Optimizing Your Practice for Patient Care

John V. Guiliana, DPM, MS
Do You Think We Have a Problem?

Fig. 1 The Consumer Price Index, an inflationary indicator, has continued to increase since 1992 while reimbursements for orthopaedic procedures have declined, creating an ever-widening gap.
Today...is all about “quality”

- Quality Operations
- Quality Employer
- Quality Care Giver
People

Product

Process
People
Product
Process
People
Product
Process
Let’s Start with Processes...
When “customers” first meet or hear us they immediately form opinions about us and our organization. Those impressions include things about character, efficiency, and friendliness. They will decide in 7 seconds from 11 impressions whether they…

- Like You
- Dislike You
- Indifferent

… that will largely determine the satisfaction of their experience (and yours)
THE 7-11

1- Cleanliness
2- Warmth (engaging)
3- Credible
4- Knowledgeable
5- Responsive
6- Friendly
7- Helpful
8- Understanding
9- Courteous
10- Confident
11- Professional
What is Quality of Service?

- Building an organization that is appealing to the kinds of customers you want.

- Giving those customers the experience that makes them refer others.

- Measuring and improving what you do and how you do it.
What else is Quality of Service?

- Understanding customers
- Complaints management
What is Quality of Service?

Quality of service in the healthcare industry is:

The ability to get…
- The DESIRED service and outcome
- With responsiveness
- At the right price.
Desires

- Dis-satisfiers
- Satisfiers
- Delighters
Satisfied Patients – 25
Dis-satisfied Patients – 50
Delighted Patients – 100 😊😊
Making Your Business Processes “Patient Centric”
Understanding Profitability and Costs
“Fixed” Versus “Variable Expenses”
Fixed costs do not vary with output, while variable costs do.
<table>
<thead>
<tr>
<th>Fixed Costs</th>
<th>Variable Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>Supplies</td>
</tr>
<tr>
<td>Insurance</td>
<td>Staff</td>
</tr>
<tr>
<td>Loan Payments</td>
<td>Utilities</td>
</tr>
<tr>
<td>Executive Salaries</td>
<td>Lab Fees</td>
</tr>
<tr>
<td>Depreciation</td>
<td>Opportunity Costs</td>
</tr>
</tbody>
</table>
“Hidden” Costs
Opportunity Costs

The cost of an alternative that must be forgone in order to pursue a certain action, or the benefits you could have received by taking an alternative action.
In making many decisions, it’s essential to understand how the decision affects fixed, variable, and opportunity costs.
A contract is proposed that could bring in 500 new patients.

What information do you need to decide if that contract is a “Hero” or a “Zero”?
Payer Fee schedule/ demographics
Your Current Total Costs Per Patient
Your Current Variable Costs Per Patient
A Prediction of Your Opportunity Costs
Your Customer Acquisition Costs
An “Acceptable” Margin
Investment Versus Costs
Explicit Costs

Implicit Costs
Explicit Costs = Expenditure of cash (i.e. payroll)
Implicit Costs = A cost that is represented by lost opportunity (i.e. your time)
Then There are “Externalities”…

Social Costs = Explicit/Implicit Costs

Externalities
Explicit Cost + Large Negative Externality

Explicit Cost + Large Positive Externality
Externalities are pervasive in practice management decisions!
The Microeconomics Behind the Outsourcing Decision?
Why do organizations outsource their business process?

• Lack of expert-labor
• Availability of cheaper labor
• Ability to concentrate on the other crucial business process
The most commonly outsourced streams of business include:

- IT outsourcing
- Legal outsourcing
- Web Design and Maintenance
- Marketing
- Recruitment
- Logistics
- Technical/Customer Support
- Billing
The “Scientific” Rationale Behind Outsourcing …

Specialization and The Possibility Frontier Curve
A Production Possibility Frontier Curve for Acme Podiatry

Production Possibility Frontier for Acme Podiatry's Billing - the curve demonstrates the possibilities of attention to medical care versus non medical care...

With limited resources, one must go down as the other increases.
A Production Possibility Curve for Acme Podiatry
Let’s move on to “people”...
Building a Bridge ...
Clinical Protocols Scripts
Speaking Influentially

• Tone
• Pace
• Volume
• Mirroring
• Law of Decisiveness
• Law of Contrast
• Law of Association
Body Language
“Skin-etics”
Example...
The orthotic is essential for your condition. It is designed to control the mechanical instability of your feet, much like eye glasses control the instability or weakness in our eyes. They often help prevent the need for surgery...
The orthotic is essential for your condition. It is designed to control the mechanical instability of your feet, much like eye glasses control the instability or weakness in our eyes. They often help prevent the need for surgery...
The orthotic is essential for your condition. It is designed to control the mechanical instability of your feet, much like eye glasses control the instability or weakness in our eyes. They often help prevent the need for surgery...
The orthotic is essential for your condition. It is designed to control the mechanical instability of your feet, much like eye glasses control the instability or weakness in our eyes. They often help prevent the need for surgery...
Say what it is...
Not what it isn’t...

DO NOT think of a white carnation!
The stories you are about to hear are true...
Maybe you need an orthotic

It’s essential that we get you into a functional foot orthotic
Maybe you need an orthotic

It’s essential that we get you into a functional foot orthotic
The orthotic will help support your arch

*Your orthotic will control the mechanical weakness of your foot*
The orthotic will help support your arch

Your orthotic will control the mechanical weakness of your foot
I’m going to give you a DME product that will help

I’m going to prescribe a helpful device for you to wear
I’m going to give you a DME product that will help

I’m going to prescribe a helpful device for you to wear
So this ligament is tight. A night splint will be important here. Sue will be right in to dispense it.

...in order to stretch the ligament during your sleep when it wants to tighten up
in order to stretch the ligament during your sleep when it wants to tighten up
We need to use a device to offload this ulcer.

In order to keep (get) this wound closed, we need to redistribute pressure away from the area.
We need to use a device to offload this ulcer.

In order to keep (get) this wound closed, we need to redistribute pressure away from the area.
Use “interest-based” language... NOT “positional –based”
Patient Questions....

“Why do I need to pay my co-pay EVERY TIME?”
Patient Questions....

“I saw this very same device on line for less than ½ the price!!”
Patient Questions....

“The podiatrist that I go to in Florida ALWAYS gets my nail care covered!”
Don’t Panic!
Where We Are Headed…We’ve Been Before!

July 30th, 1965..............................MEDICARE Inception

May 1st, 1973..............................HMO Inception

Circa 1980...............................DRG Inception

Circa 1991...............................Managed Care penetration

February 17, 2009....................ARRA (HIPAA, MU)

Circa 2014...............................ACOs

2016 and Beyond......................Value Based Medicine
And Lastly...A List of Things That Are NOT Good Options:

- Doing Nothing
- Feeling Helpless
- Whining
- Blaming Others!

*Your future has not been written yet. No one’s has. Your future is whatever you make of it. So make it a good one!*

- Dr. Emit Brown

Back to the Future III