

Productivity Improvement

These three steps can move you from 25% to 90% productivity.

BY JON A. HULTMAN, DPM, MBA AND NEIL BAUM, MD

Reprinted with Permission from The Journal of Medical Practice Management, Sep/Oct 2016, pgs 110-113, copyright 2016 Greenbranch Publishing, LLC, (800) 933-3711, www.greenbranch.com

Productivity Measurement Using Relative Value Units

Today, the most common productivity measure being used to compare physician productivity is the number of work relative value units (wRVUs) generated. The advantage of this method is that determination of wRVUs is independent of dollar amounts generated and is unaffected by collections. Although the wRVU method is not perfect, it enables a comparison among physicians of: 1) the relative times they require to perform a service; 2) the technical skills and the physical effort expended by each physician; and 3) a cognitive effort score as determined by each doctor's management of complex diagnoses. Using wRVUs, two physicians who provide the same services over the same time period would generate the same number of relative value units (RVUs), regardless of fee schedules, type of insurance, or collections. These wRVU factors, along with operational costs, will be used to determine the multiple for converting wRVU productivity to compensation. Operational costs are the key reason that compensation of two equally productive doctors may vary from clinic to clinic.

Using measurements produced by the Medical Group Management Association (MGMA) for comparing the productivity of two physicians on its database—one in the 25th percentile of productivity and the other in the 90th percentile—we find the former to

be generating 4848 wRVUs, whereas the latter is generating 8682 wRVUs. In other words, the doctor in the 90th percentile is almost twice as productive as the one in the 25th. Because of such differentials, two physicians with

vary from a low of 1700 to a high of 14,000. Those physicians generating 14,000 wRVUs seem to be almost superstars to those who generate far less. Although some factors impacting individual productivity may be related to

Many tools can be used to increase productivity.

the same education and training who are working in the same clinic could be receiving significantly different levels of compensation.

Comparing wRVUs from the lowest to the highest on various databases, we have seen productivity numbers

inherent skills or “gifts” possessed by individual doctors and might be difficult for others to duplicate, upon seeing the size of this range, one is likely to ask, “What can make one doctor so much more productive than another?”

Many tools can be used to increase productivity. The good news is that most of these can be learned and are under a doctor's control. The bad news is that these tools are not easy to

Continued on page 90



Productivity (from page 89)

implement; if they were, every doctor would be utilizing them, and the wide range of productivity would narrow. Measuring productivity will remain relevant in the future regardless of insurance type, payment model, or practice type due to the predicted physician shortage, increased demand from an aging population, and the emphasis on patient access to healthcare. Even “pay-for-quality” models are aided by increased productivity; many of the factors that improve productivity also improve quality because they simplify processes and reduce the number of errors.

Productivity Enhancement

Let us examine a few ways to improve productivity.

Efficiency

The most effective way to improve productivity is through efficiency, which is focused on improvement of the workflow employed in a practice’s operational and communication processes. Few doctors understand what “efficiency” actually is. They do not recognize the amount of time wasted by inefficient workflows, those that employ numerous tasks and handoffs per-

forming a phone call or a fax of the report. However, if the patient had been informed when he or she initially called for an appointment that the visit would be expedited if he or she obtained copies of the studies and any subsequent report and brought them to the office at the time of the first visit, this simple step alone could save several hours of wasted staff and physician time.

This type of inefficiency results in an incredible amount of lost time that not only reduces productivity, but necessitates additional staff—which, in turn, increases costs without increas-

ing productivity. can improve the workflow of every process, whereas ineffective employment of technology can do exactly the opposite. One key area to focus on is avoiding input errors, that is, the ones at the front end of processes. Finding and fixing these errors at a later time is far more costly than putting a plan in place that continuously reduces errors from the beginning of the patient encounter. This means, for example, that the patient has a current insurance information card and the receptionist accurately inputs the information into the EMR. This also applies to accurate

Patient portals can reduce the number of staff necessary in the business office.

ing productivity.

Physician Extenders

Equally effective is the use of “physician extenders” to leverage a doctor’s productive time. As with the use of efficiency principles, extenders enable a physician’s tasks to be performed in parallel. The presence of physician extenders is one of the

CPT and ICD-10 coding. A mistake of one letter, number, or period can result in denials and costly delays in receiving reimbursements.

Another technology productivity booster is the use of patient portals. Patient portals can reduce the number of staff necessary in the business office, creating an opportunity to shift more staff to the clinical area—the place where care is actually delivered. Simple things, such as the opportunity for patients to access their own lab results, send messages, request prescription refills, or schedule appointments on their own substantially improves efficiency, because all of these tasks typically interrupt doctors and staff and require a great deal of their time. When these portals are put in place, not only are costs and patient waiting times lowered, but quality is better. One way to imagine the long-term advantage of this tool is to compare booking a flight online versus booking one as it was done 20 years ago (e.g., through a travel agent).

Today, a customer can compare prices, book a flight, select a seat, and print out a ticket, all without speaking to a person or waiting in line. Similarly, when a patient in a medical practice books an appointment by phone, checks in at the front desk, fills out forms, and asks questions upon arrival,

Continued on page 91

Physician extenders enable a physician’s tasks to be performed in parallel.

formed in “traditional” series processes. Workflow studies show that staff or doctors are “waiting for something” or are performing unnecessary “extra” tasks more than 50% of the time.

For example, a patient who has had testing performed by Dr. A is then referred to Dr. B, a specialist. To avoid duplication of services and additional costs, the specialist wants to review the tests previously performed. When the patient arrives in the specialist’s office without the reports or the disks with results of the testing, it could take 30 to 45 minutes to obtain a signed consent for release of records, contact the referring physician’s office, and wait

reasons that the productivity of doctors working in large groups typically is significantly greater than that of those practicing solo or in small groups.

A scribe is one of the most effective methods to enhance the efficiency of any medical practice. The scribe shadows the physician and takes notes either in the electronic chart or by hand. Another benefit of the scribe is that the doctor no longer has to input data into the electronic medical record (EMR), thus freeing the doctor to have more face-to-face contact with the patient.

Technology

The effective use of technology



Productivity (from page 90)

the process is slow and tedious. These and dozens of other tasks can be handled much more efficiently using mod-

ern technology to re-engineer workflow in ways that make the tasks both more convenient for patients and less time-consuming for staff. enable a shifting of staff from business to clinical areas. This, along with utilization of physician extenders who spread greater volume over the same fixed costs, have a direct impact on

your wRVUs, your productivity, and even your compensation. So if you are going to continue to work, you must continue to enhance your productivity. You and your practice will be glad you did. **PM**

Using these three techniques can significantly enhance your wRVUs, your productivity, and even your compensation.

ern technology to re-engineer workflow in ways that make the tasks both more convenient for patients and less time-consuming for staff.

Although there are more ways one could improve productivity, the three listed above offer the opportunity to easily move a physician from the 25th productivity percentile to the 90th. These three methods of improvement are also interrelated. Efficient processes and the effective use of technology

productivity as well as quality of care and service.

Bottom Line

Times have changed, for both the clinical aspects of healthcare and the financial and business aspects of managing a practice. Nearly all employed physicians are going to be evaluated and compensated on the basis of their productivity. Using these three techniques can significantly enhance



Dr. Hultman is Executive Director of the California Podiatric Medical Association, practice management and valuation consultant for Vitera Healthcare Solutions, and author of *The Medical Practitioner's Survival Handbook* (available at www.mbagurus.com).



Dr. Baum is a physician in New Orleans, Louisiana, and author of *Social Media for the Health Care Profession* (Greenbranch Publishing, 2011); e-mail: doctorwhiz@gmail.com.