

Duck!

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When you hear the word "duck" - do you? It's a natural instinct to do so; after all, you never know what could hit you in the head. That is precisely the theme of this article - things that can hit you in the head. It isn't a very popular subject, but it does play an important role in your professional and personal lives.

We've all seen cartoons portraying individuals who are depressed. The cartoonists usually illustrate this by showing a dark cloud hanging over a person's head. The character usually has his or her head hanging down, which can cause a subluxation in and of itself - the weight of depression is just too much for the muscles in the neck to hold the head erect!

Figuratively, we have many things hanging over our heads. You have something hanging over your head every day; it's always there. Do you know what it is?

It's overhead (the noun, not the preposition)! That word should cause you to react just like someone yelling, "Duck!" You should duck because your overhead is always hanging over you, and it can come crashing down on you like a guillotine! It can also cause serious depression. In other words, overhead can be harmful to your health. If it were tangible, there would be a label on it, similar to the warning on cigarette cartons: "WARNING: OVERHEAD CAN BE HARMFUL TO YOUR HEALTH!"

Overhead: what a descriptive word. That's where it is - right over your head. Well, cheer up, because there is no reason to believe excessive overhead is just "part of doing business." You do not have to spend the majority of your efforts just to pay the rent and other items needed to keep your office open. With a little management and planning, you can control your overhead, and keep it under control.

When you start a new practice, the overhead will be excessive, because you have to pay rent and other expenses before the first patient walks in the door. Once you get things rolling, letting it continue to eat up your income is foolish. How do you control it? How much overhead is good, and how much is too much?

Start by looking at that overhead. If it is in excess of 60 percent of your gross collections, maybe it is time to take a closer look. Where do you begin? With your profit-and-loss statement, if you have one. Take a good long look at what it cost you to operate your practice. How much did it go up in one year? Did the gross go up by the same percentage? Many doctors think you cannot control overhead without affecting the growth of the practice. That's not true. I have seen some practices that have overhead in excess of 90 percent. The doctor would be happier and make more if he or she would see fewer patients and cut the size of the office, and probably enjoy life more, too!

I see many excessive costs with regard to CAs. I am not saying they are overpaid; in fact, just the opposite is true. What I am saying is that when your staff outnumber your patients, you have a problem! Most of the time, additional staff is hired with no thought as to what you want them to do,

other than help existing staff. Adding staff without specific tasks for them to do does nothing except increase the overhead. If that is your goal, congratulations!

What are the job descriptions of your current staff? (You say you don't have a job description for each current staff member? You'd better do that right now, before you even think about anything else. While you are at it, you need an office manual, too. And I am sure you don't have that, either!) What will you want the new staff member to do, and how much time will be needed to do those jobs? Once you figure all this out, you will see if you really need an additional person. If you do, will he or she be part- or full-time? Adding staff without considering this is just adding confusion to your office, increasing your costs, and lowering your bottom line. These are all things you want to avoid.

It is fun to go to a gathering and brag about how many patients you see every day and what your total billings are. The one thing you never hear someone bragging about is his or her large overhead and small profit! A bigger practice does not need or warrant a larger percentage of your overhead. You can increase the volume of your practice by 25 percent without increasing the overhead by 25 percent. In fact, you should not have to increase the overhead at all if you have done your homework and set up your office properly.

I know my comments may upset some of you, and you may want to take issue with me, but you won't this time - because the stamp or phone call might be too much for you to handle, based on your current overhead!

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SEPTEMBER 2003