Tips to Save Your Pediatric Practice Money Now

BY BETSY BATES

LAS VEGAS — Physician office overhead costs are up 15%; reimbursements and collections are down. To say the least, 2009 hasn't been a boom year for pediatricians.

But don't despair.

There are ways to save money and tilt your balance sheet back in the direction of a healthy bottom line, said Dr. Norman "Chip" Harbaugh, a primary care pediatrician and practice management specialist from Atlanta.

Here are some cost-saving tips from his talks at a seminar on practical pediatrics sponsored by the American Academy of Pediatrics:

► **Maximize tax-free benefits for you and your partner(s).** Don't forget to deduct payments for malpractice, major medical, disability, life, and liability insurance. Personal expense account charges are deductible as well, including the cost of attending CME meetings; dues and subscriptions; and up to $45,000 a year for retirement spending. Younger physicians may also want to self-fund their own buyouts over the long term by purchasing variable adjustable life insurance policies.

► **Stretch your office services with mid-level providers.** Salaries for nurse practitioners and physician assistants can quickly reach the "breakeven" point and begin increasing the profits of the practice once they perform 10-13 checkups a day. Such providers also can coordinate hugely popular "quick visit" clinics, such as a sore-throat/earache walk-in clinic each weekday morning from 8 a.m. to 10 a.m.

► **Reevaluate your ratio of front office to clinical personnel.** A "good" ratio is 1 front office person to 3.5 clinical staff. "Better" is 1:3.4 if your office has a lab and 1:3.2 if your office has no lab. A ratio that's "too low" is 1:2.8 or 1:2.3, said Dr. Harbaugh.

► **Charge patients for simple but time-consuming tasks.** For example, consider charging a fee for filling out forms for camp.

► **Save on supplies.** Become part of a Physician Buying Group (PBG) for office supplies, medical supplies, and lab supplies, and especially, vaccines. Such groups have the potential for saving a practice 10%-25% on "big ticket" items and thousands of dollars a year on vaccines. Three PBGs are the National Discount Vaccine Alliance, 785-273-4165, http://nationaldiscountvaccinealliance.com; Atlanta Health Partners, 800-741-2044, www.atlantichealthpartners.com; and Physicians' Alliance, 866-348-9780, www.physall.com.

Any physician or group whose lease is expiring within 2 years should "renegotiate now." Some landlords are offering 3-6 months of free rent in exchange for a renewal of a lease.

► **Renegotiate your rent.** "Commercial real estate? They're hurting," said Dr. Harbaugh. He suggested that any physician or group whose lease is expiring within 2 years should "renegotiate now." Some landlords are offering 3-6 months of free rent in exchange for a renewal of an office space lease. Another option, especially in light of the dismal commercial real estate market, is to consider buying your own building while prices are low.

► **Stretch the use of your office space.** Could you accommodate another provider and expand your business hours from early morning to late evening, with physicians staggering their hours? Could

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'Teen Influencer' Initiative Online

The National Council on Patient Information and Education is launching the "Maximizing Your Role as a Teen Influencer: What You Can Do to Help Prevent Teen Prescription Drug Abuse" initiative, an online education workshop. For more information and to download the resource, visit www.talkaboutrx.org. ■

R.I. Using E-Prescribing Data to Track H1N1

BY MARY ELLEN SCHNEIDER

Public health officials in Rhode Island are using electronic pharmacy data to track the use of oseltamivir and other antiviral medications being used to treat patients infected with the 2009 H1N1 influenza virus.

As part of an ongoing partnership with SureScripts, an electronic prescribing network, all 181 pharmacies in Rhode Island now can send and receive electronic prescription information over a secure network. As a result, pharmacies are able to transmit information to the Rhode Island department of health on all antiviral prescriptions written in the state. Even if a physician uses a handwritten prescription, the information is available from the pharmacy's electronic system.

At a press conference, Dr. David Gifford, director of the Rhode Island Department of Health, said prescriptions for antiviral medications provide a good proxy measure for infection with H1N1 virus and are a complement to other surveillance systems such as school absenteeism and emergency department visits.

Real-time electronic data on antiviral prescriptions also allow health officials to match supply and demand, he said.

For example, if prescriptions are about to outpace the supply, the health department can anticipate shortages in the antiviral supply and release more medication.

If there are reports of a large volume of H1N1 illness in a community, but not a lot of prescribing of antiviral medication, that could indicate the need for more physician education, Dr. Gifford said. Conversely, if the pharmacy data show a large amount of antiviral prescribing in areas where there is not a lot of H1N1 activity, it could indicate inappropriate prescribing of oseltamivir (Tamiflu) for seasonal influenza, he said.

The statewide initiative is believed to be the first in the nation and allows pharmacies to send data that have been stripped of personal patient information to the health department on a weekly basis.

The prescription data include the patient's age and zip code as well as the prescribing physician's name, allowing health officials to track the progress of the outbreak by communities. ■

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you sublease space during off-hours to a lactation consultant; physical, occupational, or speech therapist; or registered dietitian who could provide nutrition counseling and diabetes education?

► **Target missed appointments.** Automated dialing systems can be set to make reminder calls and reduce expensive no-shows, if this is a problem in your practice.

► **Cede out-of-office care.** Dr. Harbaugh admitted that this idea could "run me out of town," but he suggested that practices tally up the cost of delivery/newborn hospital visits, pediatric hospital rounds, and courtesy emergency department visits. The office, he said, "is where we provide the most service. It's our cost center." Some practices may want to poll families to see whether they would be willing to trade a visit to the hospital to see their newborn for an expanded level of office care, including early morning and evening walk-in visits.

► **Consider participating in clinical trials.** "It's a lot of work," but adding research to a pediatric practice can be rewarding and intellectually invigorating, as well as profitable, infusing up to $100,000 a year into a practice's bottom line. The concept works only as long as a dedicated physician wants to take on the role of principal investigator and at least one office staff member can devote the bulk of his or her time to coordinating the trial(s). ■

Disclosures: *Dr. Harbaugh disclosed that he is on the national advisory boards, is on the speakers bureaus, and/or serves as a consultant for several pharmaceutical companies. He recently served as CEO and chairman of the board for Kids First Pediatric Alliance, a metropolitan Atlanta IPA.*