAM MAP: A Visit
Lean Paradigm Shift

TRADITIONAL FOCUS: DO EACH PROCESS STEP EFFICIENTLY!

LEAN SHIFT = REDUCE WASTE IN ALL PARTS OF THE PROCESS, BOTH PROCESS STEPS & DELAY TIMES
8 Categories of Waste

1. Overproduction
2. Inventory
3. Motion
4. Waiting
5. Transportation
6. Overprocessing
7. Rework/Defect
8. Underutilization
Lean and EHR: Return on Investment

<table>
<thead>
<tr>
<th>Position</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Records</td>
<td>$82,047</td>
<td>$109,489</td>
<td>$136,931</td>
<td>$136,931</td>
<td>$136,931</td>
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<tr>
<td>Transcription</td>
<td>$33,456</td>
<td>$33,456</td>
<td>$56,912</td>
<td>$100,358</td>
<td>$117,096</td>
</tr>
<tr>
<td>Billing</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$100,358</td>
<td>$137,099</td>
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<tr>
<td>Check In/Check Out</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$96,803</td>
<td>$96,803</td>
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<tr>
<td>Appointment Scheduling</td>
<td>$0</td>
<td>$0</td>
<td>$106,350</td>
<td>$106,350</td>
<td>$106,350</td>
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<tr>
<td>Additional Training (Overtime)</td>
<td>$(7500)</td>
<td>$(7500)</td>
<td>$(7500)</td>
<td>$(7500)</td>
<td>$(7500)</td>
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<tr>
<td>Total</td>
<td>$108,003</td>
<td>$135,445</td>
<td>$302,693</td>
<td>$533,320</td>
<td>$586,779</td>
</tr>
</tbody>
</table>

Prioritize: Action Items

- Easy Fix
  - Low Impact: Green stars
  - High Impact: No stars

- Harder Fix
  - Low Impact: 6 red stars
  - High Impact: 1 orange star
Resolve Conflict Through Improved Communication

Anthony Johnson, MD
Maureen Waddle, MBA
Write Your Conflict Examples

With Patients

With Peers

With Superiors or Subordinates
How do we communicate?

Total Communication:

- Words: 7%
- Non-words: 38%
- Body Language: 55%

Insights® Discovery: The Four Color Energies

- Evaluating critical processes
- Ensuring consistency and reliability
- Establishing strategic principles
- Challenging constructively

- Determining direction
- Delivering key results
- Initiating key actions

- Honoring and applying personal and collective wisdom
- Nurturing growth
- Inspiring and motivating
- Injecting energy and optimism

- Serving others
- Establishing trust
- Establishing effective relationships
- Visioning new possibilities

- Demonstrating loyalty and commitment
- Honoring and applying personal and collective wisdom
- Establishing trust
- Demonstrating loyalty and commitment
# LAER for Effective Communication

<table>
<thead>
<tr>
<th>LAER</th>
<th>Description</th>
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<tbody>
<tr>
<td>L</td>
<td><strong>Listen</strong></td>
</tr>
<tr>
<td>A</td>
<td><strong>Acknowledge</strong></td>
</tr>
<tr>
<td>E</td>
<td><strong>Explore</strong></td>
</tr>
<tr>
<td>R</td>
<td><strong>Respond</strong></td>
</tr>
</tbody>
</table>

- **Listen**: Listen to what they are saying, not what you are thinking. Active listening.
- **Acknowledge**: Doesn’t mean you agree, but you are showing respect. As in, “I can see this has you frustrated”.
- **Explore**: Ask questions for understanding: Need? Importance? What would the ideal solution be?
- **Respond** (not react)
Use of Technology to Cut Costs, Improve Efficiency, and Increase Profitability in Small Practices

Ho Sun Choi, M.D.
Adopting Technology

- Key to efficiency, low overhead, and profitability
- Automation and speed reduces staff need and time to perform tasks
- Reduced need for outsourcing billing and collection activity
- Data mining and analytics of practice metrics allows for improvement activities and increased collection percentage
- Faster and more accurate revenue cycle management
- More efficient patient communications and coordination of care
Useful Apps

- Bookkeeping (Expensify, Quickbooks, GoDaddy).
- Credit Card Processing (Square, Shopify, Quickbooks GoPayment)
- Dictation (Dragon, DocWrite, iTalk Recorder)
- Document Scanning (Genius Scan, Adobe Scan, Turbo Scan, Scanner Pro, CamCard)
- Fax (Doximity, eFax, Faxapp)
- File Sharing (Google Drive, Dropbox)
- GoodRx
Useful Apps

• Mileage Tracking (MileIQ)
• On the Clock
• Remote PC Access (Logmein, Teamviewer, Anyconnect)
• Social Media Monitoring (Perch)
• Texting (Tiger Text, Bloomtext, Klara)
• Translation (Google Translate, iTranslate, Speechtext)
• Voice (Google Voice, Doximity Dialer)
Collaboration & Competition

“Everyone likes to win. Beneath all the talk about teamwork and balance, all the books on being kind and cultivating emotional intelligence, people still crave to be the best.” BusinessWeek

Morten T. Hansen, Collaboration, page 81-82.