Enhancing your Bottom Line:
Your Practice Financial Health Check-up

OCTOBER 2024

This booklet is a companion document to OMA's webinar Enhancing your Bottom Line. Watch the webinar at:
OMA Learns.

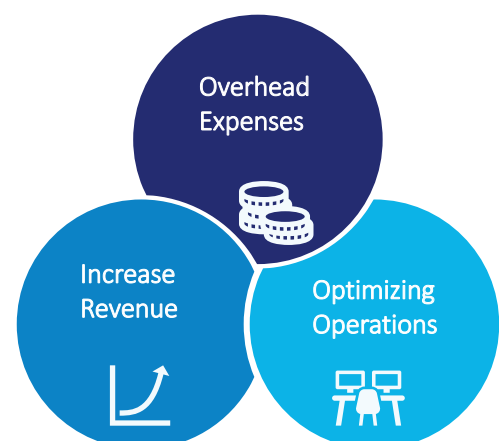This guide aims to assist you with:

- **Boosting Financial Outcomes:** Assess your practice finances, create budgets, ensure timely billing, and conduct cost-benefit analyses of new tools.
- **Refining Practice Operations:** Streamline workflows, delegate effectively, and automate processes.
- **Enhancing Patient Care:** Reduce your administrative burden while improving the quality of care provided.

A financially successful practice offers numerous benefits.
A flexible practice can invest in innovative growth opportunities, such as new technology, leading to improved patient care and operational efficiencies. A stable practice reduces financial stress, provides greater control over your time, and enhances your overall well-being.

Your practice financial health hinges on:

1. Overhead Costs
2. Revenue
3. Practice Operations

YOUR ACTION PLAN

	TOPIC	YOUR NEXT STEPS
REVIEW YOUR EXPENSES	1. What 2 categories account for most of your operating expenses?	1. 2.
	2. Can these be reduced?	☐ Yes ☐ No If yes, reduce the expense
	3. Are there any expenses that you can reduce?	☐ Yes ☐ No If yes, reduce the expenses
	4. Have you set aside funds for emergencies and equipment upgrades (e.g. computers, medical equipment)? *The amount you set aside will vary based on your practice needs.*	☐ Yes ☐ No If no, formulate a course of action
	5. Do you have a regular schedule to review your expenses? *Compare your expenses with previous years.*	☐ Yes ☐ No If no, establish a regular schedule
REDUCE REVENUE LEAKAGE	1. What is your overall hourly rate? Calculate, if you are unsure.	
	2. Do you currently have a process to track and submit to OHIP for all services that you perform in a timely manner? *Effective April 1, 2023, the claims submission period for OHIP fee-for-service insured and related services is **three months** from the date a service is rendered in Ontario.*	☐ Yes ☐ No If no, formulate a course of action
	3. Do you currently have a process to track collection of bonuses? * Digitally enable your EMR to create reports to track.*	☐ Yes ☐ No ☐ N/A If no, formulate a course of action
	4. Do you currently have a process to review and resubmit rejected claims?	☐ Yes ☐ No If no, formulate a course of action
	5. Have you set aside time, to review the schedule of benefits to enhance your billing and grasp the billing process?	☐ Yes ☐ No If no, establish a regular learning routine

INCREASE REVENUE	1. Are there strategies to boost your revenue without leading to reduction in patient and personal care? Reflect on: • Your interests • Your patient population • Your community needs/prevalent health issues • Your time/capacity	☐ Yes ☐ No If yes, formulate a course of action
PRACTICE OPTIMIZATION	1. Do you have a workflow process for most tasks? *You can delegate to your staff.*	☐ Yes ☐ No If no, create processes
	Review the process with your team. 2. Are there redundancies, unnecessary tasks that can be removed? 3. Are there bottlenecks, that need to be removed? 4. Are the tasks being performed by the right role in the practice? 5. Are there ways to make more efficient?	☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No If yes, amend process
	6. Have you identified the most important tasks in your practice? 7. Are these tasks being prioritized?	☐ Yes ☐ No ☐ Yes ☐ No If no, amend process
	8. Have you identified time sensitive tasks? 9. Are these tasks being completed on time?	☐ Yes ☐ No ☐ Yes ☐ No If no, amend processes
	10. Are there tasks that can be delegated to others? 11. Are your staff empowered to take ownership of problems and solutions.	☐ Yes ☐ No If yes, delegate ☐ Yes ☐ No If no, educate your staff
	12. Are there tasks that can be automated. *Ideal for repetitive, time-consuming tasks*	☐ Yes ☐ No If yes, automate
	If you are unsure if a task should be delegated or automated, consider using the cost-benefit analysis to help determine the best option for your practice."	
	13. Do you have a process to continuously review with your staff?	☐ Yes ☐ No If no, create a process

TIP:
Progress takes time.
Concentrate on adjusting one task at a time.
Begin with the tasks that will have the greatest impact on your practice.

PRACTICE PLAN

PRACTICE PLANNING

Reflect on your ideal practice:

- **Vision of your ideal practice**: Outline what success looks like to you.
- **Organizational structure:** Consider your preferred organizational structure, including decision-making and role reporting.
- **Operational plan**: Contemplate the layout of the space, office hours, patient scheduling, equipment.
- **Financial plan**: Review your finances - cost-sharing-plans, emergency savings, savings for future equipment upgrades, expected revenue, profit, cash flow, etc.

Ensure you have a legal contract for all business relationships.
This is essential to safeguard your interests, minimize risks, and foster strong, transparent relationships. It offers clear guidelines and reduces the potential for costly disputes, making it a crucial tool for long-term success and stability.

REVIEW YOUR CURRENT SITUATION
FINANCES

1. Determine where your money is going
2. Reduce your overhead expenses
3. Reduce revenue leakage
4. Calculate your hourly rate
5. Key takeaways

DETERMINE WHERE YOUR MONEY IS GOING

- Review your financial statements line by line.
- Reorganize your expenses in declining dollar order.
- Bucket your costs into different categories.

Wages and rent will likely be most of your operating expenses.

As such, savings from reducing your expenses will be minimal. **Increasing revenue is the key to boosting your net income.**

> *"You can make money two ways – make more or spend less."*
>
> - John H. Bryant

WAYS YOU MAY REDUCE YOUR EXPENSES ARE:

- **Lease**: Your lawyer/accountant may be able to assist you in renegotiating your contract.
- **Internet/Phone:** Consider renegotiating or shopping around for better rates. Visit OMA Member Advantages for discounts.
- **Other services**: Consider bulk purchasing with other healthcare centres to reduce per-unit costs.
- **Review services**: Cancel services that you are scarcely using or look for cheaper alternatives.
- **Staff**: Review your current staffing to ensure it optimizes operations.

REDUCE REVENUE LEAKAGE:

Revenue should only be considered, once you have actually been paid.

- Bill fully & accurately for all services in a timely manner.
- Follow up and resubmit rejected claims.
- Schedule appointments to maximize billing.
- Devote time in understanding OHIP and the billing process.

CALCUATE YOUR HOURLY RATE

Understanding your income, will support you in making decisions about professional opportunities.

Hourly rate = Your average income
Your average hours worked
(time spent interacting with patients)

Your average income
- FHO Patients Enrolment / Fee for Service OHIP billing
- Non-Enrolled Patients
- Out of Basket (OOB)
- Bonuses
- Other: e.g. Uninsured Block Billing

This is one method to calculate your hourly rate. Use your preferred method.

KEY TAKEAWAYS

Create a detailed realistic financial plan.
- Ensure it includes an emergency funds, savings for equipment upgrades and that your cash flow allows for timely payments of your expenses.
- Develop workflows to manage timely OHIP billing submissions to secure your revenue.
- Regularly review and compare your budget against actual expenses for identify gaps and opportunities.

INCREASE YOUR REVENUE

MAXIMIZE OHIP BILLING

Consider ways to work smarter, not harder.

- **HEALTH CARDS:** Ensure your staff is always validating and updating health cards at check-in. Invalid version codes are one of the most common errors in most clinics.
- **BILLING A VISIT:** Review your patient charts prior to the visit to determine if there are any additional services you can quickly offer your patients that are outside the basket.
- **BONUSES, FORMS, AND CODES:** Review your patient roster and ensure you are submitting all applicable codes to receive your bonuses and special premiums. Digitally enable your EMR to create reports; OMD or your EMR provider can assist you.
- **ROSTER:** Regularly reconcile your roster with the MOH's list to ensure you are compensated for all patients rostered to you.

UNINSURED BILLING

Get paid for the work that you do. You can bill for services provided, that are not covered by OHIP.

FOR A SUCCESSFUL IMPLEMENTATION:
- Review CPSO's Uninsured Services: Billing and Block Fees Policy and OMA Uninsured Services Resources.
- Consult with colleagues who have implemented uninsured billing services in their practice.
- Consider your patient population: Are you spending a significant amount of time providing uninsured services? Are your patients able to afford these services?

YOUR PLAN SHOULD INCLUDE:
- The services and fees you would charge.
- Your strategy for collecting payments.
- Your communication plan. Some patients may be upset, so ensure your plan includes managing these interactions.

INCREASE PATIENT ROSTER SIZE

When considering your roster size, balance your ideal revenue with what is manageable.
Increase slowly to successfully discover your ideal roster size without risking burnout or compromising patient care.

ACCEPTING NEW PATIENTS:
The CPSO's Accepting New Patients Policy, states you must adopt a first-come, first-served approach when accepting new patients.

Some ways to promote your practice include:
- HealthCare Connect
- EMR e-referrals
- Referrals from other local health-care providers, hospitals, or physicians closing their practice
- Word-of-mouth from current patients
- Advertise: Signs in your practice window, mail out flyers/brochures, and your website.
  Promotional materials must follow CPSO's policy on advertising and social media.

ALTERNATIVE OPPORTUNITIES

Think outside the box and consider unique opportunities, to increase your revenue.

OPPORTUNITIES INCLUDE:
- Teaching
- Committee work (e.g. OMA, CPSO, OMD peer leader)
- Focused practice
- Locum tenens
- Hospital work
- Renting out office space or equipment.

When choosing an opportunity, reflect on the time commitment, your interests and your capacity. Converse with colleagues to gather information about available opportunities.

KEY TAKEAWAYS
- Consider ways to increase your revenue with your current patient roster.
- Reflect on methods to enhance your revenue based on your practice, patient population, interests, and goals.
- Automate and delegate the management of EMR reports and billing to your office staff, where possible.

- ❖ Are there manageable ways you can increase your revenue?

REFINE YOUR PRACTICE OPERATIONS

1. Priority
2. Workflow process
3. Cost benefit analysis
4. Continuous review
5. Key takeaways

PRIORITY

The phrase "time is money" emphasizes that time is a limited resource and is directly related to financial productivity. Using your time wisely and focusing on high-value, income-generating activities can significantly influence profitability and success.
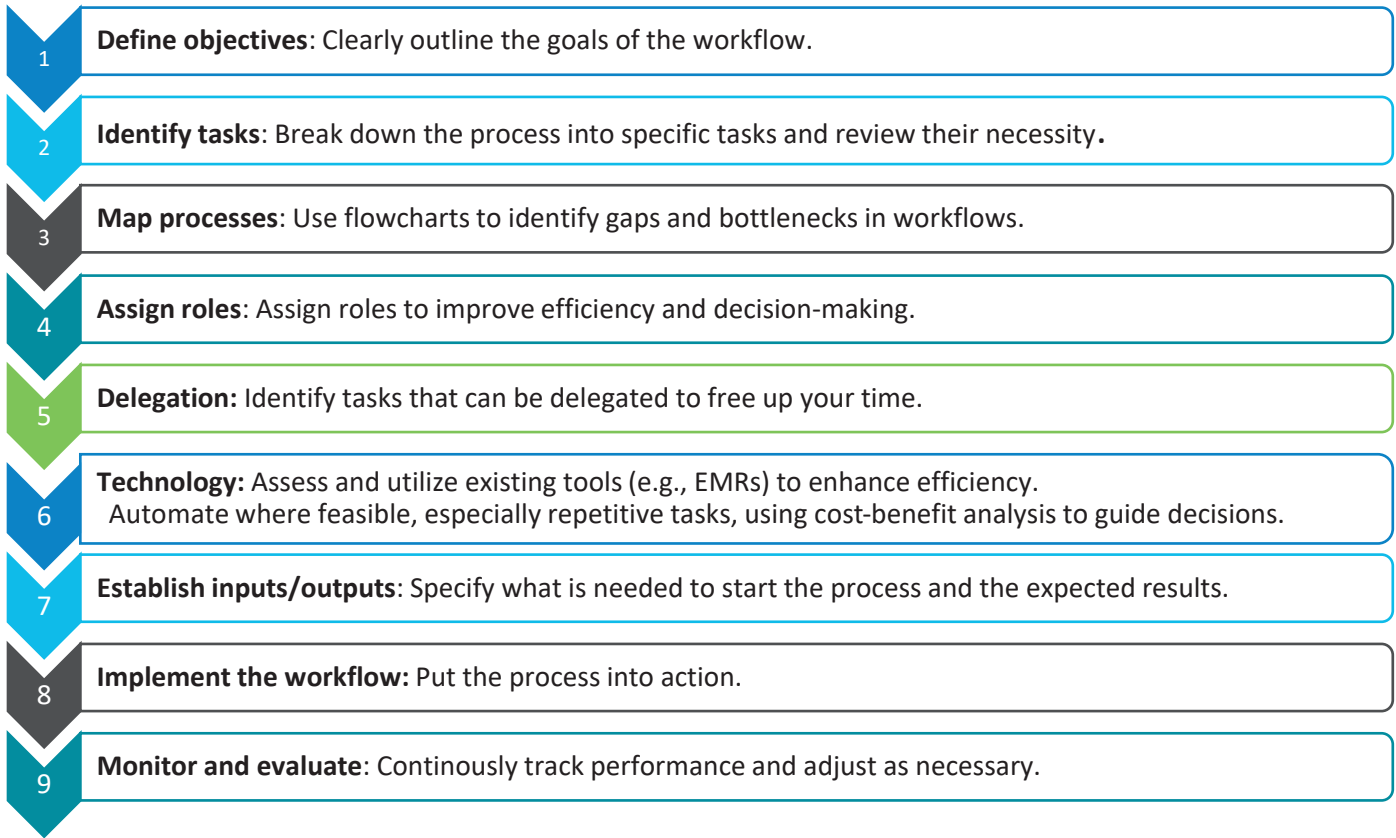
> "*Waste of time is the most extravagant and costly of all expenses.*"
>
> — *Theophrastus*

WORKFLOW PROCESS

A workflow process streamlines tasks to reduce time and effort while standardizing output. It provides clear roles and responsibilities to enhance teamwork and collaboration. This process is essential for identifying gaps, redundancies, and opportunities in your practice.

STEPS:

1. **Define objectives**: Clearly outline the goals of the workflow.

2. **Identify tasks**: Break down the process into specific tasks and review their necessity.

3. **Map processes**: Use flowcharts to identify gaps and bottlenecks in workflows.

4. **Assign roles**: Assign roles to improve efficiency and decision-making.

5. **Delegation:** Identify tasks that can be delegated to free up your time.

6. **Technology:** Assess and utilize existing tools (e.g., EMRs) to enhance efficiency. Automate where feasible, especially repetitive tasks, using cost-benefit analysis to guide decisions.

7. **Establish inputs/outputs**: Specify what is needed to start the process and the expected results.

8. **Implement the workflow:** Put the process into action.

9. **Monitor and evaluate**: Continuously track performance and adjust as necessary.

COST BENEFIT ANALYSIS

A cost-benefit analysis offers valuable insights into whether a tool, resource, or service will positively impact your practice by saving you time and money.
This analysis helps identify the best solution to address *your* practice's needs.

STEPS:

Define the decision	Outline the issue you are trying to solve.
Identify costs	- Direct expenses such as money - Indirect costs such as time and administrative support.
Identify benefits	- Measurable financial gains (e.g., increased revenue, cost savings) and - Non-monetary advantages (e.g., time).
Quantify costs & benefits	Assign monetary values to each cost and benefit identified.
Calculate net present value (NPV):	Total Benefits – Total Costs
Make recommendations	Based on the NPV, evaluate whether the project is worthwhile for you.

CONTINUOUS IMPROVEMENT

Continuous improvement fosters a culture of ongoing evolution and progress, reducing inefficiencies and concerns, and resulting in a more engaged and productive practice.

KEY PRINCIPLES FOR SUCCESS:
- Empower all employees to contribute ideas and participate in improvements.
- Make incremental changes based on data.
- Understanding the root cause of problems to implement effective solutions.
  Example: An inefficient patient scheduling system may lead to long wait times for patients before being seen by the physician, which can result in frustration and aggressive behavior.

One model for iterative quality improvement or testing a small change is PDSA (Plan-Do-Study-Act) model.
- **Plan**: Identify the problem and plan the change or improvement.
- **Do**: Implement the change on a small scale.
- **Study**: Monitor the outcomes and compare them to the expected results.
- **Act**: If the change is successful, implement it on a larger scale or make adjustments.
  Other common models include Lean, Six Sigma and Kaizen. *Use your preferred method.*

KEY TAKEAWAYS

- **Workflow:** Ensure processes value your time and energy.
- **Cost Benefit**: Analyze your options to make informed financial decisions.
- **Technology Utilization:** Fully leverage available technology, such as EMR systems, for improved documentation and patient flow**.**
- **Automation:** Work once and use forever. Create digitally enabled templates and reports for repetitive administrative tasks.
- **Team Empowerment:** Train and empower your team. Delegate tasks effectively and encourage staff to take ownership of problems and solutions.
- **Continuous review:** Schedule regular reviews, with your team to identify inefficiencies and optimize operations.

❖ Are there tasks that you can delegate or automate?

SUMMARY

Determine what you want
- ☑ **Ideal Practice**: What would the perfect practice look like for you? A successful practice looks different for everyone, so reflect on what matters to *you*.
- ☑ **Set Clear Goals** for your ideal clinic, operational structures, and financial management.

Ascertain your current situation
- ☑ **Finances**: Review your financial statements. Ensure your financial plans covers overheads, emergencies, and equipment upgrades.
  Other:
- ☑ **Operational Structure**: Define roles, responsibilities, and reporting lines.
- ☑ **Community Needs**: Assess demographics and prevalent health trends.
- ☑ **Audit Current Workflow**: Map out your workflow process. Identify bottlenecks, redundant tasks, and opportunities for delegation and automation.

Develop a roadmap to get you to where you want to be
- ☑ **Plan:** Set clear realistic goals.
- ☑ **Think like a business owner:** A mixture of reducing expenses, increasing revenue and optimizing operations, will most likely be the key to your financial success.

Increase your finances and refine your operations
- ☑ **Increase your Finances**:
  - o Review your expenses and **reduce** where possible.
  - o Understand the **value of your time** to evaluate opportunities.
  - o Ensure you are **collecting** your revenue, by billing on time for all services provided.
  - o **Reduce revenue leakage** by becoming versed in OHIP billing.
  - o Consider digitally enabling EMR reports to optimize OHIP billing – providing out of basket services and ensuring collection of all available bonuses.
  - o Contemplate **revenue generating opportunities** to increase your revenue.

- ☑ **Optimize practice operations:**
  - o **Prioritize** key tasks, that will aid you, in reaching your goals.
  - o Modify your **workflow** to maximize efficiency.
  - o **Delegate** tasks to save you time. **Empower** staff to take ownership of problems and solutions.
  - o Consider **automation** of administrative tasks.
  - o **Utilize technology**: Make full use of available tools like EMR systems for better documentation and patient flow.

Continuous review
- ☑ Schedule regular reviews of your finances and workflows to identify inefficiencies and opportunities.
- ☑ Use **cost-benefit** analysis to find the best solution for *your* concerns.
- ☑ Make small changes, review the impact and amend as needed. Assess your results and be willing to change tactics to get the outcomes you want.

ADDITIONAL RESOURCES

- **OMA Resources:** Billing, financial management, clinic workflow, managing staff, digital tools and practice management.

- **OMA Learns :** Recorded webinars include billing, practice efficiency, delegating to staff, online appointment scheduling.

- **OntarioMD:** Digital resources/webinars on digital tools, such as AI scribes, secure messaging and free EMR supports. Free support to assist you with EMR reports

Calculating your hourly rate	• OMA – Hourly rate calculator • Health Expert Alliance – hourly rate calculator
OHIP billing resources	• OHIP Schedule of benefits • MOH Error report codes • OMA billing resources • SGFP billing guide • 2024 OHIP info bulletin – Temporary increase physician services payment • 2021 PSA implementation • Dr. Stewart acuity modifier payments • Doctor care – Guide to roster management and patient recalls
Alternative revenue opportunities	• GP Focused practice • OMA committees • Opening a community surgical and diagnostic centres
Practice plan and finance templates	• Tebra – Supercharge your medical practice financial health by optimizing operations • Government of Canada small business plans and templates • Bplans family medicine clinic business plan template • Growthink medical practice plan templates
Workflow process	• Agency for Healthcare Research and Quality - Workflow
Cost benefit analysis	• Harvard Business School online • CDC • Wall Street Prep
Continuous review – PDSA Cycle	• Health Quality Ontario – PDSA template • Institute for Healthcare Improvement PDSA worksheet • Agency for Healthcare Research and Quality PDSA worksheet

- For more information: email OMA at info@oma.org.
- For contract templates: email OMA Legal Department at Legal.Affairs@oma.org

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