

A Competency-Based Curriculum in Business Practice Management

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Business management skills are an essential part of an efficient medical practice, but they are largely neglected or ignored in residency training programs. In order to realistically prepare physicians for their future community practices, the Family Practice Residency Training Program at the University of California, Los Angeles, includes a business practice management curriculum based on 12 behavioral objectives. Through observation, seminars, consultation, and practice design, the resident becomes competent in the skills and behaviors necessary for effective management. Over the three-year period, the resident completes a handbook with research findings, and designs elements of his/her own future practice. The instructor's manual is included to illustrate and clarify methods of implementation and evaluation of the curriculum.

The practice of medicine can be conceptualized as a three-sided pyramid whose mutually supportive faces are art, science, and business. In an effective practice, each aspect complements the others to produce a balanced, stable structure.

The medical student and resident receive careful instruction and nurturing in the art and science of medicine. These are well-respected disciplines, tending to the honor of a physician. But where the business of medicine is concerned, there are noticeable gaps in the curricula and embarrassed silence

from the educators. The new graduate of the residency program is likely to leave training innocent of any formal instruction in the necessities and methods of building a practice; this is left to luck or native shrewdness. Yet, unwieldy business procedures may result in less-than-optimal patient care, or at worst, in dissatisfaction severe enough for the physician to leave practice altogether.

Medical education, it has been said, has grown unplanned and unguided by formal leadership or systematic research.¹⁻³ Educators in the traditional specialties, drawn from the protected environment of academia, are largely unacquainted with the realities of community practice. Yet 90 percent of medical students enter clinical practice in the community upon graduation.¹

Family practice is in a unique posi-

tion to offer these students exposure to the realities of their future situation. It is a young specialty, but it was born awake. Since its conception it has watched its own growth with conscious and critical eyes. Since a formal academic residency was lacking in the past, family practice educators have been recruited from among practicing community physicians who are intimately aware of the deficiencies of their own training and acquainted with the peculiar demands of their daily practice.⁴ Research into the needs and functions of family physicians has been continuous with the development of the specialty, and family practice can and does consciously shape its educational mold to the form of the present and emerging family physician.

Community physicians hear the consumer demand for cost-effective health care; patients who are spending more, both in tax support of medical care and education programs and in payment for their personal medical services, expect a compensatory rise in quality, efficiency, and responsiveness to their needs.^{1,5-7} Physicians — particularly the family physicians, who care not just for the disease but for the whole person, family and community^{8,9} — know that their work load is weighing more and more heavily. They are learning that they must budget their time carefully and make maximum use of specially trained health and support personnel^{3,10-12} in order to survive in community practice, provide health care for the greatest possible number of patients, and maintain satisfaction in their position.

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These are the needs to which medical education must respond. We who are training doctors for practice in this rigorous environment must give our students the tools to build all three walls of their future practices; we must equip them with the knowledge and capability to practice compassionate, skillful, and efficient medicine.

Curricular Development

In March 1975, the UCLA Family Practice Residency Training Program included in its original application to the AMA Liaison Committee on Graduate Medical Education a segment on business practice management. When the full curriculum was implemented, 12 competency-based behavioral objectives, with specific plans for implementation and evaluation, formed the core of the business practice component.

Each of the 12 objectives, with its accompanying plans for implementation, became one educational unit or module. The modules, incorporated into a handbook and distributed to the incoming residents, were intended to serve as guides to study, aids to planning, and references in the actual establishment of a practice.

The handbook is divided into 12 sections, corresponding to the 12 educational objectives listed under the heading "Major Objectives." Each section suggests pertinent points to consider in study and research and leaves space for the resident's notes and findings. The emphasis is on the practical and the realistic; the resident is encouraged to consider personal and professional goals and to define clearly the practice situation which will allow them to be met. By the completion of the three-year curriculum the resident will have given serious consideration to most of the obstacles and frustrations of establishing a successful and satisfying medical practice.

A minimum of 80 hours of the resident's Family Practice Center block rotation is required for this program — ten hours in the first year of residency and approximately 70 in the third. The first-year time is spent

largely in observation of the Center's personnel and procedures. Originally designed to approximate as closely as possible a practicing community physician's office, the Center serves as a model and testing ground for the resident's developing concepts of management. During the third year, extensive use will be made of special consultants like lawyers, bankers, and accountants, as well as representatives of computer firms, the telephone company, insurance companies, etc. Presentations by these consultants will allow residents to make a realistic appraisal of the options and opportunities in the various aspects of practice management. The offices of clinical faculty will be made available for site visits, offering the residents the benefit of years of practical expertise.

The Instructor's Manual, designed for faculty use in implementing the business practice management curriculum, is included here in full. It contains directions for seminar presentations, use of clinical faculty and consultants in related fields, and assignment of resident time. Specific written and verbal methods of evaluating the resident's understanding and skills of practice management are outlined; provision is also made for feedback from the resident about the effectiveness of both curriculum and faculty.

Instructor's Manual

Introduction

This manual is to serve as a guide to the faculty in presenting a course of practice management.

There are 12 subobjectives detailed in the Manual. All refer to specific sections of the Family Practice Resident's Handbook of Practice Management.

During the first-year curriculum, ten hours will be required to complete the implementation of this part of the curriculum. A minimum of 70 hours of curriculum time will be needed in the third year.

Subobjectives 6, 7, and 8 should be implemented prior to Subobjectives 9 and 10. Other than this suggestion, there is no need to follow a specific order of presentation in the third year of training.

Major Objective

The resident will demonstrate understanding and knowledge of the skills of practice setting, organization, and management. These will include:

1. Types of medical practice settings
2. Use of professional advisors
3. Development of office floor plans
4. Office equipment and furnishings
5. Office communications systems
6. Budget development
7. Credit and collection procedures
8. Billing and bookkeeping systems
9. Fee development
10. Sources of medical payments and insurance billing
11. Appointment scheduling
12. Personnel hiring, procedures and policies

Plan

The UCLA Family Practice Resident's Handbook of Practice Management will provide the course outline.

Implementation

A course in Practice Management will be given during the three-year curriculum in family practice.

Evaluation

1. At the conclusion of the course the resident will have developed a practice management manual which is acceptable to the faculty.

2. The resident will submit an evaluation of each section of the curriculum.

Subobjective 1 (Section 1-1.4)

The resident will demonstrate knowledge of practice settings by discussing in writing his/her choice of a practice setting in terms of:

1. Overhead costs and income
2. Administrative requirements
3. Professional interpersonal relationships
4. Responsibility for patient care

Plan

A member of the full-time faculty will arrange for members of the clinical faculty who practice in different practice settings (ie, prepaid, government, county, group) to participate. A business manager from an incorporated practice of medicine will also participate.

Implementation

During the third year, two 2½-hour sessions will be held.

Session I — A member of the full-time faculty will give a brief definition of each practice setting. Each clinical faculty member will be given 15 minutes to discuss his/her practice in terms of each of the four subobjective items. A round-table discussion will follow.

Session II — The business manager of a corporate practice of medicine and a clinical faculty member who practices in a corporate practice will discuss the benefits and disadvantages of corporate practice.

Evaluation

The faculty member responsible for this subobjective will discuss the resident's written document with the resident.

Subobjective 2 (Section 2)

The resident will demonstrate knowledge of using business advisors by writing a detailed description of services which would be provided by:

1. a full service bank
2. a lawyer
3. an accountant
4. an independent insurance broker

Plan

During the third year, representatives of each of these professional services will be invited to make presentations.

Implementation

(2.1) *The banker* — A representative of a full service bank will give a two-hour discussion of services offered by full service bankers which would assist a physician in initiating and maintaining a practice of medicine.

(2.2) *The lawyer* — A lawyer will give a two-hour presentation on the areas in which a physician should seek legal counsel, with emphasis on partnership agreements, buy and sell agreements, leases, and general liability.

(2.3) *The accountant* — See Subobjectives 6, 7, and 8.

(2.4) *The insurance broker* — A two-hour presentation will be given by an independent insurance broker detailing the services a physician may seek from this professional advisor, with emphasis on the types of insurance outlined in Section 2.4 of the Handbook.

Evaluation

A member of the faculty will discuss the resident's written report with the resident.

Subobjectives 3 & 4 (Sections 3-3, 12, 4)

The resident will demonstrate skills in planning an office by drawing a plan for his/her model office, providing for all areas outlined in Sections 3 through

3.12 of the Handbook. The plan will include a list of furnishings and equipment needed.

Plan

During the resident's three years of training the Family Practice Center will serve as a model office. Offices of the clinical faculty will be available for site visits.

Implementation

1. While practicing in the Family Practice Center the residents will develop concepts of what they would include in their own office layout, furnishings, and equipment.

2. The resident will make at least one visit to the office of members of the clinical faculty, to include:

- a. a solo practice
- b. a partnership practice of two physicians
- c. a group practice of more than three physicians

Evaluation

The plan will be reviewed and discussed by a member of the faculty with the resident.

Subobjective 5 (Section 3.13)

The resident will demonstrate skills in developing an office communications system by submitting:

1. a written protocol for the triage of all telephone calls
2. a written description of the type of telephone system he/she would plan for his/her office
3. a written description of the type of intra-office communication he/she would use

Plan

The receptionist of the Family Practice Center and a representative of the telephone company will participate.

Implementation

During the first year the resident will spend two hours observing and monitoring calls received by the receptionist. There will also be a discussion as to the objectives of the receptionist's role, logistics, and special problems related to the job.

During the third year, a two-hour discussion will be held in which the Center receptionist will discuss the types of phone calls received and the problems encountered in dealing with them. A representative of the telephone company will discuss the various types of telephone and intercom systems available, their pros and cons, as well as cost.

While visiting the offices of the clinical faculty as detailed in Subobjectives 3 and 4, the resident will discuss the types of intercom systems used in these offices.

Evaluation

A member of the faculty will discuss the written procedures with the resident.

Subobjectives 6, 7, & 8 (Sections 2, 5, 7, 10)

The resident will demonstrate skills in budget development, billing systems, and fiscal management by:

1. developing a simulated budget for the first year of operation
2. discussing in writing his/her choice of a billing and bookkeeping system
3. discussing in writing how he/she will develop and implement fiscal controls on staff and patients

Plan

The billing system and billing clerk of the Family Practice Center will serve as a demonstration model. A certified public accountant will serve as a resource individual. Samples of the various types of bookkeeping and billing systems will be available. A representative of a computer service bureau will participate. Site visits discussed under Subobjectives 3 and 4 will provide additional exposure to billing systems.

Implementation

1. During the first year, the resident will spend two hours with the Family Practice Center billing clerk. During this time, he/she will become familiar with the system used in the Family Practice Center.

2. During the third year, three two-hour sessions will be scheduled.

Session I — Two hours with the certified public accountant. There will be a discussion of budget, internal controls, and services available from certified public accountants.

Session II — Two hours in which the certified public accountant will discuss billing and bookkeeping systems, demonstrating the types outlined in Section 10.

Session III — Two hours with a representative of a computer service bureau, who will discuss computerized billing and bookkeeping.

Evaluation

The resident's written discussion will be reviewed by the business manager of the Family Practice Center. A discussion related to the critique submitted by the business manager will then be held with the resident, business manager, and member of the faculty.

Subobjective 9 (Section 6)

The resident will demonstrate the skills required in fee development by producing a simulated fee schedule based on his/her simulated budget in Subobjective 6.

Plan

The California Relative Value Schedule (RVS) 1974 edition will be used by a faculty member. The fee schedule of the Family Practice Center will be used as a resource document.

Implementation

During the third year, there will be a two-hour discussion by a faculty member of the use of an RVS schedule in developing a fee schedule. During this discussion the fee schedule used in the Family Practice Center will be used to delineate the different types of

office visits and procedures to be included in a fee schedule.

Evaluation

The faculty member presenting this section will evaluate and discuss the resident's use of the RVS system as well as his/her visits and procedures as they relate to the resident's simulated budget.

Subobjective 10 (Section 8)

The resident will demonstrate knowledge and understanding of sources of medical payment as outlined in Section 8 of the Handbook by writing a description of each type of source, the special billing problems of each, and how each will affect his/her anticipated budget, office staff, and office procedures. The resident will submit simulated completed insurance forms for:

1. standard insurance
2. Blue Shield insurance
3. Medicaid
4. Medicare

Plan

A member of the faculty and the Family Practice Center insurance clerk will serve as resource individuals. Representatives from Blue Shield, and the Medicaid and Medicare intermediaries will give presentations.

Implementation

During the third year there will be one two-hour session and two one-hour sessions.

Session I — The faculty member will discuss the various types of payment sources and their effect on office finances, staff and the conduct of medical practice. The insurance clerk will demonstrate the various forms used in billing third-party payers and how to complete them.

Session II — A representative of Blue Shield will present the coverage offered by Blue Shield plans.

Session III — Representatives from governmental intermediaries will pre-

sent a discussion of the Medicaid and Medicare systems.

Subobjective 11 (Section 9)

The resident will demonstrate skills in developing appointment schedules by writing an instruction document for his/her receptionist detailing how he/she wants patients scheduled on a daily basis.

Plan

The Family Practice Center will serve as a model.

Implementation

1. Through the constant experience of seeing patients in the Family Practice Center and regulating his/her own schedules during the residency training, the resident will develop concepts on appropriate scheduling.

2. Visits to clinical faculty offices outside the Center.

Evaluation

The instruction document will be reviewed by a faculty member and discussed with the resident.

Subobjective 12 (Section 11)

The resident will demonstrate skills in the management of an office staff by:

1. writing detailed job descriptions for each staff position (receptionist, transcriber, billing and insurance clerk, nurse, laboratory technician).

2. interviewing simulated applicants for each major position on the staff.

3. writing a personnel policy and procedures manual for his/her office staff.

Plan

The staff of the Family Practice Center will serve as reference models. The Family Practice Center business manager will coordinate this subobjective. Sections 11 through 11.4.5 of the Handbook will serve as a reference document. The full-time medical social worker of the Family Practice Center will participate in the simulated interviews. Audiovisual equipment of the Family Practice Center will be utilized.

Implementation

During the first year of residency training, the resident will spend two hours with each member of the Family Practice Center administration staff (see Subobjectives 5 through 8) to gain understanding of their functions.

During his/her three years of patient care in the Family Practice Center, the resident will develop a conceptual model of the role of other members of the health team.

During the third year the resident will have a two-hour discussion with the business manager of the Family Practice Center with reference to job descriptions and personnel policies used in the Family Practice Center.

The resident will then conduct "simulated" interviews for applicants for four of the jobs he/she has developed a written job description for. The simulated applicants will be either members of the staff of the Family Practice Center or programmed actors. Each interview will be of 30 minutes duration and will be video-taped.

Evaluation

The job descriptions and personnel policy manual will be reviewed and then discussed with the resident by the business manager of the Family Practice Center. The video-taped interviews will be reviewed by the resident and medical social worker after the "simulated applicant" has given the resident a critique of the interview.

Comment

The curriculum demands active participation of the resident, not only in written evaluation of presentations and research but in the actual construction of floor plans, job descriptions, communications systems, and budget. As well as a theoretical knowledge of methods and styles, he/she thus gains practice in choosing and refining the equipment and procedures best suited to his/her own goals, expectations, and limitations. It is the faculty's anticipation that the resident will formulate specific plans and procedures which will actually be implemented in his/her soon-to-be-established practice, and that these plans will receive the benefit of critical examination by experienced and knowledgeable family physicians.

The overall goal of the UCLA Family Practice business management curriculum is to equip the resident with the skills, knowledge, and attitudes to establish, organize, and manage an efficient business practice. A stable, smoothly running business frees the physician's attention and energy for the art and science of medicine; the integration of the three makes possible the optimum in both patient care and physician satisfaction.

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