

The Physicians' Perspective on the Business Aspects of their Practice

There is no doubt many physicians are constantly irritated that their medical office often seems more a place of commerce than a place of healing. There are generally more administrative personnel than clinical personnel, many decisions each day are motivated by the need to maximize revenue, and the management of administrative and clerical duties takes time each day that most physicians would rather use in treating patients.

There are a myriad of reasons for physicians' lack of attention to the business side of their practices:

- ◆ They are not trained in the management of a business
- ◆ They have no interest in business
- ◆ They are impatient with the whole process of business
- ◆ They are too busy with the treatment of patients
- ◆ They expect their office manager, accountants, attorneys and consultants to handle all business functions
- ◆ They leave business matters to their spouse

None of the reasons or rationales will be of much comfort to physicians who lose their practice because of mismanagement or neglect; or if the practice is not lost, receive less income than the practice may have generated if it were properly managed.

An important activity that affects the contemporary practice environment is the need to hire and retain good staff. A recent poll was taken of physicians and practice managers of the most exasperating part of practice management and the response was not revenues, but employee hiring, retention and loyalty.

Physicians, both owners and employees, are changing the way they look at their work. Historically, physicians spent most of their time in the treatment of patients, even to the exclusion of family and personal pursuits. Contemporarily, many physicians are looking for a life better balanced between medicine, family and personal agendas. This shift may be led by the increased number of women who have entered medicine in the past 15 years. Additionally, as the practice of medicine offers less financial rewards, than was perceived to offer in years past, young physicians just entering practice want some lifestyle advantages to offset the reductions in career income potential.

These changed perceptions come at a time when it is becoming more difficult to manage a practice and the conflict between increased reluctance to spend the time necessary to manage and the time required to manage, is causing many practices to suffer financially.

The increase in the difficulty of managing practices has provided a business opportunity in the healthcare industry. Firms have been created to give business support to physicians who own practices that did not exist in abundance ten years ago. There are now firms in larger communities that can supply billing, collection, practice management, employee supervision, strategic planning, risk management and consulting services to medical practices.

With such a short history however, many physicians do not have much experience in intelligently picking appropriate services and making a decision to pay for such services. The due diligence required to pick appropriate "out-sources" services and combine them with internal staff activities is not something most physicians have experienced. Physicians need a guideline to accomplish much of internal and external practice management tasks.
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