Three partners have different goals but a common interest: to work in a pleasant environment, reduce stress, and provide quality care. The physicians are beginning to realize that without money to reinvest in the practice for higher quality staff, an upgraded and more efficient facility, and more advanced equipment, it is impossible to deliver the best possible patient care and experience. A proposed blueprint can begin to build a system of efficiency, profitability, and the best quality patient care.

**Top Four Issues**
The Remedy Group assessed the practice and identified four primary problems:

**No Team Mentality.** The owners of the practice think they are working as a team, but there is no common goal, vision, or communication at the top. This is one of the main reasons there are personnel problems. Each physician does things differently and has different expectations and ideas regarding what the practice should do now and in the future. Lack of common vision must be resolved because it will slow the process down and every decision will be in question.

**No Systems.** There are neither systems nor accountability in the organization. There is no consistency in any area of the practice. The first area to address in this type of a situation is cash flow so the practice will have the resources to address other areas.

**No Practice Plan.** The owners must develop a Practice Business Plan, establishing objectives, goals, budgets, operational plans, and practice systems. Long-term solutions need consistent cash flow and resources. It cannot be done overnight, but you can start seeing immediate results.

**No Communication.** There is a need to establish communication throughout the practice and among partners to ensure consistent follow up and that everyone knows about changes and what they are expected to do. The practice must institute a performance- and responsibility-based culture.

**Opportunities/Recommendations**
With these problems identified, The Remedy group proposed the following strategies for Leadership and Management. The physicians must:

1. **Develop a Vision Statement or Practice Goals and Objectives** and sign it to provide direction.
2. **Develop an Operating Agreement** for day-to-day management of the practice. Currently no one person can make decisions in any area. Key areas should be outlined along with the authority of the Office Manager and what things require approval by one doctor or a majority. This is critical to consistent efficiency and implementation.
3. **Address the future of Dr. Number 3.** At this point in his career he does not want to invest a lot of time, effort, and money back into the practice. Yet, the other doctors cannot wait until he retires; they need to make changes now. Dr. Number 3 may not be there to realize the long-term benefit of changes, so should he invest at all? Since he will be there to see some benefit from short-term changes, should he invest less? Will he be getting a buyout and still want to work? This situation is affecting a lot of other practice decisions.
4. **Develop a Business Plan** that includes: Annual Budget; Annual Practice Calendar and Operational Plan; Expense Analysis; Benchmarking; Trend Analysis; Productivity and Profitability Reports; Forecasting and Goal Setting; Business Plan with practice objectives and timelines.

   Break everything down quarterly, and implement in a 30-90 day time period. Identify quick wins; go for them first.
   
   The critical element of a Business Plan is focusing on execution and making good decisions quickly. Remember: not making a decision is a decision!

   Make this fun!
5. **Provide Support and Be Consistent with Office Manager’s or Team Leader’s decision making.**

   Provide clear-cut expectations from the physicians who are currently using the Office Manager as a go-between and a scheduling coordinator. The position has absolutely no authority, leading to problems with employees.

   The physicians must decide if the office manager is a business leader or just a human resources manager. If he or she is a business leader, then the Office Manager needs professional training in the areas of:
Practice Parameters

Here is a reminder of the basic profile of the practice we’re following:

Three Partners:
1. 39 y/o: Focused on seeing patients. Is hesitant to deal with issues that arise between the other two partners, but does want to see improvements in practice.
2. 44 y/o: Driver of practice. Wants change, deals with most issues and wants to build a practice for the long term.
3. 60 y/o: Believes the practice is running adequately, therefore does not seem to be committed to investing in practice changes such as environmental upgrades, practice management, or enhanced staffing and other associated costs.

Practice Revenue: $1.8 million
Age of Practice: 30 years.
Employees: 13; 40% turnover rate

Physicians Goals: To work in a pleasant environment with reduced stress and provide quality care to patients. Be surrounded by employees with a good attitude. Find ways to limit issues that currently plague the practice.

Practice Problems: As reported by the practice, unaccountable, untrained personnel are leading to a poor working environment. In addition there is an inability to implement change, however, our assessment was quite the opposite***. An assessment and business plan were created by the practice management company.

a.) Interviewing and Hiring, b.) Effective decision making and delegation, c.) Communication and running effective practice meetings, d.) “Running a Practice by the Numbers,” using facts and data, e.) Using annual practice planning, budget and forecasting reports, with the ability to read trends, business reports etc., f.) “Inspecting what you Expect,” monitoring and measuring performance, and g.) Implementing a performance accountability and responsibility culture.

6. Update Infrastructure. The practice must upgrade the phone system, which cannot keep pace with volume, and upgrade computer system and networking.

7. Consider the Facility. The practice has outgrown the facility, but minor changes can address current problems. However, it is imperative to know the outlook of the practice for the next five years to plan for practice expansion.

Office Layout/Design also requires changes, including updating the interior design. There are storage issues in exam rooms. The practice should relocate Billing/Collections to a private area with its own phone extension and implement a new patient scheduling system, as the current one violates HIPAA Privacy Act. The practice should implement a uniform or dress code to convey a more professional appearance. There should be two receptionists at front end.

8. Build Up Billing Department to ensure consistent cash flow and reduce accounts receivable (which ranged from $500,000 to $600,000—high for a practice of this size). They must address insurance contracts, since this has not been done in over 15 years.

9. Re-organize Workflow. Office Manager needs to hear and see what is going on, not be in a back room where employees need to find them.

10. Revamp Employee Relations by ranking employees and beginning documentation process. Let non-performers know they have an opportunity to improve or they will need to leave and cut out all people who drain or have a negative impact on the practice.

The practice should begin a recruiting and interviewing program immediately and improve compensation levels in order to hire people with greater skill sets. Finally, point people should be assigned for specific projects.

11. Hire Two Medical Assistants per Provider.


13. Implement Communication Mechanisms. The practice must get feedback (via Employee and Patient Surveys) and follow up. Staff lunches will allow information sharing and build comradery, while a newsletter communicates with patients. Daily team huddles to review schedules will supplement monthly Practice/Team Meetings. There must be a Recognition Program.


15. Standardize Practice Systems including:

a. Schedules. Standardize work schedules for employees and implement a limit of one procedure per office visit. Physicians must start on time and stay on time or set a schedule that they can stay with. This is a quality of care issue.

b. Clinical Procedures and Protocols

c. Charting. Super Bills and all other documentation needs to be consistent.

d. Teamwork with Providers

e. Patient Information

f. Written job expectations


18. Focus on Duplicatable Systems. No one doctor of staff member should perform certain tasks or enact a system differently than anyone else. This is an area where the practice is vulnerable.

What They Decided

The doctors did not agree with The Remedy Group. They did not feel cash flow or billing was a problem or see a lack of systems or accountability. Most importantly, they didn’t see any lack of communication or direction from the top. They didn’t feel a budget or plan was immediately important. They were
not even sure they wanted to hire the management company; they were hesitant to spend any money on anything. How could they be sure they would get a return on their investment?

They came to no clear consensus. Rather than The Remedy Group's top three recommendations, the areas they wanted to address were current personnel situation, communication within the practice, and training the office manager.

They asked The Remedy Group to run meetings, set expectations, deal with HR situations, recruit and hire new employees, and train office manager and key employees. The office manager was enrolled in a Virtual Reality Training Program that would proceed over six months. The Remedy Group would work with the physicians and follow up to see the impact on a clinical day.

Against The Remedy Group’s advice and plan, they wanted to address the lack of direction at the top, start building the billing department, and address the practice plan secondarily. We agreed to work with the practice, emphasizing that the personnel problems were just a symptom of the underlying lack of direction at the top and that cash flow was an issue. Like cholesterol, there was a blockage, and an eventual cardiac event was imminent. To achieve our end goal to have the practice come together with all the systems working, the brain needs to be operating at peak condition followed by the rest of the body’s systems.

**What Happened Next**

In the first 90 days, the practice raised expectations, implemented a recruiting system and personnel plan, enrolled the office manager in a management training program, and reorganized the facility so the office manager was downstairs near the front desk and clinical areas. The physical layout and phone systems were reconfigured to allow for a better flow, all key patient areas were cleaned up. A team Vision Statement was developed.

Practice policies and procedures were clearly documented. Everyone was trained on new policies and procedures, including collecting co-pays at the front, referral policy, and correct use of the Super Bill. A uniform was implemented. Three old staff members left on their own after they found out the job expectations were being raised and that they were going to be accountable for meeting them. Four new team members came on board with the right core competencies and attitudes. Billing was not moved away from the front desk and put into a private area, nor were billing processes improved. However, staff did require patient referrals and collected co-pays up-front.

Monthly Team Meetings were implemented along with a Recognition Program. Physicians were asked to do morning huddles with their assistants and scheduling people.

Improvement was measured via Feedback Forms, Monthly Report Cards, and Practice Reports. Feedback forms from the physicians, employees, and patients, reflected a significant improvement in all areas. The physicians all agreed that the office environment had gone from an F to a B; There are still numerous areas that need to be addressed. However, things were going in the right direction and they felt their days were more productive and pleasant.

The physicians were shocked to notice how the three staff members had negatively impacted them, their patients, and most importantly the rest of the team. They had had no idea how much work they were pushing off on others, the practice politics, and how often they caused unnecessary problems. As soon as the rest of the employees saw this was addressed, they believed the practice would move forward and get involved.

Financial results were also evident. Dr. Number 1 had a 22 percent increase in production/hour and rated the changes the highest. This doctor consistently did morning huddles and followed all key recommendations.

Dr. Number 2 had a 10 percent increase in production/hour, significant because this doctor’s main concern was the office environment. Productivity increased as Doctor Number 2’s needs were met. Dr. number 2 complied with about half of the Remedy Groups’ recommendations. Dr. Number 2 is more concerned about the other two doctors sticking to the Practice Plan and is not concerned about his compliance or cash flow.

Dr. Number 3 had the least benefit on a percentage basis, with only a four percent increase in production/hour. On paper this looks minimal, but remember, Dr. Number 3 was already the most productive. In terms of value brought to the practice, Dr. Number 3’s increase had the biggest impact on the bottom line. Dr. Number 3 was least compliant of all the physicians (no morning huddles, non-compliant with many recommendations, new polices, and procedures). Although Dr. Number 3 rated the improvement in the environment and team from an F to a B, this partner is still unsure whether they should continue with the Remedy Group.

**90 Days Later...**

Although the first 90 days were rated a success, The Remedy Group still saw obstacles to any long-term change and growth. Obviously, all three partners are not on the same page with implementing the Practice Plan. Communication and commitment are still a concern at the top. Concerns about the billing department and cash flow have not been addressed. Continued absence of an Annual Budget is going to make it difficult to stay on track and measure performance. It will also make decision making difficult because necessary Facts and Data will not be available to help make key decisions. The partners are still operating as three separate physicians and have not agreed upon many of the systems to run the practice. Let’s see what happens in the next 90 days (2nd Quarter).