Financial Disclosure

I have the following financial interests or relationships to disclose:

Maureen Waddle is a Principal and Senior Consultant at BSM Consulting. BSM Consulting provides practice management solutions to specialty care providers, including the online resource BSM Connection® for Ophthalmology.

An Administrator Oversees...

Honesty, I have so many things coming at me from so many directions, it’s hard for me to get ANYTHING done.
Objectives for Today

- Prioritize practice projects
- Confidently meet with practice owners to map a plan for success
- Use an action plan format to ensure deadlines are met and communication is clear
- Find resources to support growth and development

General Resources

**Book:**
- *Little Green Book of Ophthalmology*, by John Pinto

**Organizations:**
- ASOA (American Society of Ophthalmic Administrators)
- AAOE (American Academy of Ophthalmology Executives)

**Magazines:**
- AE (Administrative Eyecare)
- Ophthalmology Management
- Ophthalmic Professional

Power of Three

1. Be Thoughtful
2. Be Organized
3. *ASK* Questions
Be Thoughtful

Want to Be an Outstanding Leader? Keep a Journal.

Get Organized

Review Job Requirements / Forms

Responsible Person

Due Date

Completion Date

Status/Notes

Review job description, payroll, and benefits package with practice owner

Complete required federal and state tax forms

Complete direct deposit and benefit application(s)

Review and sign company policy and procedures manual

Complete practice’s OSHA / HIPAA training

Employee Workstation / IT Setup

Responsible Person

Due Date

Completion Date

Status/Notes

Set up and training of computer workstation (computer, printer, etc.)

Set up and training of email and network account(s)

Set up and training of voicemail and phone system

Review IT support provided at multiple office locations (if applicable)

Introductions to Practice Physicians and Staff

Responsible Person

Due Date

Completion Date

Status/Notes

Meet with staff (welcome lunch)

Introductions with practice physicians

Provide owners with memo / bio for distribution

Other

Responsible Person

Due Date

Completion Date

Status/Notes

Tour of facility

Review practice organizational chart

Receive staff roster (contact information)

Receive list (contact information) of external vendors

Meet with Physician Owners

Responsible Person

Due Date

Completion Date

Status/Notes

Identify personal/professional goals of each physician

Review areas of greatest concern for the practice

Identify short and long term opportunities for the practice

Begin drafting Administrator Action Plan

Meet with Management Team Members (as applicable to practice)

Responsible Person

Due Date

Completion Date

Status/Notes

Billing

Clinical operations

Front desk / reception

Surgical counseling

Human Resources

Marketing

Business office

Optical

Ambulatory surgery center

Identify issues or gaps and add to Administrator Action Plan

General Operations and Strategic Planning (if applicable)

Responsible Person

Due Date

Completion Date

Status/Notes

Review physician and staff meeting schedules recent meeting minutes

Review practice legal documents (shareholder agreement, buy-sell agreement, employment agreements)

Schedule meeting with practice attorney

Identify malpractice insurance carriers for each physician

Review owner income allocation formula and reports

Review previous and current strategic plan documents

Action Plan Sample = Communication Tool

<table>
<thead>
<tr>
<th>Description</th>
<th>Partner in Charge</th>
<th>Responsible Party</th>
<th>Due</th>
<th>Status / Comments</th>
</tr>
</thead>
<tbody>
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</table>
Prioritize

- Consistent with Vision
- Greatest Financial Impact (positive)
- Remove Barrier to Get to a Priority Goal
- Ease of Implementation

What are your top 3 priorities?

- Accounts Receivable
### Billing Department Metrics

<table>
<thead>
<tr>
<th>Ratio:</th>
<th>Net Collection Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula:</td>
<td>Net collections divided by adjusted charges (gross charges less contractual adjustments)</td>
</tr>
<tr>
<td>Used For:</td>
<td>Identification of a practice’s ability to collect that which it can legally collect (net charges)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ratio:</th>
<th>Accounts Receivable Aging Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula:</td>
<td>Monthly Accounts Receivable Summary Aging Reports</td>
</tr>
<tr>
<td>Used For:</td>
<td>Identifying collection trends in the practice</td>
</tr>
</tbody>
</table>

### Adjusted Accounts Receivable Balance

\[
\text{Adjusted Accounts Receivable Balance} = \left( \frac{\text{Current A/R balance} \times \text{gross collection ratio}}{\text{net collections/gross charges}} \right) \times \text{Average Daily Collections} \times \frac{\text{number of days in the time period}}{\text{Net collections}}
\]

*Measure of how quickly receivables turn over in the practice.*

### Accounts Receivable Resources

- **Consultants:**
  - Corcoran Consulting Group
  - Rose & Associates
  - Associations

- **CMS.gov & Your Medicare Carrier**

- **Your CPA**
### Common Forms of Doing Business

<table>
<thead>
<tr>
<th>Business Structure</th>
<th>Number of Owners</th>
<th>Method of Formation</th>
<th>Legal Liability</th>
<th>Tax Liability</th>
<th>Tax Rate</th>
<th>Transfer of Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>C Corp</td>
<td>1 or more</td>
<td>Must meet formal requirements set by state law</td>
<td>Shareholders are protected from personal liability</td>
<td>Corporation is liable</td>
<td>Corporation is taxed at corporate rates</td>
<td>Shares are freely transferable</td>
</tr>
<tr>
<td>S Corp</td>
<td>Maximum of 100, with restrictions</td>
<td>Follow state rules for C Corp, then make S election with IRS</td>
<td>Shareholders are protected from personal liability</td>
<td>Shareholders are liable, whether or not profits are distributed</td>
<td>Shareholder taxed at individual rates</td>
<td>Shares are freely transferable</td>
</tr>
<tr>
<td>Limited Liability Company</td>
<td>1 or more</td>
<td>Must meet formal requirements set by state law</td>
<td>Members (owners) are protected from personal liability</td>
<td>Members (owners) are liable, whether or not profits are distributed</td>
<td>Members (owners) are taxed at individual rates</td>
<td>Generally requires consent of all members (owners)</td>
</tr>
</tbody>
</table>
## Provider Compensation

### Table: Provider Compensation Details

<table>
<thead>
<tr>
<th>Description</th>
<th>Initial Term</th>
<th>After 2 years</th>
<th>After 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Compensation</td>
<td>$1,000 per month</td>
<td>Salary reduction for excess 90 Days</td>
<td>Salary reduction for excess 90 Days</td>
</tr>
<tr>
<td>CE Allowance</td>
<td>$5,000 per year</td>
<td>Up to $4,800 per year</td>
<td>Up to $4,800 per year</td>
</tr>
<tr>
<td>Promotional Expenses</td>
<td>MM/DD/YY 1.25 Days per month through</td>
<td>1.25 Days per month until</td>
<td>1.25 Days per month until</td>
</tr>
<tr>
<td>Retirement Plans</td>
<td>MM/DD/YY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malpractice Paid (Y/N)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Company Disability Insurance</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Call restrictions</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Auto Allowance</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Research</td>
<td></td>
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<td></td>
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<tr>
<td>Real Estate</td>
<td></td>
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<td></td>
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<tr>
<td>Optical</td>
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<tr>
<td>Physician Employment Agreement</td>
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</tbody>
</table>

## How does the money flow?

What are other entities where the owners might have financial interest?

- ASC
- Optical
- Real Estate
- Research
- MediSpa

## Governance & Provider Relationships

### Communication

- What
- How
- When
Recommended Reports

- Accounts receivable summary
- Profit & loss statements and balance sheets (with management benchmarks and budget comparison)
- Practice dashboard (key performance indicator, KPI)
- Scorecard report for each department
- Productivity trends for each doctor
- Action plan update

Monthly:

Less Often: (quarterly, bi-annually, or annually)

- Physician compensation "true up"
- Benchmarking reports

Sample Email

- Provide supporting information in advance of meeting.
- Inform periodically, substitute department updates for project updates.
- Provide reports in advance. Identify one or two highlights/concerns and a follow-up plan.

Sample Board Meeting Agenda

- Short, more frequent meetings. ABIDE BY THE SCHEDULE!
Writing Tips
- Few Words
- Bullet Points
- One Subject
- Specific Instruction
- Use graphs, data to illustrate a point

Governance & Physician Relation Resources
- Attorney
- Physician Policies – A Practical Guide to Governance Issues
- Medical Group Management Association: mgma.com/BOKOrganizationalGovernance

Staff Management
Steps to Creating a Team

1. Eliminate confusion
2. Hire right (de-hire when necessary)
3. Provide training and support (includes recognition)

Step 1: Eliminate Confusion

Foundational Elements of the Practice
- Vision
- Mission
- Values

Define Expectations
- Job descriptions
- Clear policies
- Clear procedures

What causes the “drama”? 

- Unclear expectations  ➔ Leadership issue
- Lack of training  ➔ Leadership issue
- Lack of effort  ➔ Employee issue
- Lack of accountability  ➔ Leadership issue

Common Mistake:
Trying to legislate every behavior.
Policy Manual Contents

- Stick to federal and state mandated issues.
- Introduce core values.
- Keep it simple, too specific can sometimes cause trouble.
- Consult your labor law attorney.

Step 2: Hire Right

Best Demonstrated Practices:
- Review and update job descriptions before hiring
- Know company core values
- Update characteristics and skills necessary for success in the position
- Follow a process that includes:
  - Asking behavior questions related to the job
  - Use relevant test
  - Include observation day
  - DON’T RUSH IT

Hire Tough, Manage EASY

Step 3: Provide Training & Support

- Written training and competency “check-off” for initial training
- Use of training videos, online courses, and tests
- Create training and “career plans/paths”
- Consider continuing education allowance
- Provide encouragement and reward staff members who actively seek training and self-improvement
Sample Training & Performance Reviews
Based on Competencies

KNOWLEDGE, SKILLS, ABILITIES

<table>
<thead>
<tr>
<th>KNOWLEDGE, SKILLS, ABILITIES</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHONES</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Answers all incoming calls and routes to appropriate personnel.</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Checks voicemail, leaves messages, and provides accurate messaging.</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Ability to triage calls, identify emergency/non-emergency, and schedules appropriately.</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>DATA ENTRY</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Update patient information from registration forms.</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Contact patient to obtain missing information on registration forms.</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>AUTHORIZATIONS AND REFERRALS</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<td>Familiar with CPT, ICD-10 codes and can read clinical information.</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Ability to train and support staff.</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<td>Cross-trained in billing and collections.</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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Staff Management Resources

- Attorney (labor law) & State’s labor department
- BSM Connection® for Ophthalmology
  - Staff management
  - Staff training

Other Topics

- Strategic Planning
- Risk Management
- Clinic Flow & Efficiency
- Financial Management
- Facilities Management
- IT Management
- Marketing
- Surgical Counseling/Scheduling
- Optical
- Provider Recruiting & Negotiations
Tips for Working More Efficiently

- Paper "TAR": Toss, Act, Reading pile
- Uninterrupted planning time EVERY day!
- Reports: if it's not important enough to read, get rid of it
- Clean your desk
- Control email
- Batch activities
- Eat early or late (avoiding the crowd saves time)
- Manage interruptions
- Run efficient meetings

Uninterrupted planning time EVERY day!
Reports: if it's not important enough to read, get rid of it
Clean your desk
Control email
Batch activities
Eat early or late (avoiding the crowd saves time)
Manage interruptions
Run efficient meetings
Efficient Meetings

- Keep meetings short
- Eliminate “perpetual meeting” schedule
  - If the meeting is not necessary, eliminate
- Most important items first
- Don’t recap for latecomers
  - Rewards tardiness, punishes timeliness
- Start and end on time
- Leave time at end to recap all actions and assignments
- Put out follow up email recapping action items

Tips for Managing Interruptions

- Track who and why for interruptions
- Keep the interruption short
  - Stand up
- Do not face traffic
- Schedule one-on-one sessions (up and down) regularly
- Ask...
  "What do I do that wastes your time and hinders your performance?"

Any questions?
Leadership Resources

- **Monday Morning Leadership** by David Cottrell
- **The 7 Habits of Highly Effective People** by Steven Covey
- **78 Important Questions Every Leader Should Ask and Answer** by Chris Clarke-Epstein
- **QBQ! The Question Behind the Question – What to Really Ask Yourself to Eliminate Blame, Complaining, and Procrastination** by John Miller
- **Mastering the Rockefeller Habits & Scaling Up** by Verne Harnish
- **Start with Why** by Simon Sinek

**Summary**

- Break down the work to make it more manageable (rule of 3)
- Communicate, communicate, communicate
- Seek and use your resources

Passion at Work: How to Find the Work You Love and Live the Time of Your Life by Kang, Lawler

I hope you love your work!

Thanks for participating!

Maureen Waddle
Principal and Senior Consultant, BSM Consulting
mwaddle@bsmconsulting.com