

Socioeconomic tips

Organizing your surgical practice

By Tom Loughrey, Pittsburgh, PA

Dozens of surgeons took advantage of the practice management consultations offered by the College at its 2003 Clinical Congress in Chicago, IL. These surgeons had an opportunity to get advice on a variety of practice management subjects, ranging from starting a practice to retiring and virtually every area in between. Particularly noticeable this year was an earnest desire on the part of surgeons to meet all the socioeconomic challenges facing today's practices through better organization and the application of best practices. Surgeons' questions centered on where they need to focus their efforts and available resources. Following are some of the most frequently asked questions that surgeons posed and the consultant's responses.

I want to be in control of my practice's operating costs. I'm not opposed to spending money where it is needed, but I don't want to waste any money either. How can I control costs and make my income goal?

The best way to take charge is to develop a budget for the coming year. First, establish a realistic desired income goal. Add to this amount the expenses you anticipate for the year. The sum is your cash need for the year. By dividing this total by the collection rate, a practice can determine its needed charges. We recommend breaking this figure down to the number of days you will work in the coming year to arrive at a daily charge goal. This information can be tracked in a simple spreadsheet. By budgeting the expenses, including cash purchases of capital items, a practice can control exactly when and how its money is spent. The practice can plan for cash flow deficits and be aware of when expenses are out of line. The best way to monitor this activity is to follow a monthly financial statement compared to budget. Creating and then adhering to a budget is the best way to control expenses and meet income goals.

Around the corner

- Economedix teleconferences are scheduled as follows: Negotiate Winning Third Party Contracts (Feb. 25 and 28); Preparing for the HIPAA Security Rules, (March 10, 13, 24, and 27). For more information and to register, go to <http://yourmedpractice.com/ACS-Teleconference>.
- ACS-sponsored basic and advanced coding courses and practice management course for surgeons on March 25-27 in Houston, TX. Visit the ACS coding and practice management course Web page at <http://www.facs.org/dept/ahp/workshops> to register.

We seem to be inundated this year with compliance regulations. How can we keep track of these and know we are staying out of any regulatory trouble?

There are several areas of "compliance," but the ones getting the most attention right now pertain to complying with rules emanating from the Health Insurance Portability and Accountability Act (HIPAA), fraud and abuse related to billing, and the Occupational Safety and Health Administration (OSHA). Additionally, practices must abide by federal and state laws on employment practices, access for persons with disabilities, and patient translation services, among many others.

The best way to deal with HIPAA compliance for privacy and security is to have a policy and procedure handbook and to train all employees and physicians in its use. The HIPAA rules for submitting compliant electronic claims are somewhat different. Compliance in this area is largely going to be accomplished by your software or service vendor. Stay on top of them and get written confirmation

of their efforts. Currently, most payors are paying old claims even if the format is not compliant. This policy most likely will end sometime this year, and practices do not want their cash flow interrupted.

OSHA compliance varies depending on practice location. In some states it is administered as a state program, and in other states it is a federal program. In every case, posting and reporting of workplace injuries is required. Of primary concern for physicians are the regulations for blood-borne pathogens, typically spread by needlesticks. All staff members need adequate protection, safe sharps collection systems, and, most of all, adequate training to protect themselves and others. Staff and physicians must also be offered hepatitis B immunizations, and if they forego vaccination they must confirm this choice in writing.

Fraud and abuse compliance is simply a matter of making certain your billing is consistent with your documentation. Informal internal audits are an easy way to ensure compliance. Review the guidelines for documentation in your copy of *Current Procedural Terminology*, and then pull several charts for each surgeon, and look at the documentation. Recode the services based on the documentation, and then compare it with what was actually coded and billed. Check for improper coding and provide necessary retraining to individuals needing it. Repeat this procedure several times a year.

We seem to be sloppy when handling routine patient encounters. We seem to be reinventing each step as we go along. Sometimes they are managed well, and other times poorly, depending on who is doing the job and when. How can we be more consistent in our day-to-day work?

Inconsistency is usually a sign of inadequate policies and procedures or lack of compliance with and enforcement of the policies and procedures. One place to start is with the development of a list of common tasks in the office, such as opening the office, taking messages, arranging appointments and operations, sterilizing instruments, ordering supplies, sending claims, and cleaning the exam room. In any office, dozens of major tasks and hundreds of minor tasks must be completed. By describing the major tasks and how, when, and by

whom they are to be done, these responsibilities can be effectively organized.

Assignment of these tasks becomes the basis of job descriptions. When people understand their jobs and have the resources and authority to complete them, employees will generally carry out their responsibilities to the limit of their skills, training, and motivation. Management must then decide whether an individual's abilities are sufficient or whether he or she needs more training, better skills, or different motivation. First, however, the specific tasks and the persons responsible for their execution must be defined.

My partners and I generally get along well, but we disagree about the direction of the practice. We are at different stages in our careers and have different expectations with regard to income, time off, taking call, practice expansion, and governance. How can we all get on the same page and still recognize our individual needs?

Too often in busy practices the physicians and top management simply get together too rarely to discuss these issues. The best way to do it in an organized way is to start with an annual physician/management retreat. It is best if some of the retreat is for physicians only then followed by time with management. At this meeting, the big issues can be discussed, including the mission of the organization, plans for the coming year and beyond, capital budgets for equipment, and expansion and practice growth. Discussion of these issues will usually reveal individual preferences, which are most often accommodated by compromises on everyone's part. Productive compromise is the ultimate expression of group and individual maturity. It requires mutual respect, a solid set of personal and professional values, and willingness to think about the big picture rather than short-term rewards.

The next step toward achieving organization in
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meeting of the Japan Surgical Society.

He must meet all travel and living expenses. Senior Japan Surgical Society and Japan ACS Chapter representatives will consult with the Fellow about the centers to be visited in Japan, the local arrangements for each center, and other advice and recommendations about travel schedules. The Fellow is to make his own travel arrangements in North America, as this makes available to him reduced fares and travel packages for travel in Japan.

The American College of Surgeons International Relations Committee will select the Fellow after

review and evaluation of the final applications. A personal interview may be requested prior to the final selection.

Applications for this traveling fellowship may be obtained from the College's Web site, www.facs.org, or by writing to the International Liaison Section, American College of Surgeons, 633 N. Saint Clair St., Chicago, IL 60611-3211.

The closing date for receipt of completed applications is June 1, 2004.

The successful applicant and an alternate will be selected and notified by November 1, 2004.

Trauma and Critical Care 2004 to be held in May

The Eastern States Committees on Trauma will present Trauma and Critical Care 2004: Point/Counterpoint XXIII, May 24-26, in Atlantic City, NJ. The Hilton Casino Resort will be the site for the program, which will examine the latest developments in the care of the injured patient.

Course topics include: Let's Take Another Look at Liver Trauma; Teaching and Learning Trauma Care; Trauma Surgery Today, Trauma Surgery Tomorrow; Difficult Case Management


Panel; Avoiding Tragedies in Patient Transfers; Optimizing Trauma Care in Special Populations; Limitations of Bedside Diagnostics and Minimally Invasive Procedures; Cutting Edge—How I Do It: Point/Counterpoint; Contemporary Trauma Care—The Survivor Game; Emerging Role of Evidence-Based Medicine in Trauma Care; and Critical Decisions in Critical Care.

The scientific program committee consists of Kimball I. Maull, MD, FACS, Course Chair;

Charles C. Wolferth, MD, FACS; L.D. Britt, MD, MPH, FACS; David V. Feliciano, MD, FACS; Rao R. Ivatury, MD, FACS; Lenworth M. Jacobs, Jr., MD; MPH, FACS; and Michael Rhodes, MD, FACS.

Complete course information can be viewed online at: <http://www.facs.org/dept/trauma/cme/traumtgs.html> <http://www.traumapointcounterpoint.com>. For further information, contact the ACS Trauma Office at 312/202-5342.

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these areas is to make a monthly meeting a priority. Prepare a written agenda that includes reports on goals established in the retreat, performance against budget, and time to address issues of personal interest at the confluence of practice interests. The best meetings involve good listeners who are prepared with the information ahead of time and are active participants in productive dialogue. 

This column responds to questions from the Fellows and their staffs, and provides useful tips for surgical practices. Developed by the College staff and consultants, this information will be accessible on our Web site. If you would like to see specific topics addressed in future columns, please contact the Division of Advocacy and Health Policy by fax at 202/337-4271, or e-mail HealthPolicyAdvocacy@facs.org.