Leveraging Your Fixed Costs

By Elizabeth Woodcock, MBA, FACMPE, CPC

Much like airplanes, medical practices carry a multitude of fixed expenses. When a plane takes off, the airline must pay for the pilots, flight attendants, mechanics, and gas, regardless of whether every seat is taken – or just a handful. The nature of bearing these fixed costs makes selling a ticket for each seat of the airplane of vital importance to the business. Airlines have gotten creative – offering tickets at various prices based on the size and position of the seat as well as selling seats at higher prices as the plane fills. Medical practices don't have the luxury of using pricing tactics to boost profits, but there are overlooked opportunities to leverage the practice's fixed costs to boost revenue without adding additional expenses.

Office space represents a major expenditure of fixed costs; most practices use this investment about 25% of the time (typically 45 operating hours, as compared to 168 hours of the week). Consider ways to use space during the 75% downtime; early morning, weekend, and evening hours add patient convenience without an additional cost outlay for rent. These non-traditional hours are often a great solution to decompress a crowded day and may even save expenses related to staff overtime. Unless your practice features a walk-in clinic, your practice controls the hours that are used (via your scheduling

template). Therefore, there's no need to open every morning, evening, etc., but the additional 7:00 or 7:30 a.m. appointment slot(s) that can be added once a week will surely delight your patients, without increasing your rent expenses. Consider combining two part-time physicians to create a 12-hour, 7:00 a.m. to 7:00 p.m. template that optimizes space.

In addition to expanding hours, consider how your practice utilizes space today. Divide each area into two categories: revenue-producing and non-revenue-producing. Are there opportunities to transfer the latter into revenue-producing space? This may involve migrating staff positions to work-from-home (or rotating one week in/one week out, etc., so that two positions can share a workstation); or, you may find value from reducing the size of your waiting room to create another exam room or two, which may also improve patient flow (and patient experience potentially).

Medical practices have historically spent thousands of dollars on clipboards, paper, and printing, but the pre-visit workflow can be streamlined with readily available tools. Successful practices put these tools into the hands of their free employee – *the patient!* Forms are transmitted electronically in advance of the visit, reducing the time that a patient spends in the waiting room – and the staff time required to manage it. Don't limit your requests to demographic information; consider integrating your entire registration process, as well as past family social history.

Boost your patient flow efforts by improving your schedule management. Don't overbook: *book strategically*. There are opportunities to improve the distribution of appointments nearly every day. Consider the first appointments of the morning and afternoon, for example. If you give them to new patients, that protocol will cost you precious time. New patients naturally take longer to process through reception and result in a higher no-show rate. To start on time, commence each half-day session with an established patient. Add efforts such as identifying predictable no-shows through an advance review of tomorrow's schedule, convert cancelled slots through an automated waitlist function, and avoid booking routine follow-up visits on the day of your highest demand (e.g., Mondays). There are so many tips and tricks to improve the management of the schedule; engage with the experts on your team – your schedulers – to glean their ideas on improvement opportunities.

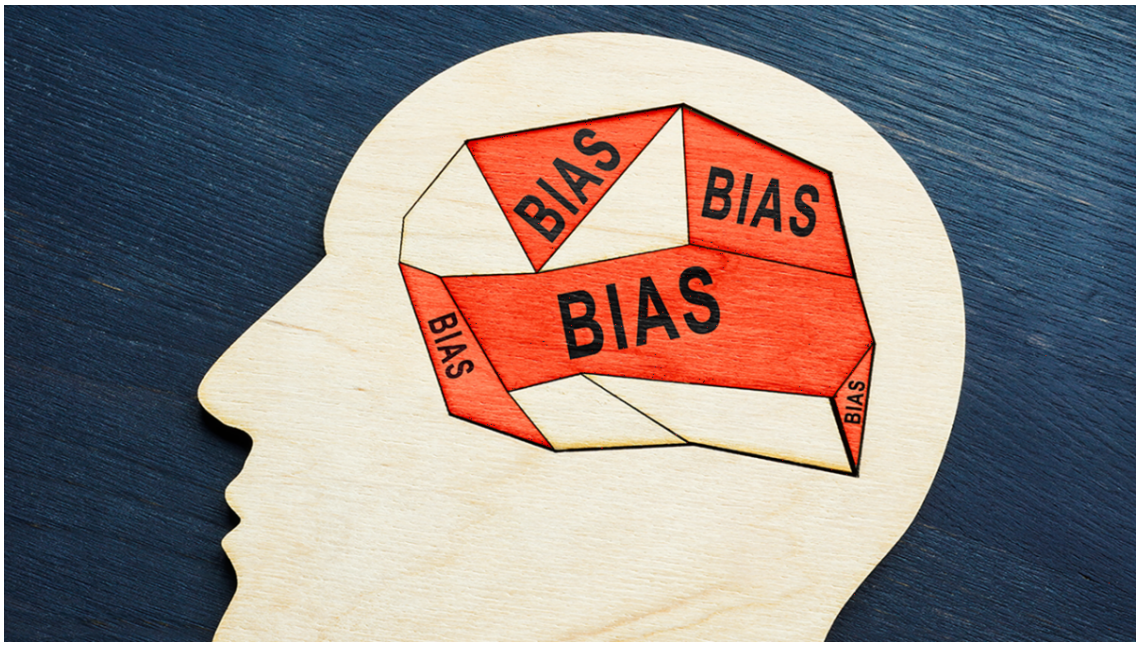
Your team of employees represents the single largest category of costs, but focusing solely on expenses disguises the opportunity to leverage this amazing resource. Consider the services that your team can perform – principal care management (PCM), for example, offers an often-overlooked opportunity to code and bill for the amazing work performed by your clinical team. (There are a host of "care management" CPT codes that are under used.) Find more information here and here. CPT 99211, often referred to as the code for a "nurse visit" and confirmed by the description: "may not require the presence of a physician or other qualified health care professional," is rarely used. There is a medley of overlooked coding opportunities; determine if any may work for your practice.

Don't reinvent the wheel; network with stakeholders to identify opportunities. Connect with your colleagues around the region; what services are they offering? Contact the practice

management advisors employed by your specialty society: what advice might they have to improve your practice? Reach out to the SVMIC team at ContactSVMIC@svmic.com or 800.342.2239. Commit a few hours to running a Web search on your specialty, along with terms like “revenue,” “business,” and “management.”

When an airplane takes off, there’s no turning around to accommodate more passengers – or reduce the costs associated with getting the plane in the sky. There’s no "turning around’ at the end of the day for a medical practice either, so the time is now to consider opportunities to leverage your investment into fixed costs.

Risk Matters: Cognitive Bias



By Jeffrey A. Woods, JD

Are you aware of the role cognitive bias can play in medical decision making and diagnostic error? Cognitive bias affects behaviors and influences decisions. Bias may result in distortion of clinical reasoning and is an unintentional failure in perception and thought that often leads to human error. Many studies cite the cognitive/decision-making process as one of the leading factors in diagnostic error. One of the best strategies to reduce these errors is to simply learn the attributes of the many types of cognitive bias and develop a personal awareness of them. SVMIC's newest online education option "Mind Over Malpractice: Cognitive Bias" teaches you how to recognize the types of cognitive bias and distortion of clinical reasoning, so you can apply appropriate debiasing strategies and reduce misdiagnoses.

Stay in Your Lane ... and Follow the Rules of the Road

By Tim Behan, JD

On a recent road trip to south Florida to move my daughter across the state, I took note of all the bad driving going on around me. It's not that I haven't seen a lot of bad driving in the past, and I am certain that other drivers could criticize my driving skills and behaviors from time to time. For some reason, perhaps due to the start of the summer vacation season, the inability of drivers to consistently stay in their lanes and follow the rules of the road was leading to extreme chaos. We literally came to complete stops on the interstate, in the left-hand lane, due to drivers veering in and out of the traffic. I thought to myself, this reminds me of cases and calls I have handled over the years at SVMIC. And with that, a Sentinel article was born.

When I think about staying in my lane and following the rules, the word 'boundaries' enters my mind. I've written in a previous article about the rising inability of patients to respect providers' boundaries and follow their rules of the medical practice road. There seems to be a decrease in the number of calls I am receiving from our policyholders regarding negative patient behavior. But unfortunately, we know there are still challenging patients

and situations. Nonetheless, there are numerous roads in the medical- legal world, not just the ones we travel on with patients. The rules of those roads are sometimes easy to follow; and sometimes not. But they all have potential dangers that can lead to trouble when the traveler fails to stay within the lanes and follow the rules.

Perhaps the most heavily traveled road that I see daily is that of medical record requests. It is the superhighway of the medical-legal world. The attempts to get medical records come in many ways and are potential traps for the unaware. I am not speaking of the valid HIPAA signed authorizations by patients. I am speaking of attempts by others to get records, particularly subpoenas, from lawyers. This is especially true of family law lawyers in divorce or custody dispute cases involving confidential mental health records of the children that might need protecting. I also see subpoenas sent from other states saying that the recipient must comply with the rules of their jurisdiction. There is a legal pathway lawyers are to use when sending out of state subpoenas, but it is easier and cheaper to forego that process. Admittedly most of the time subpoenas are valid, however if you receive a confusing subpoena, it is always best to contact the claims department so that one of the attorneys may assist you. Some less frequent avenues used to obtain records are requests from out of state record collection companies, investigators of some kind, and family members claiming to have power of attorney rights to records. Again, when in doubt, contact us for help so that you don't unwittingly commit "traffic" violations of some sort.

I have seen instances in the past where providers chose not to stay in their lane and follow the rules of the road and suffered the consequences. A while ago, one of our surgeons and his physician assistant were sued for alleged post-op wound care issues. One of the plaintiff's claims was that the surgeon delegated his duties to the PA, even those that the PA was not qualified to handle. Essentially, according to the plaintiff's lawyer, the PA provided care that should have been provided by the surgeon, to the patient's detriment. Their defense lawyer gave the surgeon and PA instructions on what road to follow during the trial to best present their case. At trial, the defense lawyer deftly produced testimony from the two that they were staying in their lanes and performing within their roles and duties. But between breaks the jury saw the PA fetching items for the surgeon, getting glasses of water for the doctor when the doctor could have easily done so, and performing other tasks at the surgeon's request. They veered off the pathway with their actions. What was seen made a greater impact than what was said to the jury, and they rendered a verdict for the plaintiff.

Another instance that I recall where the provider failed to stay in a lane and follow the prescribed "rules of the road" occurred a few years ago with a nursing home director who also provided care to the residents. The nursing home was being sued in a medical malpractice case. The physician was not a defendant in that case. But an investigator with the State reached out to the doctor about the conditions of the nursing home. These conditions were part of the lawsuit. The doctor reached out to us, and I advised not to speak with anyone until I could get a plan in place to protect the physician's interests. But this doctor was very mad at the administrators of the facility and disregarded my advice.

The physician spoke with the investigator thinking it was an off-the-record conversation. It, of course, was not. The defense lawyer for the nursing home got a record of the conversation and brought the doctor into the lawsuit. The physician's "road rage" if you will lead to a poor decision that resulted in a settlement payment and databank report.

There are many more examples that could be given. Suffice it to say, just like driving on the interstates of south Florida, the various avenues we encounter in the medical-legal field are equally fraught with peril. We must always navigate carefully, stay in our lanes, and follow the prescribed rules of whatever road we are traveling. It lessens the chaos and keeps complicated matters simple. And as always, if help is needed navigating your medical- legal roads, we are a phone call away to help guide and assist you on your journey.

Effective June, 27, 2023 - New Employee Workplace Posters “Know Your Rights: Workplace Discrimination Is Illegal”

Know Your Rights:

Workplace Discrimination is Illegal

The U.S. Equal Employment Opportunity Commission (EEOC) enforces Federal laws that protect you from discrimination in employment. If you believe you've been discriminated against at work or in applying for a job, the EEOC may be able to help.

Who is Protected?

- Employees (current and former), including managers and temporary employees
- Job applicants
- Union members and applicants for membership in a union

What Organizations are Covered?

- Most private employers
- State and local governments (as employers)
- Educational institutions (as employers)
- Unions
- Staffing agencies

What Types of Employment Discrimination are Illegal?

Under the EEOC's laws, an employer may not discriminate against you, regardless of your immigration status, on the bases of:

What Employment Practices can be Challenged as Discriminatory?

All aspects of employment, including:

- Discharge, firing, or lay-off
- Obtaining or disclosing

By Sheri Smith, FACMPE

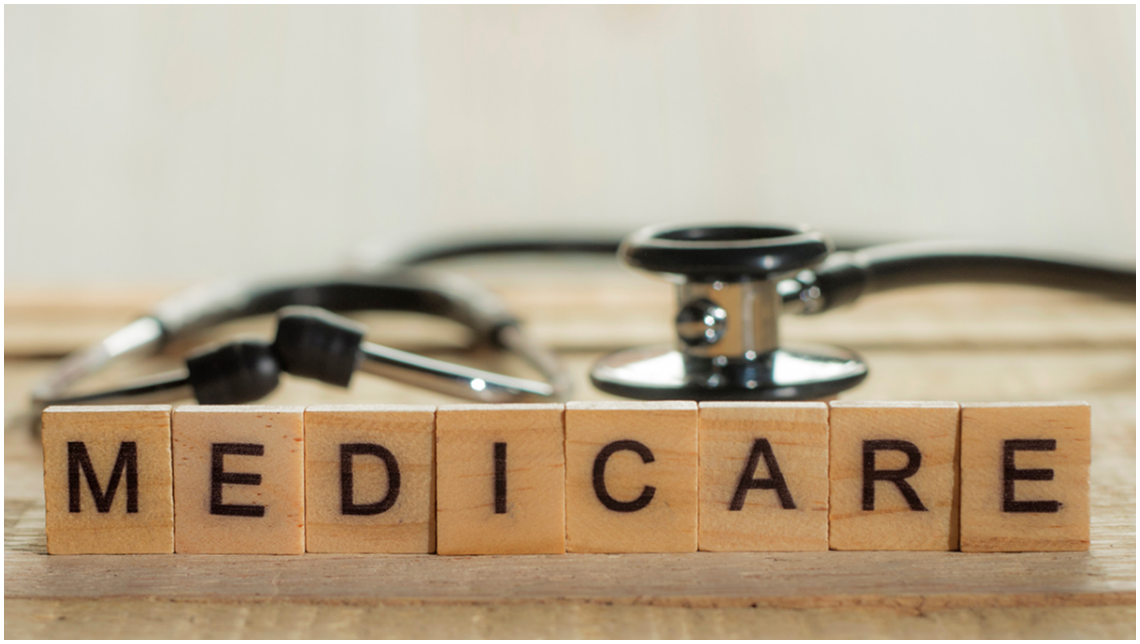
Due to new rights granted under the Pregnant Workers Fairness Act (PWFA) and the Providing Urgent Maternal Protections for Nursing Mothers Act (PUMP Act), employers must display a new version of workplace posters.

The U.S. Department of Labor (DOL) recently released two new posters with additional information about the new laws. The posters broadly explain workers' rights under the Family and Medical Leave Act (FMLA) and the Fair Labor Standards Act (FLSA).

The U.S. Equal Employment Opportunity Commission (EEOC) has updated its “Know Your Rights: Workplace Discrimination Is Illegal” poster with the new information.

Employers **must** replace the August 2016 version with the April 2023 version, which can be printed from the EEOC’s website. The posters are available at this link https://www.eeoc.gov/poster, in English and other languages.

New Medicare ABN Required Effective Now



By Jackie Boswell, FACMPE

Medicare provides certain rights and protections to their beneficiaries related to financial liability and appeals. An Advanced Beneficiary Notice (ABN) is required to transfer potential financial liabilities to Medicare patients in certain instances to allow them to make informed decisions about their healthcare.

An updated version of this form has been issued by CMS and became mandatory on June 30, 2023. You may access this form and the instructions for use here.
