Effective Medical Practice Operations

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Disclosures

I, Bruce Golden, have no relevant relationships to disclose.

I will not be discussing any “off-label” uses of products and/or devices.

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- Most of this presentation comes from the excellent book Mastering Patient Flow by E.W. Woodcock, 3rd edition, MGMA, 2009
- Other sources include
  - Value Stream Management for Lean Healthcare by Tapping, Kozlowski, Archbold, and Sperl, 2009
  - Value Stream Mapping for Healthcare Made Easy by Jimmerson, 2010

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Getting Started

- Some key questions
  - How can we improve patient flow in medical practices?
  - How can we improve patient care?
  - How can we ensure that all the processes in your practice are focused on your patients?
- Lean management can help

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Focus on the Patient

- It used to be easier
- Why?
  - Demands by insurance companies and regulators
  - More paperwork and administrative details
  - More assertive, better informed patients
- If you focus too much on the details, then you are not focused on the patients

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Lean Management

- Lean management was developed for Toyota after World War II
  - They re-engineered core processes and their culture
  - They eliminated waste, improved quality, and became a market leader
  - We will discuss how lean management can be applied to a medical practice

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How can Lean Management Help a Medical Practice?

- The translation from a manufacturing environment to medical practice operations will be one of our tasks
- A key goal is to eliminate waste
- With rising costs, declining reimbursements, and increased paperwork, physicians need to learn to do more with less
- Lean management shows how this might be done

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Examples of Waste

- Taking too much time to schedule appointments
- Adding unnecessary steps to a registration process
- Not verifying a patient’s insurance coverage until after the service has been provided
- Waste exists in all medical practices
- In lean management, waste is referred to as “muda”
- Muda is the Japanese word for waste

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More on Waste

- Waste is the amount of time and other valuable resources that are spent in a way that prevents us from optimizing the patient's care
  - A slow-speed scanner that adds three minutes to the patient registration process
  - Losing a positive test result in a mountain of paperwork
  - Last-minute cancellations and no-shows which reduce the daily capacity of the practice

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Referring a Patient to Specialist

- Patients must describe their symptoms multiple times
- They must fill out forms at each stop
- They may have to wait for weeks
- How do the delays and repetitions impact the patient?
  - Negatively!

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More on the Referral Process

- Imagine a physician who has to help a friend, relative, or patient avoid a long wait (say, 3 months) or some other hurdle to obtain an appointment before others
  - Acting as an insider, the physician makes a phone call or several
  - This is a waste of his/her time
  - A 3-month wait is an insult to the patient and it does not optimize a patient’s care

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Question the Familiar

- Suppose a visitor asks a question about your practice
- Your answer is “that’s the way we’ve always done it”
- Then, it may be possible to improve your practice by doing things differently
- E.g., why have nurses take patients’ vital signs and medical histories, when medical assistants can do it?

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Attack the Familiar

- Why do you have a front desk reception area?
- Typical answer: to greet patients and perform administrative functions
- Alternative
  - A sign-in list on a clipboard
  - Pre-registration before the appointment (mail, internet, or a kiosk)
- Pre-registration allows you to verify insurance coverage and benefits and clarify copayment requirements

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Attack the Familiar

- Suppose you counter that a fully-staffed front desk facilities the collection of the co-payment
- But more practices are moving the patient collection process to the end of the patient's visit to collect for all collectible charges
  - Otherwise, they have to bill for additional charges and wait 30 to 60 days to collect

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Some Observations

- Patients would rather be greeted by a person without a wall or counter between them
- Patients would prefer to have already filled out registration paperwork
- Patients would prefer to step into an exam room ASAP
- By eliminating the reception area, physicians could save thousands of dollars in space and furnishings
- Physicians would no longer have to manage the front desk turnover

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Challenging the Norm

- Don't look at individual processes in isolation
  - Registration, scheduling, etc.
- Try to consider the entire flow
- For example, in a general surgery practice, there may be a surgery scheduler
- The process works roughly as follows
  - Surgeon decides to schedule surgery
  - Patient is told to see the scheduler

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The Surgery Scheduling Process

- The nurse completes forms specifying the surgeon's requirements
- The nurse brings the patient and forms to the scheduler
- If the scheduler is not available, the patient is told to expect a phone call
- The scheduler schedules all aspects of the surgery

- From the patient's viewpoint, the process is suboptimal
  - The patient wants to schedule his surgery and leave ASAP

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The Surgery Scheduling Process

- The nurse knows the patient's situation
- Why can't the nurse be cross-trained to schedule the surgery?

- The point here is not that a dedicated surgery scheduler is always a bad idea
- The point is that the value you provide to patients should be a driving force in your practice

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Assess the Value Stream

- With lean management, everyone should think about increasing value to patients and reducing waste
  - Rather than just following orders
- The entire process of patient care should be analyzed and re-examined
  - People, technology, information transfer
  - Time expectations
  - Every step in the process

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Map Workflow

- Hold an intensive work session to
  - Evaluate and improve a process
- Map the current process flow
  - Include every step
  - Map the workflow, timing, individuals, etc.
  - Then, question the process
- E.g., see Exhibit 1.1 in Mastering Patient Flow

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Map Workflow

- Exhibit 1.1 is a value stream map of a hypothetical scheduling process at an otolaryngology (ENT) practice
- The internal process time consumes between 55 and 85 minutes
- The patient may wait as many as 21 days
- The process study team went to work

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The Appointment Scheduling Process

- The team found that 95% of patients were approved for scheduling when the physician received the new patient folder
- Resulting change: Instead of manually reviewing each request, the physicians developed written guidelines
- All patients were scheduled immediately
- However, a nurse practitioner reviewed the folders and discussed the questionable 5% of appointments with the appropriate physician

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The Appointment Scheduling Process

- Some of these appointments would be cancelled
  - And the patients referred elsewhere
- The internal process time was reduced to 10 minutes, on average
- The patient wait time was reduced to five days, on average
- Resistance to change can be strong
  - Those employees directly impacted by the change should be invited to flesh out the details

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How to Propose Process Change

- PDCA cycle: Plan-Do-Check-Act
  - Plan: Come up with steps to achieve change
  - Do: Implement the plan
  - Check: Analyze the results using performance metrics
  - Act: Standardize the change or repeat the PDCA cycle
- Put new ideas into practice rapidly, try them out for a short time, and make adjustments, if necessary

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Focus on People

- To eliminate waste and redesign flow, everyone must be involved
- In many medical practices, personnel have specific tasks to perform
  - They are expected to do as told
  - No complaints
- Lean management teaches us otherwise
  - Receptionists often have clever improvement ideas
  - Physicians say “everything works just fine”

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Focus on People

- In a lean-thinking environment, managers become mentors and empower employees
  - Employees become a key part of the redesign effort
- To maintain high morale, you might promise no layoffs
  - Job security will encourage creative ideas
  - Jobs won't disappear, but they may change

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Don’t ignore Waste, When you See it

- What is patient flow?
  - The process of providing the best patient care in the shortest time without waste of resources
- All employees should be on the alert for performance improvement opportunities
- After observing an opportunity, take action ASAP
  - A discussion is a good starting point

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Performance Improvement Opportunities

- Many practices encourage employees to record waste when they spot it
- Buy-in from the physicians is critical
  - Reminders
  - Recognition
  - Time set aside at meetings for discussion
  - Prompt action
  - Transparency
- Some examples of waste and a response follow

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Waste and a Response

- The physician waits 3 to 5 minutes each morning for the exam room computer to boot-up
  - From now on, the clinical assistant should start computers in the early morning
- The receptionist realizes that nearby road construction will delay patients for the next several months
  - Schedulers advise patients via telephone, the web, and mail to allow extra travel time

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Waste and a Response

- A clinical assistant observes that several times each month physicians can't find and ask for the opthalmoscope
  - The clinical assistant places an opthalmoscope in a special (and visible) container in each exam room
  - Each day, each room is checked to ensure that the opthalmoscope is where it should be
- Each of these examples is a minor process change
- The key is that once employees are empowered to look for improvements, they will do so eagerly

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Clinical Workstation in a Medical Practice

- It houses the clinical assistants, nurses, communication to physicians and tools (forms, computers, and reference materials)
- It is often the most visually chaotic area of a medical practice
- Lean management would recommend the following steps in order to fix a disorganized clinical workstation

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Recommended Steps

- Sort the tasks and functions of the workstation
  - Remove unnecessary equipment, supplies, and resources
  - Select the 8 to 10 most important (or most frequent) tasks performed here and create work spaces for each
- Designate and label
  - Whether a physical location or an electronic file, label everything clearly

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Recommended Steps

- Keep the area clean and orderly
- Standardize the layout
  - Determine which supplies and how many are needed
  - Determine where the supplies should go
- Determine a consistent approach and protocol
  - For each function or task performed at the workstation

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Recommended Steps

- Pool the staff's collective knowledge
  - To prevent piles of paper or build-up of inbound work
- Break old habits
  - Make good habits an expectation
- A clean and well-organized clinical workstation conveys professionalism to patients and other visitors
  - See Exhibit 1.2 in Mastering Patient Flow

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Focus on the Organization

- Medical practices form operational departments
  - Reception
  - Billing
  - Scheduling
- Don't try to optimize one without taking the other departments into account
- To master patient flow, focus on the big picture

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The Virtue of "Small" Practices

- As a medical practice grows, it becomes more difficult to see the operations of the entire practice
- If your practice is large, try to make it feel as small as possible
  - Build pods for a small number of physicians and their teams
  - Do away with multiple-person front desks
  - Decentralize
  - Results: less noise, fewer distractions, better service

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Learn from Others

- Ask a friend who works in another industry (e.g., manufacturing) to review your practice operations
  - Start with a tour of your office
  - Encourage questions
  - Jointly generate new ideas
- Ask a physician from a different specialty who lives nearby to review your practice operations
  - Offer to reciprocate

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Terms from Lean Management

- Continuous flow: producing one product or service at a time, in small batches
  - Example: an internal medicine practice where lab draws are done in the exam room, rather than in a central lab
- Cycle time: length of time to complete a process
  - Example: time from patient check-in to departure

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Terms from Lean Management

- Kaizan: improving a system or process step to create more value with less waste
  - Example: eliminating the front desk and sign-in, escort patients directly to the exam room
- Kanban: a signal to pull work in exactly when a resource is needed
  - Example: tasks marked for a clinical assistant to perform when rooming a patient

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Terms from Lean Management

- Non-value-added steps: process steps that add no value to the customer or organization
  - Typically introduced a long time ago
  - Example: photocopying a patient's insurance card multiple times for multiple parties (scan instead)
- Poka Yoke: mistake proofing a process
  - Make human error more difficult
  - Example: require a registration field for date of birth

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Terms from Lean Management

- Takt time: a measurement of production based on customer demand
  - Example: determining the number of inbound phone calls per hour (this enables the practice to hire staff accordingly)
- Value stream: all processes required to deliver a product or service from start to finish
  - Example: listing all steps in the scheduling of an appointment

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The Practice's Most Valuable Asset

- Who can bill for a service in your practice?
  - a) Telephone operator
  - b) Medical assistant
  - c) Physician
  - d) Biller
  - e) Office manager
- Practice revenue is a function of how the physician uses his/her time

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The Physician's Time

- Inefficient use of a physician's time → smaller patient panel → reduced revenue
- The key is to leverage the physician's time
- The physician's time is the practice

Time	Typical Practice	Ideal Practice
Productive	75%	100%
Wasted	5%	0%
Delegatable	20%	0%

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The Physician’s Time

- The physician’s time is what patients want
- This is the asset that every other resource in the practice must support to provide maximum value to patients
- As you consider steps to improve patient flow, consider whether they free up time for the physicians to care for patients
- Redesigning the patient flow process will free up minutes here and minutes there, but these add up

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Examine the Physician's Non-clinical Tasks

- To maximize the time the physician can spend with his/her patients, look for ways to reduce the amount of time he/she spends on non-clinical administrative tasks
  - Tracking down test results
  - Filling out forms
  - Searching for a referring physician's phone number
- Can an office redesign save the physician a few steps every hour?

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Saving Time for the Physician

- Check with vendors to see if there are ways to simplify the way physicians interact with electronic health records
- Easy-to-use electronic templates are good options to explore
  - Progress notes
  - Electronic prescriptions
  - Transmission of test orders
  - Consult requests
  - Referrals

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The Value of Observation

- Have someone spend several hours observing your physicians as they interact with staff before and after patient visits
  - What tasks are performed?
  - How long does each task take?
  - How much walking is involved?
  - Note times in minutes
  - Look for ways to reduce non-productive time
  - Use a pedometer to record daily mileage, before and after redesign

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The Role of Space in Productivity

- The bigger a medical practice gets, the more operationally inefficient it becomes
  - Everyone must walk more in a bigger practice
- A solo physician may have only 1,000 square feet of office space
  - A trip from one end to the other takes seconds
  - An expansive suite of offices over multiple floors is likely to steal productive minutes from each physician each day

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Extra Steps Reduce Physician Efficiency

- Suppose a large practice has 10 physicians
- Each one wastes 30 minutes a day carrying forms, running errands, and socializing in the hallway
- The practice might have been able to see 10 extra patients each day
- Over the course of a year, this translates into a significant amount of additional income for the practice

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The Physician's Time

- The most efficient physicians consider their three or so exam rooms to be their home base
- They try to remain on or near home base all day
- Another idea is one of physical co-location
  - Staff and physicians work together in workstations where they can easily interact
  - Communication between team members is direct
  - Messaging delays are reduced

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Co-location

- When physicians and clinical staff can easily interact, everyone knows where the patients are and what they need
- An alternative is technology-based co-location
- The key point is that the physician's time is better spent with patients than in getting exercise

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Watch for Waste

- There is no need for physicians to escort patients to the exit after a visit
  - Signs should direct the patient to the exit
- If physicians often leave the exam room to look for missing forms or supplies, there is a problem
  - Compile a list of everything that physicians use in the exam room
  - Inspect and stock the rooms daily
  - Each exam room should be set up in the same way

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Watch for Waste

- If physicians leave the exam room because information on the patient is missing, there is a problem
  - If test results, hospital discharge summaries, or consult notes are missing, implement a chart preview process
- Suppose physicians fall behind schedule because they go to their offices to do other business
  - Instead of going to his/her office, a small workstation near the exam rooms should be used

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Case Study: The Impact of a Small Volume Increase

- Dr. Smith wants $15,000 per month for physician income plus $15,000 per month to cover fixed costs
- The practice receives $80 per visit, but has to pay $5 per visit to pay for variable expenses
- 4,048 patients per year (22 patients per day, 4 days per week, 46 weeks per year) satisfies Dr. Smith's objectives
- What would the impact of two additional patients per day be?

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The Impact of a Small Volume Increase

- $75 x 2 (patients per day) x 4 (days per week) x 46 (weeks per year) = $27,600 (total revenue)
- The additional profit could pay for equipment improvements, facilities redesign, or staffing
- So, the value of a physician's time can be calculated

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Productive Physicians

- The more time a physician spends with patients, the more revenue he/she can generate
  - A physician shouldn't waste time trying to find a nurse
  - A physician shouldn't waste time searching for a referral form
- It makes sense to allocate resources on the fixed cost side to free-up time for the physician
  - Staff, technology, etc.

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Productive Physicians

- The few minutes it takes a clinical assistant to check blood pressure, weigh patients, etc. costs much less than a few minutes of a physician's time
- When you consider a change, new hire, or process redesign ask the questions
  - Would this improve the value my physician(s) can deliver to patients?
  - How much will the change cost?
  - How much revenue will the change generate?

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Strategic Considerations

- Remember to consider long-term and intangible benefits
  - E.g., better patient service → loyal patients → improved patient retention
- Manage time carefully
  - Keep a realistic to-do list and indicate which tasks have been completed
  - Maintain a calendar that displays a month at a time
  - Put personal and professional commitments on the same calendar

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Strategic Considerations

- Manage time carefully
  - Reserve time to work on critical tasks
  - Keep important contact numbers in a single portable location (notepad or laptop)
  - Maintain a clutter-free, organized, and functional workspace
  - Eliminate technological disruptions (e.g., one voicemail box, one email address, no junk email)
  - Teach support staff how to handle your messages (e.g., a medication renewal request)

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Strategic Considerations

- Manage time carefully
  - Set ground rules for the handling of email and voicemail
  - Learn to say no (money vs. stress)
- Estimate the average value of a customer (patient)
  - When a patient leaves the office before seeing the physician, it is costly
  - How costly is it?
  - ARC = average revenue per customer
  - AVC = average value of a customer

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Calculating ARC and AVC for a Neurosurgery Practice

A	Total gross charges	$1,000,000	
B	Collections	$600,000	
C	Patient panel	2,500	
D	ARC/year	$240	B/C
E	Overhead	45%	
F	AVC/year	$132	D/(1-.45)

- That is, each patient the practice served during the year contributed an average of $132 to the income of the practice's physicians

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Calculating ARC and AVC for a Neurosurgery Practice

A	Total gross charges	$500,000	
B	Collections	$300,000	
C	# of surgeries	550	
D	ARC/year	$545	B/C
E	Overhead	15%	
F	AVC/year	$463	D/(1-.15)

- That is, each surgery the practice performed during the year contributed an average of $463 to the income of the practice's physicians

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The Use of AVC

- If a physician sees two fewer patients per week because of long waits or otherwise, the impact would be approximately
  - 2 (patients per week) x 46 (weeks per year) x $132 (AVC) = $12,144
  - If some of these patients would have needed surgery, the loss would be greater
- AVC for a primary care physician measures the "lifetime" value of the customer (patient)

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AVC for a Primary Care Physician

- Assumptions
  - Each patient visits the practice three times per year for 15 years
  - Acquisition costs per patient are $100
  - The practice spends $2 per visit to retain the patient (e.g., toothbrush and dental floss for dentists)
  - 85% of patients remain with the practice from start to finish
  - The practice makes $45 (after overhead) per visit

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AVC for a Primary Care Physician

- AVC is at least

  .85 x ($45 x 3 x 15) - $100 – ($2 x 3 x 15) = $1600
- The bottom line is that when you lose a patient, you lose income
- Focus practice operations on providing excellent service to patients
- Next, we turn our attention to telephones

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Telephones

- Before patients come in for appointments, they call
- The practice should use this as an opportunity to provide good and efficient service
- After their appointment, patients call
  - They call to clarify dosages or instructions
  - They call about test results
- Patients don't want to be put on hold or leave a message
- They want to talk to a person without delay

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Telephones in Your Practice

- Do patients complain about busy signals or long hold times?
- Do referring physicians complain that they cannot get through?
- Do staff members spend too much time searching for answers to callers?
- If so, your telephone system needs to be reviewed

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Telephone Demand

- When telephone demands are high, there are several options
- First inclination: add more lines, buy new equipment, hire another telephone operator
- Alternative: reduce telephone demand
  - Maybe your practice is causing your telephone problems
- Review your scheduling, prescription renewal, referral, and other processes
- See Exhibit 3.1 in Mastering Patient Flow

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Inefficient Telephones Cost Money

- The telephone is your practice's main link to the outside world
  - Don't put the wrong person in charge of answering the phone
- Investing time and money in this position makes good business sense
- Improve working conditions for operators
  - Hands-free headsets, ergonomic chairs, etc.
- Look for ways to redesign patient flow processes in order to reduce telephone demand

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Tracking Call Volumes

- Most automated telephone systems can produce detailed reports
  - Volume of calls per hour, day, week
  - The number of rings before call answered
  - Amount of time callers wait on hold
  - Number of calls not processed per unit time
- Ask your vendor how to obtain these reports
- These reports are the first place to look when trying to address telephone-related issues

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Tracking Inbound Calls First

- See Exhibit 3.2 in Mastering Patient Flow
- Track the calls by category and note repeat calls
  - Prescriptions
  - Scheduling
  - Test results
  - Billing/Referral
  - Nurse/Physician
- If repeat calls are a large percentage of total calls, there is obvious work to be done

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Tracking Inbound Calls

- Make sure you know why your patients are calling and when they are calling
- See Exhibit 3.3 in Mastering Patient Flow
- Areas in which there are a high percentage of repeat calls are ripe opportunities to improve your practice
- Target those areas for improvement first
- Discuss the results of your incoming call analysis with your staff

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Responding to the Results

- Don't tell the patient to call for test results on Monday, if they may not arrive until late Monday or Tuesday
- If patients call for directions, this can be avoided via email or written directions or directions posted on a website
- If patients call the practice for routine refills instead of the pharmacy, better instruction is required

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Responding to the Results

- Develop action items, time frames, and designate a responsible employee for each category of results
- Make one or two changes at a time
- Monitor your progress and produce a new analysis, as in Exhibit 3.3
- It shouldn't take long for telephone demand to decrease

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An Informed Staff Reduces Risk

- Staff know basic medical terminology
- Those answering the phone should be able to spell correctly and write clearly
- Otherwise, physicians waste time trying to figure out the patient's request
- Staff should recognize patient emergencies and should know how to respond

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Analyze Outbound Calls Also

- Analyze outbound calls using similar forms
- Compare inbound and outbound results
  - E.g., a high volume of inbound and outbound calls involving test results indicates that staff and patients may be playing phone tag
- Next, we discuss best practices

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Best Practices

- Industry standard: 4 to 5 inbound calls per patient appointment
- Best practices goal: one inbound call per appointment
  - The initial call to schedule the appointment
  - Reduce the need for calls
  - Anticipate patients' needs and contact them (e.g., dosage, delivery, duration, side effects, etc.)
- Bottom line: anticipate what the patient will need and deliver it

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The Mystery Telephone Patient Survey

- To learn more about your practice's telephone performance, try a mystery telephone patient survey
- See Exhibit 3.5 in Mastering Patient Flow
- Ask some friends to call your practice, each ask a basic question, and each complete a survey
- If possible, arrange for calls during each hour block
- These surveys, combined with anecdotal information may reveal what works and doesn't work

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The Mystery Telephone Patient Survey in Action

- This survey can be part of a performance improvement initiative with goals
  - Be more courteous
  - Reduce waiting times
  - Project a more professional image
- Run the survey for one month with at least 30 incoming calls
- As an alternative, consider getting feedback from patients directly

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Receive Feedback from Patients Directly

- Choose a small cohort of active patients
- Ask them to meet at your practice once a quarter
  - Feed the group lunch
  - Ask questions
  - Listen carefully and take notes
- You will learn a lot from these patients and, at the same time, convey a commitment to improve to your community

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Responsiveness

- How long does it take businesses to answer calls?
  - 19.3% : less than 5 seconds
  - 28.1% : between 5 and 15 seconds
- How long do businesses keep customers on hold?
  - 26.3% : no hold at all
  - 31.6% : on hold for less than a minute
  - 35.1% : on hold between 1 and 2 minutes
- Next, we discuss ways to improve performance

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Don’t Play “Pass the Caller”

- The receptionist transfers a call to the scheduler
- The scheduler transfers the call to the nurse
- The nurse puts the patient on hold to consult the physician
- The patient is transferred back to the scheduler
  - An electronic health record (EHR) can help, since the patient’s information is easy to access

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Learn from the Experts

- Act upbeat on the phone
- Be prepared
  - Each operator should have a list of everyone's location and agenda for that day
  - Each operator should have a script with answers to common questions
- Guide callers
  - Ask "What can I help you with?"

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Good Habits for the Telephone

- Keep a pad of paper near all phones
  - Write down the caller's name
- Use a consistent greeting
- Avoid abbreviations
  - Say "Surgical Oncology" rather than "Surg.Onc."
- Watch out for negative non-verbal communication
  - Sighs, moans, a negative tone

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Good Habits for the Telephone

- Maintain a calm demeanor
  - Especially when the caller is upset
- Prepare for rough spots
  - Response: I’m sorry that we didn’t meet your expectations
  - Have the operator write down the caller’s comments and summarize them to the caller
  - Convey to the caller that a complaint will be taken seriously

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Good Habits for the Telephone

- Conclude calls on a positive note
  - Use the patient's name
  - Thank him/her for using your practice
- If you must return calls, do so within two hours
- Set reasonable expectations and beat them
  - If you tell a patient to expect a test result in five days, try to deliver the result in three days.
- Exceeding expectations will create satisfied customers

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Scheduling Appointments

- Train your triage nurse to also schedule patients
  - The patient doesn't want to deal with the telephone tree, finally reach the triage nurse, and then be put on hold until the scheduler picks up
- Don't waste energy deflecting demand
  - If a parent wants his/her child to be seen, schedule an appointment
- Train all physicians and staff to schedule appointments for established patients
  - For physicians this is the exception, rather than the rule (everyone should help you sell!)

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Post-visit Services

- A short discussion before the patient leaves regarding next steps or the next appointment can eliminate wasteful telephone calls
- Identify patients with appointments that were scheduled 90 days or more in advance
  - What percentage reschedule, cancel, or just don't show up?
  - What percentage do you have to bump due to schedule changes?
  - If more than 10%, establish an electronic recall list

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Rescheduling Appointments

- It is difficult to reach patients by telephone and agree upon a new time
- Patients may be in the middle of a course of treatment
  - A delay of several weeks may create real hardship
- Physicians should limit rescheduling to emergencies

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Reminders can Reduce Telephone Demand

- Send out reminders to patients 4 to 5 days in advance of their appointment
  - Or call patients 2 days in advance
  - It may cost a small amount
  - But, it will reduce incoming calls from patients who can't remember
  - It will also reduce no-shows and late arrivals
- Friendly, automated reminder telephone calls can also work well

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Appointments & Prescriptions

- Let schedulers schedule
  - They shouldn't have to check with physicians
- Prescriptions: most visits involve a medication
  - An initial prescription, a change of medication, or a refill
  - Steps should be taken to better handle prescriptions → reduce in-bound telephone calls

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Prescription Process Improvement

- Transmit prescriptions to pharmacies electronically
- When you fax or deliver a prescription manually, write legibly
- Instruct patients to call the pharmacy directly for routine refills
- Renew prescriptions while patient is in office
- Create written guidelines for telephone renewals and document all renewals

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Manage Message Flow

- Manage the flow of messages carefully
- When patients ask to speak with physicians
  - Ask if there is something you can do to assist the patient
- Ask the patient for the information the physicians and providers say is needed
  - Physicians must establish protocols for this

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Manage Message Flow

- Telephone messages should include
  - Who took the message, when?
  - Name of patient or caller
  - Nature of call, degree of urgency
  - Can response be handled by voicemail or email?
- Record patient's account number with the message
- Keep message on active status
  - Until the issue is resolved

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Follow-up Calls

- Surgical practices used to call their patients a day after discharge
  - No longer common practice, but it still makes good sense
- Making such a call can prevent a medical problem from getting worse
  - Review instructions and medications, evaluate the patient's improvement
  - It is also a good marketing technique

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Managing Test Results

- "If you don't hear anything from us, everything is okay."
  - This is not okay
  - It is inconsiderate of the patient
- Patients want to know where they stand
  - What is my cholesterol level?
  - Has it improved since last year?
  - What does the physician think?

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Reduce Unnecessary Clinical Calls

- Studies show that nearly 50% of the calls a medical practice receives about clinical matters come from patients who were just in the office
- Use the Incoming Clinical Calls Log (Exhibit 3.6 in Mastering Patient Flow) to track incoming clinical telephone calls for several weeks
- Review the results and seek simple solutions

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Some Simple Solutions

- Place the answers to frequently asked questions on your practice web site
- Ask patients at the end of the appointment if they have questions
  - Write down answers for them
- Proactively address side effects of medications, procedures, or treatment
  - Better educated patients → your practice will operate more efficiently

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Telephone Callbacks

- When patients must speak with physicians, schedule patients for telephone callback
- Designate time each day that your physician will be available for telephone consultation
  - This avoids the wasteful game of phone tag

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Billing Questions

- You want to reduce calls from patients with billing questions
  - First step: review your billing statements
  - Revise statements to improve clarity
- Give your billing department its own telephone number and email address to improve access to your billing staff

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One Step Beyond

- If you want to be proactive, you can use your web site to deflect other types of telephone calls
  - Appointment scheduling
  - Making registration and medical history forms available
  - Appointment reminders
  - Test results
  - Prescription renewals
- The last three items above require a secure environment

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Inbound vs. Outbound Calls

- Inbound calls are more difficult to manage than outbound calls
  - It is rare that the right person answers the phone
  - Inbound calls cluster during busy times in the office
  - The operator is not prepared for the inbound call
- If we can turn an inbound call into an outbound call, this can improve office efficiency

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Inbound vs. Outbound Calls

- The three challenges of the inbound call are replaced by a single challenge
  - Getting the patient on the line
- Cell phones make this easier
- Bottom line: it is more efficient for you to call them
  - In addition, patients would prefer that you call before they have to call you

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Voice Mail

- If you are considering adding voice mail, be careful
  - Callers will expect a near-immediate response
- You may want to give billers voice mail boxes, but not your nurses (at least to start)
- Select a voice mail system with good reporting capabilities
  - Number of messages recorded
  - Total length of messages
  - Average time before a message is deleted

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Voice Mail

- Is the voice mail system's size and capacity adequate?
  - How many messages can it hold?
  - How long a message can a caller leave?
  - What happens when the system is full?
- The system should be easy to use
  - If your staff can't learn it quickly, it is not a good match for your practice

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Voice Mail Tips

- Use voice mail to back up staff
- Always offer a "live" operator option
- Check voice mail boxes frequently
- Voice mail is more appropriate for billing, referral requests, and prescription renewals
- Don't use voice mail to triage clinical calls

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Staffing Your Telephones

- How many telephone operators do you need?
- Rough benchmarks for an operator
  - Telephones with messaging: 300-500 calls/day
  - Telephones with routing (electronic system) only: 1000-1200 calls/day
  - Telephone triage: 65-85 calls/day

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Staffing Your Telephones

- Measure the time it takes your staff to handle each telephone call and apply that time to determine your practice's ideal workload range
- Some observations to keep in mind
  - There may be more incoming calls on Mondays
  - When the phones ring less frequently, staff may talk longer
  - It might make sense to hire another operator on Mondays

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Look at the Data

Day of week	Operator time (mins)	Phone volume	Seconds per call
Monday	1,149	1,200	57.5
Tuesday	677	700	58.1
Wednesday	512	650	47.3
Thursday	479	620	46.4
Friday	701	589	71.4

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Benchmarking

- Benchmarking identifies specific reference points for your practice to measure performance, efficiency, and quality
  - How do you stack up against your past performance? This is internal benchmarking
  - How do you stack up against your peers? This is external benchmarking
- Benchmarking is about identifying where you currently stand and finding ways in which you can do better

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Examples of Operational Benchmarking

- How many patients per month are you seeing?
- How many more procedures did you perform this quarter than last quarter?
- What is your patient retention rate?
- Where are the bottlenecks in office flow?
- How much overtime do you pay?
- How many employees do you have?
- What practice management software do you use?

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Information is Critical

- Benchmarking allows you to set goals, but first you need the data
- Some sources
  - The Medical Group Management Association (MGMA)
  - The American Health Information Management Association (AHIMA)
  - Healthcare Billing and Management Association (HBMA)
  - The National Association of Healthcare Consultants
- The cost is typically no more than several hundred dollars for a benchmarking report in a practice specialty

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Lessons Learned So Far

- There are good books to read on the topic of improving your medical practice and patient flow
- Lean management looks for ways to identify and eliminate waste in your practice
- The key question to ask
  - What do patients want from your practice?
- The value you provide to patients should be the driving force behind your practice
- Collect data: be as scientific about your practice as you are about medicine

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Lessons Learned So Far

- Empower your staff to suggest improvements
- Many small changes can result in a big improvement
- Understand the lifetime value of a patient and treat patients accordingly
- Instead of increasing your supply of telephone operators, try to reduce the demand for operators
- Pay attention to practice benchmarks, both internal and external, and set goals based on these

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Scheduling: The Key to Better Patient Flow

- A practice's appointment scheduling process is critical
- Poor scheduling can cost your practice
  - Fewer patients are seen
  - The physician's time is wasted
- Three general methods of scheduling
  - Single intervals
  - Multiple intervals
  - Block (wave) intervals

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Appointment Scheduling

- Single intervals
  - Each patient is given 15 minutes
- Multiple intervals
  - Patients are given 15 or 30 minutes depending on the type and number of complaints
- Block (wave) intervals
  - A block (wave) of patients will be seen between 9 am and noon
  - They are told to arrive at 9 am

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Introducing Your Practice to New Patients

- Ask patients who referred them
- Indicate how long an appointment should take
  - Overestimate
- Get the patient's contact information in case the physician must tend to an emergency
- Ask how the patient would prefer to be addressed
- Remind patients of required preparation for the visit
  - E.g., fasting

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Introducing Your Practice to New Patients

- Describe your policy regarding patient payment at the time of service
- Direct patients to your web site for more information about the practice
- Thank patients for choosing your practice
- This introduction will help reduce misunderstandings and convey a commitment to customer service

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Keep the Scheduling System Simple

- Limit appointment types to a small number
  - Short (for established patients)
  - Long (for new patients and complex established patients)
  - Procedures
- The modified wave approach
  - A long or complicated patient visit is scheduled at the same time as a visit of shorter duration
  - This approach helps when a practice has many no-shows

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The Modified Wave Approach

- As an example, four or five patients could be scheduled at the top of each hour (a mix of short and long visits)
- If one does not show up, the physician’s productivity is not severely impacted
  - The last patient would have to wait about 45 minutes
  - This is a concern

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Treat Your Schedulers Well

- Review your schedulers' working conditions
  - Do they work in a crowded space?
  - Do they have to ask physicians for permission to make appointments?
  - Do they struggle with unfriendly software?
  - Are they treated with disrespect?
- A single "yes" answer signals a need for improvement

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More on Schedulers

- They are the *sales representatives* of your practice
  - Pay them appropriately
  - Treat them with respect
  - Give them the tools to perform their jobs well
- They will stay with you, as a result

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Clustering

- Some specialists supplement their scheduling approach by clustering patients with similar complaints or services
  - A surgeon: post-operative clinics
  - An obstetrician: prenatal patients
- Clustering promotes efficiency by using the same processes, supplies, equipment, and mindset
  - Make sure it doesn't limit your availability

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Group Visits

- One way to boost both collections and patient satisfaction is to try group visits (as an option)
- During group visits, physicians can see 6 to 12 patients at once
  - In just 60 to 90 minutes
  - Typically, in evenings or over weekends
- Pay attention to patient privacy issues

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Group Visits

- Group visits are organized around a common condition
  - Asthma
  - Diabetes
  - Arthritis
- The physician is joined by one or more nonphysician health professionals (e.g., a dietician)
- You will need to discuss coding and reimbursement for group visits with the insurance companies

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Final Thoughts on Group Visits

- Serving a light, healthy meal might improve attendance
  - Charge a modest fee to cover expenses
- Consider a guest speaker
- Try out the idea and see if it works for your practice

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Extended Hours

- Consider opening your practice beyond regular office hours
  - Early AM, evenings, weekends
- This is of real value to patients who could receive care without missing work
- Early or late hours may enable physicians to reduce their commute times

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Extended Hours

- Extended hours may allow a full-time physician or staff member to work 40 hours per week, but have a half-day or day off each week
- Extended hours should reduce the number of non-emergency calls late at night or on weekends
  - It also increases revenue by transforming phone calls (usually not billable) into office visits

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Extended Hours

- Extended hours offer the opportunity to increase your per visit revenue
  - It may be possible to bill an additional fee
- Extended hours aren't just for primary care practices
- Be careful to match your practice's physician availability with your patient demand
- You will need to estimate your patient population's demand for extended hours

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Extended Hours

- Survey your patients by mail, in the office, and via your web site
- It may take a month or two for the word to spread that you are open on Monday and Thursday evenings
  - If the demand is higher than you estimated, you can expand hours or add physicians
  - If it doesn't work, you can return to normal hours

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Same-Day Appointments

- It may make sense to keep open a few slots in each physician's schedule until the day before or the same day to handle last-minute (acute) requests for appointments
- How many appointment slots should be held open?
- Use your practice's own data
  - See Exhibit 4.1 in Mastering Patient Flow

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Same-Day Appointments

- Track the peak days of the week
  - Many practices see a higher demand for acute visits on Mondays
- Track requests by morning and afternoon
- Repeat the analysis at least once a year
- There may be seasonal trends
  - E.g., flu season

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Same-Day Appointments

- If the average demand for same-day appointments on Monday is 5, then hold open 80% or 4 slots during the day
- Cancellations and no-shows will often create an additional open slot
- If you are obligated by an insurance company to see some patients within 24 hours of request, you may need to hold open additional slots

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Advanced Access

- Advanced access is leaving your entire appointment schedule, except previously scheduled new patient and follow-up visits, open to patients who call with acute needs
- Advanced access can
  - Make your practice more accessible to patients
  - Get new patients in faster
  - Smooth the scheduling process
- Advanced access is standard practice for many specialties

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Advanced Access

- Oncologists and trauma surgeons see patients as soon as possible
- Advanced access means being able to accommodate patients when they, or their referring physicians, desire
- Advanced access represents a culture change for many physicians
  - Many practices become accustomed to a backlog
  - Some practices take pride in their backlogs

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Advanced Access

- Suppose the backlog is consistently six weeks
  - The laws of supply and demand → it is possible to eliminate the backlog
  - Patient demand is not overwhelming physician availability, but there is a delay
  - Patients will become frustrated and no-shows will increase
  - The delay could be dangerous for some patients
  - Evening hours, weekend hours, part-time or temporary help will reduce the backlog

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Advanced Access Principles

- Patients need to see their regular physicians
  - The need for additional appointments decreases
  - Patient satisfaction increases
- Schedule appointments when patients call
  - Don’t route their requests through channels
- There must be a reasonable balance between physician supply and patient demand
  - Otherwise, the practice should consider ways to reduce demand or increase supply

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Advanced Access

- Referral-dependent practices (specialists) often need two to three days to get authorization from insurance companies
  - If so, then advanced access means scheduling appointments for two or three days from now
- Next, we discuss what needs to be done to transition to advanced access scheduling

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Integrating Advanced Access Scheduling

- Educate patients, physicians, and staff
  - Physicians and staff will be anxious
  - Patients will be pleasantly surprised
- Work through the backlog
  - It may take a month or two
- Prepare for some variability
  - Physicians and staff may have to stay late from time to time

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Integrating Advanced Access Scheduling

- Plan for contingencies
  - What happens when patient demand exceeds physician capacity?
  - You need a back-up plan
  - Can one of your physicians work late?
  - Can you call upon an outside physician for help?
  - Track patient demand over time so that you are able to predict it reasonably well

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Integrating Advanced Access Scheduling

- Schedule patients with their chosen physicians
- Empower staff to meet patient needs (no hand-offs)
- Plan for the visit
  - Find out the reason for the appointment
  - What else can we take care of (e.g., medication renewals)
- Complete the visit
  - Do some of the paperwork with the patient in the exam room
  - Take care of the paperwork, referrals, prescriptions, etc. that day

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Integrating Advanced Access Scheduling

- Try to schedule follow-up visits on days other than Mondays
- Let the patient demand tell you how much physician availability you need
  - If possible, grow the practice to meet demand
- Spread the word about your new scheduling policy
- There are many benefits that result from advanced access
  - Better relationships with referring physicians, reduction in malpractice risks (no delays), etc.

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Other Advantages of Advanced Access

- No-show rates will decrease
- Patients will value seeing the physician sooner → they will keep coming back
- More new patients → more procedures → more relative value units (RVUs) → gross charges and collections should be higher → physician income should increase

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Primary Care Panels & Advanced Access

- Rough guidelines for primary care practices
  - Between 0.75 and 1 percent of your patients will seek care each day
  - If offered a same-day appointment, 75% of adults and 80% of children would accept
  - For a panel of 2,500 active patients, approximately 20 to 25 will seek care each day (this includes those for whom a follow-up visit has already been scheduled).
  - This can fluctuate due to the severity of your patient panel, the season, etc.

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Advanced Access

- A review (assume 20 appointments per day)
  - 15 appointments are reserved for all patients who arrive "today"
  - Five appointments are reserved for "return" patients and those scheduled before "today"
  - Advanced access is not easy to implement with success
  - Despite its advantages, implementation of advanced access fails in more than half the cases

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The Carve-Out Approach

- Many primary care offices divide patients into “urgent” and “non-urgent” groups
- The carve-out approach is used to ration service capacity between these groups
- Suppose 20 appointments are scheduled per day
- Maybe five are reserved for urgent patients and 15 are left for non-urgent appointments

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Scheduling the Patients

- Don't force anyone scheduling a patient to request verbal permission to do so
  - Keeps the patient on hold
  - Wastes the time of physician, scheduler, and patient
- Give schedulers basic guidelines including questions to ask and information to gather
  - Train them
  - Learn to trust them

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Emergency Calls

- It is very important to train staff in scheduling
- Suppose a 50-year-old patient calls with sharp pain (first in jaw and then upper back) and shortness of breath
- How would your scheduler respond?
- Would he/she tell the patient to go directly to an emergency room or dial 911?

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Flexing Your Workforce

- Keep records by day and hour of your patient workload
- It you consistently have 20% more work on Mondays, then it might make sense to deviate from constant staffing over the days of the week
- In surgical practices where the scheduling of office visits is based on operating room availability, this is especially true

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Improve Staff Scheduling

- Let the work, not tradition, dictate how you staff
- Implement a skeleton staff when you know patient volume will be light (e.g., Friday afternoons)
- Consider putting staff on a slightly reduced workweek (say 36 hours), with Friday afternoons off
- Hire part-timers (e.g., stay-at-home Moms) to work on the busiest days or half-days of the week

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Scheduling for Seasonality

- Most primary care practices expect flu season and back-to-school physicals to bring increased volume
- All practices should record the number of patients seen by month
- Let these numbers guide your staffing
- Leave open an extra appointment slot or two per day during your practice's busy periods
- Be flexible: open 30 minutes early or stay late several days a week during busy periods

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Better Scheduling to Contain Facility Cost

- The clinical areas of a practice facility are often in use less than 25% of the time
- Record your space utilization by hour
  - If you have exam rooms to handle 6 patients per hour and see 5 patients per hour, your space utilization is 83%.
- See the table on the next slide for an illustration

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Facility Capacity Analysis

Time (AM)	Utilization	Time (PM)	Utilization
7-8	5%	12-1	20%
8-9	30%	1-2	60%
9-10	75%	2-3	95%
10-11	90%	3-4	80%
11-12	50%	4-5	30%
		5-6	5%

- The facility is underutilized most of the time

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Better Space Utilization

- Key point: your practice may have more untapped space capacity than you realize
- Better scheduling may enable you to avoid a move to a larger office
- Most physicians spend between 5 and 10 percent of their revenue stream on real estate
- This space offers capacity 24 hours a day, seven days a week, so be flexible

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Better Space Utilization

- For surgeons, consider Saturday mornings as an alternative to weekday surgeries
  - Patients like this option
  - Your office can be used all week
- Try starting early (7 am) or stay late
- Have physicians stagger lunch hours, so your exam rooms remain in use all day
- Train schedulers to tell patients what to bring and how long the appointment should take

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Medical Emergencies

- Medical emergencies can cause scheduled patients to wait longer
  - When this happens, a member of the clinical staff should tell waiting patients
  - Give them a choice: wait or reschedule
- The receptionist should telephone scheduled patients who may be affected by the delay
  - Give them the opportunity to reschedule

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Medical Emergencies

- Delayed physicians should also address patients
  - When they arrive, they should step into the reception area, apologize for the delay, thank patients for waiting, and tell them that they will be as quick as possible
- Patients really appreciate the courtesy and consideration
- Next, we consider the case where patients are late

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When Patients Create Delays

- You should expect some patients to show up late for appointments
  - Most practices consider a patient late once 15 minutes has passed
- Set expectations about promptness when patients make appointments
- Let patients know about road construction and limited parking in advance

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When Patients Create Delays

- If a patient is late, give him/her the option of rescheduling or waiting to be seen when there is an opening (could be an hour or longer)
- Of course, if the physician is routinely late, then he/she shouldn't expect patients to be on time
- Identify those patients who are chronic late arrivers
  - Try to change their behavior
  - Don't schedule these patients first or last
  - Don't fine them (it tends to cause bigger problems)

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No-shows

- No-shows are a major source of frustration to physicians
  - No one reimburses you for a no-show
- For most practices, 5 to 7 percent of all appointments are no-shows, but the percentage can be higher
- How can you prevent them from disrupting your day?
- How can you reduce their frequency?

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No-show Factors to Consider

- The less loyal your patients are to your practice, the more no-shows you should expect
- Some patients may not have reliable transportation, dependable childcare, or workplace flexibility
  - They are more likely to be no-shows
- If you schedule appointments too far in advance, you should expect no-shows
  - Some patients find other physicians and some simply forget

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Managing No-shows

- One approach: schedule chronic no-shows for your lunch hour
  - Either you'll have a full hour for lunch or a shorter lunch and a little more money
- Second approach: overbook
  - Suppose a no-show rate of 10%
  - If you have slots to see 20 patients per day, schedule 22 slots

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Managing No-shows

- A stronger bond with patients will reduce the number of no-shows
  - Send birthday cards to patients
- Assign nurses to patients, especially those who make numerous visits to the practice
  - Print business cards for nurses to distribute
- As mentioned before, identify no-shows and schedule them so as to avoid patient flow disruption

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When a Patient Fails to Show

- Patients who routinely fail to show up become risk management concerns for your practice
- Establish a dismissal policy, put it in writing, and ask new patients to read and acknowledge by signature (inform current patients also)
  - After 3 or 5 missed appointments, the patient is dismissed
  - You may still need to contact the patient if there are unfinished medical issues to resolve
  - Review your policy with your malpractice carrier

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Managing No-shows

- Assign staff to remind chronic no-shows via telephone 2 days in advance of their appointments
- For procedures or visits that consume a lot of your time, ask the patient to call and confirm at least 24 hours in advance
  - If they do not, schedule a patient or two from your waiting list for this time
  - Make sure patients know about this policy

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Managing No-shows

- The physician should close each encounter with a patient with a review of the follow-up plan
  - Emphasize the importance of showing up, especially, to the chronic no-shows
- Should you charge for no-shows?
  - Many practices charge $15 to $25 for no-shows, but end up waiving some of these charges
  - Check to see if the insurance companies will allow you to charge for no-shows

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Managing No-shows

- Should you charge for no-shows?
  - Remember, some no-shows may actually be lucrative patients for your practice
  - If you decide to charge for no-shows, communicate the policy in advance to all patients
  - Bottom line: it is not clear that charging for no-shows is a good idea
- The goal is to reduce the rate of no-shows and manage the no-shows that remain with the practice

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Cancellations

- Cancellations are of two types
  - Advance notice and little notice
- Track the latter as you would no-shows
- Inform patients that cancellations must be made at least 24 hours in advance
- Keep a list of patients who have asked for earlier appointments and call them in response to last minute cancellations

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Cancellations

- When patients cancel and do not reschedule, it may mean that they intend to leave your practice
  - Your staff should call within a week, encourage them to reschedule, and gather feedback if they are dissatisfied
- Make it easy for a patient to cancel in advance
  - E.g., a cancellation voice mail box or email address

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Analyze Trends

- Monitor your appointment fill rate
  - Suppose your practice had the capacity to see 60 patients last Thursday, but only saw 52
  - Your appointment fill rate was 87%
  - Your goal is to have a fill rate of nearly 100%

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When Physicians Cancel Appointments

- Sometimes physicians cancel appointments at the last minute due to other functions or a desire for leisure time
  - This is referred to as "bumping" an appointment
  - Such behavior has a negative impact on practice productivity and customer service
  - Bumps can also impact the loyalty of referring physicians
- See Exhibit 4.6 in Mastering Patient Flow

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Measure Bumps

- Track the number of patients bumped by your practice over several months
  - Do this for each physician since it is important to identify any outliers
  - Ask your scheduler to create a version of Exhibit 4.6 for your practice
  - Add in the lost reimbursement as a cost of bumping

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Measure Bumps

- Ask your scheduler to write down any comments of dissatisfaction when he/she speaks with the bumped patients
- Record whether the appointment is rescheduled or not
- The goal here is to estimate the cost of bumping to your practice

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Manage Physician Bumps

- Put the data, costs, and comments into a report
- Share it with the other physicians in your practice
- Point out that the entire practice bears the cost of bumping
- If a physician is an obvious outlier, the report alone is likely to change his/her behavior
- If one physician keeps bumping appointments, ask him/her to reschedule those appointments personally

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Manage Physician Bumps

- How you handle bumps depends on your practice's culture
- Set a goal of no physician bumps
- Bumps are very costly
  - Over time they detract from your practice's reputation with patients and referring physicians

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Patient Access Indicator

- Measure the following key indicators each quarter to evaluate changes over time
- Average number of days to next available appointment slot that can accommodate an established/new patient
- Percent of appointments for which patients do not show up
- Percent of appointments that the physician cancels in which patients must be bumped

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Patient Access Indicator

- Ratio of new patient appointment slots to total appointment slots
- Percent of cancelled appointments that are converted to an appointment in which another patient is seen
  - Typically, via a waiting list
- Ratio of patients actually seen to total appointment slots available (fill rate)

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Suppose Patient Demand is Low

- Target established patients who you have not seen in the last year
  - Send them a postcard with your contact information
  - Remind them that it makes sense to get a check-up once a year
- Offer to speak at a school, senior citizens center, childcare center, etc.
- Offer to perform free screenings

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Other Marketing Tips

- Volunteer for community activities
- Get to know people who routinely meet new arrivals (e.g., real estate agents)
- Thank established patients, referring physicians, and staff who refer new patients to you
- A professional-looking web site and listing in the Yellow Pages will also help

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Supply vs. Demand

- In a successful medical practice, patients can see physicians without long delays
- If your practice has a problem, it stems from a mismatch between supply and demand
- Supply is physician capacity
  - How many patients can he/she see in a day?
- Suppose an allergist works 40 hours per week and can see 32 patients per day and the demand is 30 patients per day
  - The allergist has enough supply to meet demand

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Suppose Demand is Too High

- Most practices respond by increasing supply—growing the practice
- Decreasing demand is another option
- Does closing your practice to new patients make sense?
  - Probably not
  - Revenue will drop
  - Your ability to alter the payer mix will suffer

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Ways to Decrease Demand

- Review your contracts with payers
- Consider eliminating contracts with insurance companies that pay you less than your costs or deny many of your claims
- Re-negotiate the contract when it is up for renewal
  - You may get better terms
  - If not, then seriously consider dropping the payer

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The Strategy of Dropping Payers

- Of course, dropping payers will not be applauded by patients
- However, it is the responsibility of physicians to determine whether participation with a particular insurance company is cost-effective for their practice
- Participation implies a (two-way) relationship between two parties
- See Exhibit 5.1 in Mastering Patient Flow

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The Strategy of Dropping Payers

- Reducing patient demand by ending participation with an insurance company requires careful thought
- The process of examining payers closely is helpful in three ways
  - It can help you end money-losing relationships
  - It can help you reduce excess demand
  - It avoids closing the door to new patients

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Increasing Supply

- You have two options—do it yourself or hire help
- First, look at your practice's efficiency
  - How do you compare to industry benchmarks?
  - If you think you can boost physician productivity, decide how much of a boost is possible
  - Avoid speeding up visits with patients
  - If you are at or near capacity, it's time to recruit

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Increasing Supply

- Before you start the recruiting process, analyze access and productivity for the physicians in your practice
- See Exhibit 5.3 in Mastering Patient Flow
- The sample chart is presented for a urology practice with four physicians
- It displays access, productivity, and fill rate
- Once you've determined that you need help, decide whether a physician or a non-physician provider is best

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New Physicians

- A new physician may not see enough patients a day to cover his/her salary and overhead
- Your new physician needs help
  - Check his/her schedule each month
  - Count the number of new patient appointments each month
  - Promote the new physician (e.g., an open house, an advertisement, a mailing to patients, etc.)

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New Physicians

- Set expectations and goals and offer advice
- New physicians can enable your practice to thrive
- Monitoring their progress makes sense for their benefit and yours

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Your Office: First Impressions

- What your office looks like is important
- Is parking adequate?
- Are the grounds maintained and kept free of debris?
- Is the entrance accessible?
- Is the reception area clean, neat, and quiet?

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Your Office: First Impressions

- Is the receptionist welcoming? Does the receptionist make eye contact?
- Are patients greeted with enthusiasm, respect, and concern?
- Is printed information readable and concise? Is it explained to patients?
- Is there adequate space to wait?

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Your Office: First Impressions

- You don't need to hire an interior designer
- Instead, ask a few friends or neighbors to visit your office and make suggestions
- Ask these critics to not hold back
- Your office's appearance is a reflection of you and your practice

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When the Patient Arrives

- Unfriendly and inefficient check-in processes will irritate patients and make them less patient
- Patients don’t want a lengthy registration process
- They want to see their doctor ASAP
- Registration should take two to five minutes for established patients

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When the Patient Arrives

- Registration should take no more than 10 to 15 minutes for new patients
- Staff reception services based on how many patients need to be received per day
- Obviously, new patients will require more time
- Measure the time your staff takes to register patients
- If one receptionist can comfortably register 70 patients per day and you expect 130 patients per day, you may need two receptionists

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Speed up Your Front Desk

- Pre-register new patients
  - Over telephone
  - By mail
  - Via the practice's web site
  - Via a kiosk in your office
- Streamline paperwork
  - Keep it simple and succinct

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Speed up Your Front Desk

- Huddle
  - Anticipate problems by holding a 5-minute session before office hours with reception staff to prepare for the day
- Prepare
  - Create a preview checklist of the administrative issues related to each visit (e.g., copayments, copies of insurance cards)

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Words of Wisdom

- Patients can't tell if you are in the top 10% or the top 50% in your field
- Cost is a secondary concern because of our insurance system
- Patients want to be treated well
- Hire carefully and retain the good ones

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Check-in Procedures to Avoid

- Employees leaving the reception area for minutes at a time to go to another room to photocopy insurance cards or do other registration tasks
- Employees sitting at the front desk eating snacks and chatting amongst themselves
- The receptionists are separated from the waiting area by a closed sliding window

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Create a First-Rate Front Office

- Front-office employees are often undervalued and underappreciated
- They greet patients, check them in, collect their money, answer the phone, give messages to clinical assistants—hopefully with a smile
- If they feel appreciated, they will deliver even better performance

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Create a First-Rate Front Office

- Pay competitive wages or slightly higher
- Make it clear from the beginning that receptionists are part of the business office team
- Set high expectations during the hiring process and continue to do so afterwards
- Train receptionists to handle: difficult patients, patient flow delays, and patients who resist paying copayments

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Create a First-Rate Front Office

- Give front-office employees daily reports on registration errors and time of service errors
- Ask each receptionist to fix her/his errors
- Give these employees feedback and reward those who make performance improvements
- Invest time and energy in creating and maintaining a good staff—patients will take notice

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Take Another Look at Registration

- The registration process should be patient friendly
- Handing a stack of papers to a patient in the reception area for him/her to complete is annoying and signals a wait
- Seek pre-arrival completion of paperwork
  - Direct patients to your web site or offer a kiosk for on-site electronic registration
  - One result would be fewer errors

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Registration Errors Can Be Costly

- Examine your claim rejections and denials
- Identify and classify causes
- How many are the result of registration problems?
- Take steps to improve the registration process in order to reduce errors/omissions
- As your error rate decreases, the cost of billing declines and cash flow increases

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Alternative Registration Strategies

- The person who schedules appointments can conduct a "mini-registration" or a "full registration" at the same time the appointment is made
  - Some patients may not have all the information with them
  - For new patients, this will take some time
- Another option is to ask new patients to register via your web site

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More on Registration

- In the end, accuracy in registration is more important than speed
  - Accuracy means your practice will get paid
- If you must handle scheduling and registration separately, try to complete as much of the registration portion as possible before the patient arrives
  - The patient will be appreciative
  - There will be fewer errors

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Six Ways to Pre-register a Patient

- Register patients when they call for an appointment
- Transfer patients to a “pre-registration unit” immediately after they schedule
- Call patients back (when the inbound flow of work is down)
- Register patients via a web site or interactive voice response system

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Six Ways to Pre-register a Patient

- Register patients at a “pre-registration” station at your practice
  - Request early arrival
- Register patients via a kiosk at your practice
- Each option has pluses and minuses

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Insurance Verification

- Many insurance companies will give you access to their database of enrollees to help you verify that their beneficiary (your patient) is actually covered by the insurance company
- Although verification isn't a guarantee that the claim will be paid by the insurance company, it's the best tool available
- Online verification should take place 1 to 3 days before the date of the appointment

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Insurance Verification

- If online access is unavailable or not comprehensive enough, then try the telephone
  - It is more time-consuming, but it can help you avoid denied or delayed claims
- If possible, determine the patient's eligibility for benefits (e.g., are fertility services covered?)
- If possible, gather information about payments, including unmet deductibles, copayments, and co-insurance

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Insurance Verification

- The more data that you have prior to the arrival of the patient, the better
  - You are better able to serve the patient
  - You are more likely to get paid appropriately for your services
- If you have limited resources for verification, limit verification to
  - New patients
  - Patients not on Medicare
  - Patients scheduled for expensive procedures
  - Patients for whom the specific services may not be covered

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When Patients Get Frustrated

- Patients may be sick or worried when they come to your office
  - Some will get upset over small inconveniences
- When this happens, don't dismiss the patient
  - Listen carefully
  - Apologize for not having met the patient's expectations
  - Seek solutions

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Possible Solutions

- If the patient is frustrated by a lengthy wait
  - Offer to reschedule the appointment
  - Give the patient an inexpensive gift certificate to a nearby coffee shop or restaurant and ask him/her to return in an hour
  - Get the patient’s cell phone number and call him/her when the clinical team is nearly ready
- Your attempt to solve the problem will show that you respect the patient’s time

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Control the Damage

- Medical practices with inefficient operations have a larger number of frustrated and dissatisfied patients
- Unhappy patients can generate bad publicity for your practice
- Customer service experts say that one unhappy customer will tell approx. 10 other people about the bad experience

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Have a Back-up Plan

- Despite your best efforts, in rare instances, a patient can become threatening
  - Develop a plan of action
  - Are there security guards in your building?
  - If so, are they easy to contact?
  - Don't hesitate to call 911
- Discuss how everyone should respond to a threatening patient at a staff meeting

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Registration Services

- Keep registration forms as simple and clear as possible
- Consider the registration process as an integral part of the revenue cycle and train your staff
- Base part of your registration staff performance evaluation on registration error rates
  - Look at pre-claim rejections
- Encourage your registration staff to suggest improvements (repeatedly)

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Communicating the Patient's Arrival

- The patient has registered and signed in
- Now you have to let your clinical staff know that the patient is ready for his/her appointment
- The most common methods are listed next

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Most Common Method

- Line of sight: place the chart where nurses can see it
- Lighting system: lights can be used to indicate that a patient is ready
- A noise-making device
- Patient ticket print out: place a printer near the nurses' station and have the reception desk print out the patient's ticket on that printer
- Pagers or cell phones: send text messages (e.g., Golden, B.)
- Wireless devices, etc.

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A Friendly Touch

- Take a photograph of a new patient (with permission), store the digital image, and use it to identify the patient in the reception area
- Or, photocopy the patient's driver's license (with permission)
- When the clinical assistant pokes his head into the reception area, he can look at the patient and ask: "Dr. Golden, are you ready?"

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The Waiting Process

- Patients will wait for physicians, but not for long
- Waiting is of little value to patients
- The goal of lean management is to make sure patients wait as little as possible
- Experts agree that patients will tolerate as many as 20 minutes of wait time
- But, patient loyalty is challenged when the wait exceeds 10 minutes

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Cycle Time

- Cycle time is the time from the patient's entry (sign-in) to the patient's exit
- The cycle time in a medical practice typically ranges from 30 to 90 minutes, with 60 minutes as the average
- Cycle time has two components
  - Value-added
  - Non-value-added

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Cycle Time

- What is your practice's patient cycle time?
  - Have you tried to answer this question?
- How much non-value-added time do your patients encounter when they come for an appointment?
  - The goal should be to reduce waits and delays
  - Also, improve the quality of waits and delays

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Cycle Time

- Ask your reception services staff to record the time the patient signs in, the time he/she is called to leave the waiting area for an exam room, and the time of departure from the office
  - This gives the initial wait time and the cycle time
- Think of ways to reduce the time in the waiting area
- Think of ways to improve the quality of the wait

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Improve the Quality of the Wait

- Change your “waiting room” to a “reception area”
  - Soft music, lighting, clean carpets, etc.
  - Let the patient relax, rather than wait
- Engage your patients
  - Offer patients a blank form with the heading: “Things I wish to discuss with my doctor today”
  - Another form might have the heading: “Medications I would like to renew”

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Other Ideas

- Wireless network for patients to use their own laptops
- Patient education materials
- Simple games on paper (e.g., Sudoku, crossword puzzles)
- Notepads for adults with your logo
- Coloring books for children
- A simple coffee bar
- A fish tank with colorful fish

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Summing Up

- Your most precious asset is your physician's time
  - Be efficient
- Review processes to reduce the components that don't add value to your customers (patients and referring physicians)
- Explore ways to make your practice more patient-friendly
- Don't continue to do things the way you've always done them

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Summing Up

- Use the principles of lean management
  - Look for and eliminate waste
  - Pursue continuous improvement
- Collect data, analyze the data, and use the data to improve your practice
- Encourage your staff to help you identify improvements

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