Managing Your Dermatology Practice

Time to Review OSHA Standards

Early in the year is a good time to get out your Occupational Safety and Health Administration logs, walk through your office, and confirm that you remain in compliance with all the applicable OSHA regulations. Even if you hold regular safety meetings (which all too often is not the case), the occasional comprehensive review is always a good idea, and could save you a bundle in fines.

Your review should include each of the six OSHA standards (seven if you have an x-ray machine) that apply to all physician offices, whatever their size.

BY JOSEPH S. EASTERN, M.D.

Start with the official OSHA poster—enumerating employee rights and explaining how to file complaints—which must be displayed in a conspicuous place in your office. It's the first thing an OSHA inspector will look for. You can download it from OSHA's Web site (www.osha.gov/Publications/poster.html) or order it at no charge by calling 800-321-OSHA.

Next, check out your building's exits. Everyone must be able to evacuate your office quickly in case of fire or other emergencies. At minimum, you (or the building's owner) are expected to establish exit routes to accommodate all employees and to post easily visible evacuation diagrams.

Examine all electrical devices and their power sources. All electrically powered equipment—medical, clerical, or anything else in the office—must operate safely. Pay particular attention to the way wall outlets are set up. Make sure each outlet has sufficient power to run the equipment plugged into it, and that circuit breakers are functioning. And beware the common situation of too many gadgets running off a single circuit.

Now, review your list of hazardous chemicals, which all employees have a right to know about. Keep in mind that OSHA's list contains many substances—alcohol, disinfectants, even hydrogen peroxide—that you might not consider to be particularly dangerous, but must nevertheless be on your written list of hazardous chemicals. For each of these substances, your employees must also have access to the manufacturer-supplied material safety data sheet, which outlines the proper procedures for working with a specific substance and for handling and containing it in a spill or other emergency.

The blood-borne pathogen rules are aimed at reducing occupational exposure to blood-borne diseases such as HIV, hepatitis B, and hepatitis C. In 2000, Congress added the Needlestick Safety and Prevention Act in an attempt to reduce the risk of needlestick and other sharps injuries.

The basic requirements include a written exposure control plan, updated annually to reflect changes in technology. You need not evaluate or purchase every new device on the market, but you should document which safety devices you are using, and why. Also, be sure to document the input of all employees involved in the selection process.

For example, you and your employees may decide not to purchase a newly available safety needle because you don't think it will improve safety, or because you think that it will be more trouble than it's worth, but you should document how you arrived at your decision and what you plan to use instead.

Your plan should document your use of such protective equipment as gloves, face and eye protection, and gowns, and your implementation of universal precautions.

You must provide all at-risk employees with hepatitis B vaccine at no cost to them. You also must provide and pay for appropriate medical treatment and follow-up after any exposure to a dangerous pathogen.

Other components of the rule include proper containment of regulated medical waste, identification of regulated-waste containers, sharps disposal boxes, and periodic employee training regarding all of those things.

Federal OSHA regulations do not require medical and dental offices to keep an injury and illness log, as other businesses must. However, your state may have such a regulation which supersedes the federal law. Check with your state or with your local OSHA office regarding any such requirements.

For x-ray therapy, there are separate rules regulating such equipment, including area restriction to minimize employee exposure, the use of film badges, and appropriate caution signs.

It is a mistake to take OSHA regulations lightly; failure to comply with them can result in stiff penalties that could total many thousands of dollars.

How can you be certain you are complying with all the rules? The easiest and cheapest way is to call your local OSHA office and request an inspection. Why would you want to do that? Because in return for agreeing to have your office inspected, OSHA will agree not to cite you for any violations—providing you correct them, of course.

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Cosmetic Physician Income Up Slightly

BY BETSY BATES
Los Angeles Bureau

Las Vegas — The average net collected revenue per full-time equivalent physician in 2005 was $1,436,837 for cosmetic medical practices, according to a benchmarking survey of 61 offices, said William Miller, a management consultant with the Allergan Practice Consulting Group of Allergan Inc., a pharmaceutical company based in Irvine, Calif.

Mr. Miller and his associates have been conducting comprehensive economic evaluations of dermatology and cosmetic surgery practices for years so that other physicians can see how they measure up.

The latest twist is a survey of cosmetically oriented practices, including 19 cosmetic dermatology offices, 12 facial plastic surgery offices, 2 oculoplastic surgery offices, and 28 plastic surgery offices.

Comparative data from the 2003, 2004, and 2005 surveys of these practices were released at the annual meeting of the American Society of Cosmetic Dermatology and Aesthetic Surgery.

The revenue rate per hour per full-time equivalent MD or DO (based on 1,600 hours per year) averaged $898 in 2005, $885 in 2004, and $807 in 2003.

The practices selected for the benchmark survey are not necessarily "average," Mr. Miller emphasized. They are selected by the Allergan consulting group and may be either more or less profitable than the average cosmetic practice in the United States.

They are, however, quite geographically representative because they draw from cities in the eastern, southern, midwestern, and western regions of the United States.

To verify its numbers, the firm analyzes financial statements, income tax returns, employee census data, and productivity reports.

The net collected revenue per full-time equivalent MD or DO in cosmetic practices was $1,436,837 in 2005, up from $1,416,326 in 2004 and $1,291,392 in 2003, Mr. Miller said.

The revenue rate per hour per full-time equivalent MD or DO (based on 1,600 hours per year) averaged $898 in 2005, $885 in 2004, and $807 in 2003.

The net collected revenue per full-time equivalent aesthetician decreased slightly in 2005, totalling $149,145, compared with $151,046 in 2004 and $134,905 in 2003.

Retail sales in cosmetic offices vary tremendously, from $10,000 a year to more than $500,000 annually, he said.

The benchmark survey found that average retail sales added up to $138,865 in 2005, $135,065 in 2004, and $117,842 in 2003.

Operating expense ratios, which do not include provider compensation, bonuses, or retirement contributions, averaged 63.6% in 2005, 63.4% in 2004, and 65% in 2003.

Rent expense ratios (not including utilities and other peripheral expenses) averaged 5.0%, 4.9%, and 5.5% in 2005, 2004, and 2003, respectively.

"Five percent to 8% is a healthy range" when including utilities and insurance, he said.

Wide variations were seen in marketing expenses, which totalled from 3.9% to 4.3% between 2003 and 2005.

Mr. Miller strongly encouraged clinicians to track the efficacy of their marketing "somehow," if only on a spreadsheet used by a receptionist to find out how new patients heard about the practice.

When deciding if you have the right number of staff members, Mr. Miller said, it is important to look at three data points: "How productive is my staff?" "Do I have the right number of staff?" "What is my payroll ratio?"

The net collected revenue per full-time equivalent employee was $300,582 in 2005, $325,880 in 2004, and $313,807 in 2003.

The number of full-time employees per full-time provider was another figure that varied among practices, explained Mr. Miller. The healthy range is four to six full-time equivalent employees per provider.

He noted that many cosmetic dermatology practices in the survey also perform general dermatology, resulting in a higher patient volume than is typically seen in a plastic surgery practice, for example.

On average, though, cosmetically-oriented practices had 5.4 full-time equivalent employees per each full-time equivalent provider in 2005. That compared with 5.2 in 2004 and 4.9 in 2003.

To conclude his talk, Mr. Miller said that in his visits to many practices, he has found that a key element to success lies with hiring and appreciating excellent staff members.

Begin with a job description, he suggested.

"You cannot hire the right person if you don't know what skill set is required," he said. "I don't believe in merry-go-round jobs within the practice."

Make sure each employee's strengths match the tasks he or she is assigned, and offer frequent training opportunities, he said.

Finally, practice simple good manners and collegiality from the moment you step in the door.

"Say good morning. Say thank you at the end of the day," he said.

"It's amazing. I've been in offices where the employees don't even know if the doctor's in the office or not." ■