



Since its inception nearly three years ago, the **AGA Center for GI Practice Management and Economics** has helped over 30 GI practices throughout the continental US and Puerto Rico solve a variety of practice management problems and improve the operation of their practices.

This case study is the second of two case studies of consulting projects conducted by the AGA Center for GI Practice Management and Economics. The first case study appeared in the August 2003 issue of *GI Practice Management News* and can be found on our website at www.gastro.org/center. To protect the confidentiality of our clients, we have combined the characteristics of several practices that we visited.

Practice 2 is a six-physician GI group in a large metropolitan city that resulted from a merger of three independent practices, each with two physicians. The three practices each brought some of their staff to the new practice including a secretary for each physician, the practice managers, nursing staff and clerical support. The practice manager of the new group is from one of the previous practices. The managing partner of the group is the physician who has been in practice the longest. The purpose of the consulting project was to address the dissension between the physicians and staff and to mediate the disputes in practice style between the physicians.

Step 1: Assessment

The Center was contacted by the managing partner who was concerned that the future of the group was in jeopardy. The partners could not agree on plans for expansion and a revision in the compensation package for the partners and future associates. Each of the partners felt overworked and underpaid. Expenses as a percentage of revenue were increasing. The staff was constantly bickering and the turnover rate was high. There was also concern regarding the accuracy of coding for services.

The project consisted of the following:

- Interviews with the physicians and staff;
- Observations of the clinical and clerical areas;
- An analysis of financial reports;
- A medical record review; and,
- Reimbursement and compliance training for the physicians and staff.

Step 2: Conclusions

From the interviews and observations it was clear that the Practice was not functioning as a group, but rather as six independent practices sharing space. Each physician had his/her own way of scheduling appointments, preparing charts, documenting services (some dictated, some handwritten), charging for services, coding visits and consultations, sending out reminder letters, etc. Each physician had his/her own clerical and clinical support person. The practice manager had little authority to make even the simplest decisions for the group. Each physician saw only his/her own patients both in the office and in the hospital. Although the compensation package for each of the partner physicians was the same (they shared equally in the profits), their productivity varied considerably. The billing pattern (levels of

service of the E/M service) also varied considerably between physicians with some overcoding and others undercoding.

The practice expense was significantly higher than the norm, due in most part to the fact that all functions had to be duplicated for each physician. The physicians had no real sense of how the practice was doing financially since they did not receive any financial reports from the practice manager on a regular basis. Because each physician had his/her own specific staffing needs, having one staff person out sick or on leave created chaos in the office because no one could effectively fill in. Some of the physicians were more popular with patients and referring physicians than others and, as the appointments for each physician were made by their own secretary, some physicians had long waits for appointments while others had empty slots in their daily schedule. The opinion expressed by the support staff was that there was no real supervision from the practice manager. Rewards and discipline were distributed based on the employee's relationship with the specific physician, not on merit.

Step 3: Recommendations

After careful analysis, Center staff told the partners that they needed to decide among themselves whether they were committed to the group. If so, in order for the group to operate efficiently, specific changes needed to take place including the following:

- Operations should be standardized across the practice;
- Job descriptions should be written for each functional area and staff assigned to specific functions rather than to a physician;
- Appointments should be made through a central appointment line. Patients and referring physicians should be offered the first available appointment unless they request a specific physician;
- Physicians should adopt the "hospitalist" model and rotate rounds and hospital consults among the physicians on a daily or weekly basis;
- Physicians should use a template for documenting services and select the level of service based on the documentation as instructed in the training session;
- The compensation package should be recalculated based, in part, on productivity; and
- The practice should consider hiring a professional administrator to monitor finances, report to the physicians on a weekly or monthly basis, and research and supervise expansion plans.

Step 4: One-year Follow-up

Though the Practice did not hire an administrator, the practice manager was encouraged to receive professional training and now is providing weekly financial reports to the physicians. Job functions have been standardized. Though each physician still has his/her own clinical support person, all the staff can fill in when needed. The physicians now rotate through the hospital and the physician assigned to the hospital sees all the patients of the Practice, leaving more time for the other physicians to perform office services and procedures. The physicians also have shortened their work day since the load has been more evenly spread among them. The compensation package has been redefined to allow a quarterly productivity bonus based on collections. The staff turnover rate has declined and the overall mood of the Practice has improved considerably.

Find out how the Consulting Services of the AGA Center for GI Practice Management and Economics can help you! CALL TODAY!

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