CUTTING COSTS, NOT CUSTOMERS

Physician practices look to become more efficient without impacting patient satisfaction

By BERNADETTE STARZEE

There’s plenty of uncertainty regarding payments and the regulatory environment, putting many physician practices into cost-cutting mode. But one thing is certain: doctors are focusing on cutbacks that won’t turn patients away.

Integrated Medical Professionals, a Malverne-based urology practice group with 100 doctors and 47 locations, has put a major focus on conducting patient satisfaction surveys, collecting close to 40,000 responses.

“We are not guessing—we now know what will make patients want to come back and send their friends and family to us, which is the best indicator of patient satisfaction,” said Dr. Deepak A. Kapoor, chairman and CEO of IMP.

The results have been somewhat surprising.

“We found that non-health care parameters, such as whether it’s easy to park, weren’t as important as we thought they might be,” Kapoor said. “What’s most important is direct, face-to-face interaction with the provider.”

Kapoor added that this is especially true for specialists.

“When patients come here, they have a very specific problem,” he said. “How the doctor reacted to their acute illness is much more important than how they get here.”

IMP has used its patient satisfaction surveys to consistently improve its quarter-over-quarter patient satisfaction rate.

“We have made sure our doctors know how important face-to-face time with the patient is,” Kapoor said. He added that doctors must now access and update information in electronic medical records while with patients.

“Our doctors have been trained to do what they have to do on the computer while simultaneously interacting and making eye contact with the patient,” he said.

In addition to getting the medicine right, patients increasingly expect doctors to get the human connection right, said Dr. Ira Nash, the Manhasset-based medical director for physician and ambulatory network services at the North Shore-Long Island Jewish Health System.

“A bond of trust between the provider and patient is critical to getting the medicine right,” Nash said. “For instance, the patient must feel confident enough to share critical information, and the doctor must have appropriate listening skills.”

Cutting costs

Focusing cost-cutting on streamlining front- and back-office functions will not impact face time with the practitioner. Though it requires an initial investment, technology creates efficiencies.

ENT and Allergy Associates is implementing a kiosk through the vendor Phoebe, in which patients will receive an electronic pad when they walk in.

“Patients will type in their name and information, and they will see their co-pay and whether there’s an unpaid balance,” said Nicole Minter-Spadaforcini, COO for the Tarrytown, N.Y.-based practice with more than 180 doctors.

The practice, which has five locations in Long Island, See COSTS, 30A
Costs: Saving through technology, vendor contracts

From 25A

recently announced an acquisition that will add two offices here by June 1.

"Having the patient do some of the work cuts down on the staff needed at the front desk," the practice has had a web portal in place for a year and a half. When new patients make an appointment, they receive a welcome email and are invited to fill out information online and submit it in advance. About 80,000 patients have registered to date.

"All we have to do is ask for their insurance card and photo ID when they come in," Monti-Spadacini said, noting the patient's information auto-populates into the computer system, saving data entry. "It's a little costly to set it up, but less costly than paying salary plus benefits for another employee or two."

Patient portals can be used for multiple types of communication.

"It's easier to route electronic messages than phone calls," Nash said, noting patients, too, can realize increased convenience.

"At 11 p.m., a patient realizes his prescription of Lipitor is running low, he can send an email requesting a refill," Nash said.

Business Dynamics Ltd., which provides services to spine specialists, recommends that its clients take advantage of eFax, a technology that routes faxes to a user's computer.

"We have instituted this, and we have gotten rid of our fax machines and the need for cartridges and fax paper," said Barbara Catalatto, CEO of the Mineola firm.

Catalatto also recommends practices take a careful look at all vendor contracts and request competitive bids for both office and medical supplies.

"Why put money in the vendors' pockets when you can keep it in your pocket?" she said.

ENT and Allergy Associates has saved thousands of dollars since putting a purchasing department in place.

"A doctor wanted a certain type of allergy equipment; our purchasing department found a vendor who could provide it for less," Monti-Spadacini added.

Small practices should consider outsourcing non-core functions, like accounting, billing and information technology, Catalatto said. "In particular, there is too complicated for smaller practices to handle in-house, she added.

"So many new things are needed, and so many old things are breaking; you need more skill levels," she said, noting her firm moved its IT out-of-house and saved 40 percent versus having three IT staff members.

"We're purchasing skill levels that we never would be able to afford in-house," she said.

Economies of scale

"It's very difficult for single practitioners or small practices to have much leverage in the supply chain, whether purchasing office or medical supplies or leasing equipment," said Mark Bogen, CFO for South Nassau Communities Hospital in Oceanside.

With health care reform looming, increasing numbers of doctors are selling their practices to hospitals or merging with other firms to create economies of scale.

IMP has realized "tremendous efficiencies" by centralizing all business processes that are not medicine-related, including billing, accounting, purchasing, legal and electronic medical records, Kapoor said.

"When our group was formed in 2006 with 15 practices and 31 doctors, we had 42 people doing billing operations, and we were then able to get by with eight," Kapoor said. "We are able to negotiate unbelievable benefits packages for employees," which allows the practice to pay lower salaries and remain competitive.

ENT and Allergy Associates is in the process of setting up hubs, which will each handle phone calls for five or six offices.

"It takes phones away from the front desk, requiring fewer employees there," Monti-Spadacini said.

North Shore-LIJ, too, is building call centers, in which calls, like at ENT and Allergy Associates, will be answered by live operators.

"As needed, clinically trained professionals will be available to guide patients who lack a well-developed sense of what type of doctor they need to see," Nash said.

North Shore-LIJ has instituted call centers for certain pockets of its organization, including radiology, and plans to roll it out service by service.

"We've seen a migration of practices looking to maintain small practices," South Nassau invites physicians to join its "no minimum-hospital affiliation" fee. Doctors maintain their independence while benefiting from the hospital's membership in the group purchasing organization Premier.

"Our doctors have saved an average of 14 percent on purchasing, including office and medical supplies and services like phone and Internet," Bogen said, noting savings equal "multiples of the membership fee."

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Wellness: More incentives

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clients, are reaping the benefits of the wellness movement, he added.

In addition to putting more preventive initiatives in place, employers are offering better incentives to lure employees into the programs. A February 2012 Fidelity/National Business Group on Health survey found that 73 percent of companies offering health benefits used incentives to boost participation in preventive programs, spending as much as $400 per employee to buy their wellness loyalty.

"We're seeing an uptick in employers using incentives to drive behavior change," Coppola said. "I think well continue to see an increase in that over the next few years."

Big companies with astronomical health care costs actually jumped on the wellness bandwagon years ago, recognizing it's less costly to get workers to lose weight than to treat a case of diabetes.

So saving money through preventive efforts is not an entirely new concept, but, notably, incentives are now becoming commonplace at smaller companies.

"We see a lot in medium- and larger-sized employers," Coppola said. "And we're starting to see more in the small employer space, but that's gradual."

Despite all the progress, there are some factors slowing wellness momentum. Getting through message through to employees that wellness incentives are in place — and convincing them to participate — can be a challenge.

One Long Island executive noted his company offers a wellness program.

"But do people take advantage of it?" he said. "I would say no."

Hence those "Biggest Loser" challenges, in which officemates compete to see who can lose the most weight.

"Put a competition and a prize in front of people," the executive noted, "and you will have participation."

Also keeping wellness at least partially in check is the fact that companies have to wait to reap the benefits of their investments. Better general health tends to prevent costly diseases and claims, but in the future. For now, companies must incur additional costs to offer wellness programs and incentives.

And wellness programs won't cover everything. Advanced Wellness Long Island in Smithtown uses laser therapies in its smoking-cessation programs. But in many cases, "insurance doesn't cover laser to quit smoking," said company spokesperson Kerri Schell.

And individuals who are seeking incentives under the Affordable Care Act, where wellness is based on a pay-for-performance model. Newman said that while many members meet their quota of gym visits to qualify for reimbursement, others end up footing the full bill.

"I'm sure some people at the end of their six-month term are a little short. I have seen that," Newman said. "We can only give them what the computer says."

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