

MANAGING YOUR DERMATOLOGY PRACTICE

Tame the Backlog—With Economics

My last two columns discussed the complaint patients make most often: waiting too long in the office.

However, another prevalent complaint—and one that shows no sign of improving in many areas of the country—is the inability to get an appointment with a dermatologist within a reasonable period of time.

In general, patients consider any delay longer than a few days—a week at most—unreasonable. And many dermatologists are booked several weeks in advance.

A patient who finds a suspicious-looking mole and wants to see a dermatologist can expect an average wait of 38 days in the United States, and up to 73 days in Boston, according to a study from the University of California, San Francisco.

Such backlogs, besides arousing patients' ire, cost you money: The longer the wait time, the higher the likelihood of cancellations and no-shows. These leave gaps in your supposedly "full" schedule while adding to administrative work, hurting your bottom line, and driving up costs. A 2001 study showed missed appointments result in a loss of 3%-14% of annual revenues.

Backlogs also are a major reason why dermatologists are losing an increasing

amount of business to less-qualified practitioners who will see patients sooner.

In the business world, this would be called a supply and demand issue, one that most successful businesses learned long ago to solve. For example, no McDonald's customer ever hears, "We don't have any Big Macs today; come back tomorrow." Each McDonald's outlet makes certain it can match its supply with its customers' demand at any given time; if it can't, it loses big chunks of business to competitors.



BY JOSEPH S. EASTERN, M.D.

And if dermatologists don't wish to continue losing ever-larger chunks of business to general practitioners and spas, we too will have to learn to balance supply (the number of available physician hours) with demand (the number of patients).

Options for increasing supply are fairly straightforward. You can increase personnel by bringing in a new associate, or hiring a physician assistant or nurse practitioner. Or you can expand appointment slots by adding hours during early mornings, evenings, or weekends.

Alternatively, you can decrease demand by eliminating third-party contracts that pay too poorly or too slowly, or restricting the type or number of new patients your practice accepts. Or you can narrow the scope of your practice: Eliminate surgery,

for example, or eliminate everything except surgery, or focus on one type of surgery, such as Mohs or cosmetic procedures. Or concentrate on something in which you have special interest or expertise, such as psoriasis or pediatric dermatology.

You may find it necessary to combine several of these options to work down your backlog of appointments to a manageable level.

Once supply and demand are well balanced, you may wish to consider adopting an increasingly popular system called open-access scheduling. With open access, most patients are seen on the day they call for an appointment regardless of the reason for their visit. And surprisingly enough, when implemented correctly, it works.

Studies have shown open access to be an effective way of cutting wait times in both managed-care and fee-for-service settings. The advantages are obvious: It greatly increases patient satisfaction while making practices more profitable by virtually eliminating the financial drain of cancellations and missed appointments.

While not for everyone, open access is a viable option in many situations. It can be adopted gradually, starting with reserving some slots each day for last-minute appointments, and then gradually increasing the number of same-day slots until everyone is comfortable with them. At that point you can begin offering all patients an appointment on the day they call your office.

Of course, those patients who do not want to be seen on the day they call can be scheduled for an appointment at a time of their choice. (They should not be told to call back on the day they want to be seen.) And, while seeing patients, you will probably want to schedule some surgeries and other procedures as necessary. (Such advance appointments are known in the open access parlance as "good backlog.")

When properly managed, open access gets high marks from both patients, who are thrilled to be able to get appointments when they want them, and office personnel, who report that the frenetic routine of answering calls, scheduling visits, and providing clinical care takes place at a much calmer pace. The phones are quieter, and schedulers, nurses, physicians, and staff spend much less time dealing with backlog issues, which leaves more time to care for patients.

Of course, eliminating all wait time, cancellations, missed appointments, and loss of patients to other physicians will take more than just creative scheduling. It will take a basic change in the way we think about the business aspects of health care, such as supply and demand, which most physicians think do not apply to them. ■

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Medical Spas' Benefits Come With Legal Considerations

BY DOUG BRUNK
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SAN DIEGO — The demand for medical spa services is holding steady despite the current economic downturn, Michael R. Lowe, P.A., said at the annual conference of the Medical Group Management Association.

"I represent about 25 medical spas, and I haven't seen any of them slow down in the last 6-8 months," said Mr. Lowe, a health law attorney based in Longwood, Fla. "Most of them are diverse in what they do, from laser hair removal to hormone replacement therapy, but the baby boomer generation is driving this. They're smart consumers, health conscious, and they want to see a doctor on their terms."

Add declining physician reimbursement from third-party payers and increasing costs of running a medical practice and you have a lot of physicians considering adding medical spa services to their practice. Such services may include Botox injections, dermal fillers, mesotherapy, intense pulsed light treatments, massage therapy, hormone re-

placement therapy, laser hair removal, weight management, or diet and nutritional counseling.

Mr. Lowe outlined the following points to consider before adding a medical spa service to your practice:

► **Know what licenses are required.** Laws vary by state, so check with your state medical board or an experienced health law attorney. In Florida, for example, a medical assistant can assist a physician with a Botox injection, but only under the personal supervision and involvement of the physician.

"Doctors get that confused," he said.

He also noted that Florida mandates that only licensed nutritionists can give nutritional advice. Mr. Lowe noted that he has represented personal fitness trainers who have been investigated for imparting nutritional advice to their clients. "I've had to defend them against the state medical board and the department of health for the unlicensed practice of medicine, which in our state is a third-degree felony," he said. "So be very careful."

► **Find out your supervision re-**

quirements. Laws on this vary from state to state, and can be murky. For example, in their meeting minutes the Florida Board of Medicine states that to provide laser hair removal you must be a medical doctor, a doctor of osteopathy, a nurse practitioner, or a physician assistant.

At the same time, a state statute mandates that laser hair removal be directly supervised if it's performed by a nurse practitioner or a physician assistant. So if a complaint involving laser hair removal comes before the Florida Board of Medicine, Mr. Lowe said, it is more likely to apply its policy from the meeting minutes than from the state statute. "The best thing you can do is call your licensing board or hire a lawyer who has experience in medical spas and these types of issues," he said.

As a starting point, "make a list of everyone working for you and what service they provide."

► **Determine if the service is covered by your liability insurance.** Check with your carrier to make sure you're covered. "In

Florida, a lot of medical spa services aren't covered and the carriers are very resistant to cover them," he pointed out. "The last thing you want is to have an untoward outcome and have a patient come after you and not be covered. The most expensive



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MR. LOWE

thing about malpractice is paying the lawyers to defend you."

► **Be careful with medical director agreements.** What duties will the physician perform as medical director? These should be specified in the agreement. Mr. Lowe recommends having the physicians track their hours and the performance of their specific duties.

In order to be compliant with federal law, the medical director agreement must be in writing and signed by all parties in-

involved. It must cover all of the services to be provided by the physician. Understanding the Stark federal antikickback law and regulatory safe harbors legislation is also essential.

► **Obtain informed consent for all procedures.** Mr. Lowe advises having Medicare patients fill out an Advance Beneficiary Notice. "That way they can't come back to you and say, 'You didn't tell me this procedure wasn't covered. ... You didn't tell me what I was getting. You didn't tell me how much it would cost.'"

► **Communicate off-label medication uses.** Be sure to inform the patient and discuss all potential risks while having the patient sign an informed consent. Note the discussion in the medical record as well.

► **Be mindful of patient privacy rights.** If you breach the Health Insurance Portability and Accountability Act and cause the patient to suffer, "you may be liable," Mr. Lowe said. "Be careful with this, especially if you work with nonlicensed health care professionals [who don't understand the law]. People are looking to sue for privacy issues." ■