

EXECUTIVE DECISIONS IN DERMATOLOGY

SEPTEMBER & OCTOBER 2015



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Association of Dermatology
Administrators & Managers

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Executive Decisions in Dermatology is a bimonthly publication of the **Association of Dermatology Administrators & Managers (ADAM)**. ADAM is the only national organization dedicated to dermatology administrative professionals. ADAM offers its members exclusive access to educational opportunities and resources needed to help their practices grow. Our 650 members (and growing daily!) include administrators, practice managers, attorneys, accountants and physicians in private, group and academic practice.

To join ADAM or for more information, please visit our Website at ada-m.org, call 866.480.3573, email adaminfo@shcare.net, fax 800.671.3763 or write Association of Dermatology Administrators & Managers, 1120 G Street, NW, Suite 1000, Washington, DC 20005.



Association of Dermatology
Administrators & Managers



2015 BENCHMARKING



By **Tony Davis CPA CMPE**
Executive Director
Dermatology Specialists, Edina MN

In our last issue of *Executive Decisions*, I announced the formation of a Dermatology Financial Benchmarking task force who has been charged with the challenge of formulating and creating a benchmarking report for ADAM members. Our goal is to begin work on this endeavor this fall and we hope to have a tangible product that will be delivered next March at the Annual Conference in Washington DC. This will be no small undertaking and so it will be with great importance that we receive significant support from the ADAM membership. After all, without the participation of the ADAM membership, we will not have the necessary core data required to prepare meaningful and relevant benchmarks.

In previous articles, I have laid out examples of the types of reports that are most commonly used in benchmarking (financial and productivity reports). I have also identified some of the key financial metrics that we use in medical practice analysis and, most recently, I discussed the most common uses of financial benchmarking (historical, reactive and proactive). In this issue I would like to delve more deeply into some of the key metrics we use in order to get you prepared to assist us in developing our own benchmarking tool this fall.

Specifically, I would like to focus on the term “overhead”. It has been my experience that this is a widely misused and misunderstood term in healthcare practice management. How often have you heard the following phrases - “Our overhead is too high” or “We need to cut our overhead”? Sometimes it even extends to “What is our overhead” or “How do we define the overhead”?

I tend to think of overhead in the simplistic term of “operating expenses”. In other words, what expenses are needed to operate the business? In health care and dermatology specifically, it is a combination of Human Resource, Physical Resource, Purchased Services and General and Administrative expenses. Another definition would be all the costs to run the clinic **EXCLUDING** the doctor’s costs.

One of the first challenges for our benchmarking task force will be defining those key costs that we will be tracking and asking you to share with us, so we can formulate our final results. In preparation for this component of the benchmarking report, take a look at your financial statements particularly your income statement (also called a profit and loss statement) and see if the following expenses items are readily identifiable:

HUMAN RESOURCE COSTS

All staff members' payroll and benefits such as salaries/hourly wage, payroll taxes, retirement plan/profit sharing contributions, medical and dental insurance premiums, training etc. Do NOT include doctors or mid-level providers such as Physician Assistants and Nurse Practitioners. The providers are categorized on their own.

PHYSICAL RESOURCE COSTS

Facility and equipment costs including items such as rent, leases, repairs and maintenance, telephone, medical and cosmetic supplies and inventory.

PURCHASED SERVICES COSTS

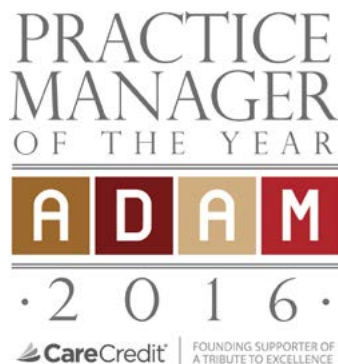
Includes items such as outside professional fees – legal, accounting, payroll, and billing services.

GENERAL AND ADMINISTRATIVE COSTS

All other office related costs like office supplies, marketing, advertising, printing and copying.



Our intention is that by applying the same consistent base terminology to the term "dermatology overhead" that we will be able to provide you an important management tool which will allow you to answer the important overhead questions you get from your doctor/s. It will give you a measurable metric by which many important financial decisions can be made to ensure practice profitability and financial viability today and into the future. ■



CALL FOR NOMINATIONS



A SEARCH FOR EXCELLENCE

Behind every successful dermatology practice is an exceptional practice manager. The ADAM Practice Manager of the Year is a program to recognize excellence in everyday practice. Please submit your nomination for the outstanding Practice Manager who delivers outstanding performance in one or all of the following areas:

- ▶ Leadership
- ▶ Management
- ▶ Customer Service (Patient Care)
- ▶ Going Above and Beyond

HOW TO ENTER:

- 1** Have your doctor fill out the [Official Nomination Form](#)
- 2** Have the doctor tell us why he or she feels the Practice Manager should win ADAM Practice Manager of the Year in 500 words or less.
- 3** Fax this completed form to 800-671-3763 by **January 15, 2016** or email form to adaminfo@shcare.net

NOMINATION DETAILS:

To be eligible, the nominee must be a current member of ADAM and be present at the 2016 Annual Meeting in Washington, DC, March 2-4, 2016 to win. The ADAM Practice Manager of the Year receives **free registration to ADAM's 25th Annual Meeting in 2017** and a **\$1,000 cash prize**, courtesy of CareCredit, the founding sponsor. Please make sure the nominee, along with the practice principal, are aware of the nomination.

The ADAM Practice Manager of the Year will be presented at the 2016 Annual Meeting. **For more information, call 866-480-3573.**





SAVE
THE
DATE

24TH
ANNUAL
MEETING

MARCH 2-4
2016
WASHINGTON, DC

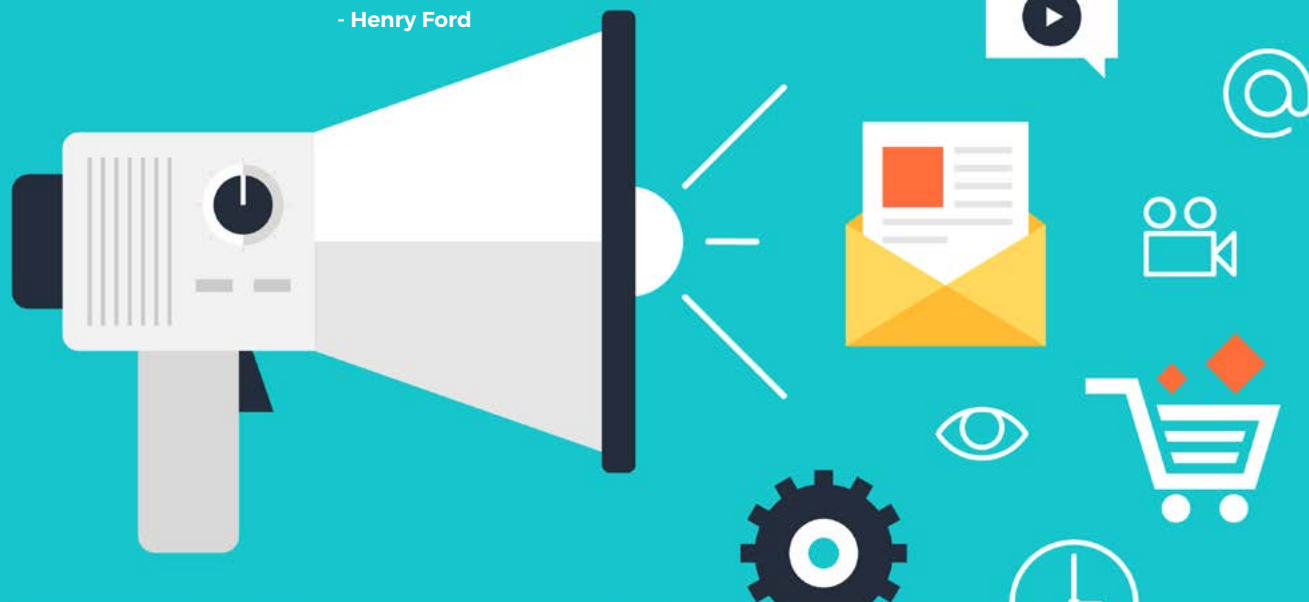
Join the Association of Dermatology Administrators and Managers (ADAM) in our nation's capital for our 24th Annual Meeting from March 2-4, 2016. The Annual Meeting **draws more than 350 administrators and managers**, eager to find new products and services for their dermatology practices. This meeting provides valuable attendee-to-vendor interaction time and the sponsorship levels offer additional face-time with attendees. Be sure to check out all of the sponsorship and exhibitor opportunities as well as a la carte items available for sponsors to purchase.



Association of Dermatology
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**"A MAN WHO STOPS
ADVERTISING TO SAVE MONEY
IS LIKE A MAN WHO STOPS A
CLOCK TO SAVE TIME."**

- Henry Ford



Advertising for Health Care – The Power of Intelligent Media Buying



By **Michelle Abdow**, President
Market Mentors, LLC – *a full-service
marketing, advertising and public relations firm*



In today's environment, budgets are limited, and companies are being forced to do a lot more with a lot less. Recent changes and government requirements, including the mandate for costly electronic medical record systems, have only increased budget challenges for the health care industry. While it may be tempting to cut marketing dollars to make room in the budget, it works against the goal of driving business growth, like increased new patient counts and elective procedures. Few have illustrated this point better than one of the most successful entrepreneurs, Henry Ford, who said, "A man who stops advertising to save money is like a man who stops a clock to save time." More generally speaking, cutting marketing dollars could cost a business more in opportunity lost.

Advertising is just one way health care practitioners can drive growth. The most effective marketing strategies include a mix of paid, earned and owned media. In this three-part series, the first article will explore paid media.

Paid media is traditional advertising in any medium, including print, television, display, direct mail, paid search, sponsorships or any other retail channel where there is an investment to pay for visitors, reach or conversions through affiliate marketing. With the advent of digital media, there are now more ways to advertise than ever before. Digital media has disrupted traditional advertising with more options for placement, therefore there is now more room to negotiate for "value added," which

is industry jargon for getting more for the dollar spent. Intelligent media buying prevents the “throw it at the wall and see if it sticks” trap that many businesses fall into.

With so many platforms to advertise, how does a health care business decide on the best way to promote themselves in a local market when there is just not enough money to go around?

When a media representative offers a discount on airtime or added value that sounds too good to be true, it usually is. It's not because their medium is ineffective; it's because the package they may offer typically lacks the quality for the individual advertiser's objectives. You can get a schedule that has low rates, but it's more important to have an efficient schedule than to have a low rate, although the two can go hand-in-hand. That is where intelligent buying comes into play. Smart buyers have to weigh objectives and complete a cost analysis to yield the best return on investment.

A Rating Point is a Rating Point... or Is It?

A term that is shared both by radio and TV is the rating point.

To most, radio and TV are forms of entertainment. But to an advertiser, it should represent a way to target a specific audience that listens to a particular station or watches a specific show. In radio, a rating point equals 1% of listeners who are listening to a particular station at a given time. In television, it is 1% of all TV households

who are viewing a particular station at a given time. To the media buyer, it is a metric that is necessary to ensure the success of a campaign. Someone who is buying a lot of media will want to achieve a specific GRP (gross rating point) delivery, and they will negotiate each point. A GRP represents the percentage of the target audience (eyes and ears) reached by an advertisement, and it is the sum of ratings achieved by a specific media schedule.

In a world where there are thousands of advertising options, how can one measure the differences in costs between various media forms? While it is still important to rely on reach, frequency, and GRPs as the main basis of campaign delivery, there is also a term that allows for comparing costs with varying advertising media.

The CPM (cost per thousand) is the common denominator. CPM answers the question that TV, radio, newspaper, and internet can all answer: how much is it going to cost to reach each audience of a thousand?

CPM has resurfaced as a valuable cost measurement when a campaign consists of many avenues of advertising. To derive a CPM, one would take the audience/circulation of the advertising medium and divide by 1,000. That number would then be divided by the cost of the media schedule.



THE REAL GOAL SHOULD BE TO MAXIMIZE THE ADVERTISING BUDGET AND REACH THE TARGET AUDIENCE WITH SOME FREQUENCY.

However, one should be careful not to buy media strictly on the cost-per-thousand methodologies. There are many ways a buyer can dissect a media campaign. The real goal should be to maximize the advertising budget and reach the target audience with some frequency. In the end, advertising is just a way to invite people to do business with you, so inviting the people you want multiple times and then reminding them to come is far better than mentioning it to them only one time in passing.

It may be a buyers' market, but beware of what you are buying. When you maximize your budget, you will be more effective. In the end, media buying can be very confusing, so don't feel that you must go it alone. Hiring a firm that specializes in media buying can help you spend your marketing dollars in the most cost-effective ways – and likely save the company money in the long run. Learn more contacting Market Mentors online at marketmentors.com or (413) 787-1133. ■



Association of Dermatology
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It's Time to Renew!

You can renew your ADAM membership online today for 2016!

Go to your MYADAM account and login. If you've forgotten your login information, no worries. Your user ID is your email address and you can easily click "Forgot My Password" on the login page to reset your password. Once you renew, you will be guaranteed member registration pricing for the 2016 Annual Meeting in Washington, DC!

Have a friend or colleague who wants to join ADAM? New members can join for \$425 during the month of September to be covered through December 2016. New members can easily join online on our website by [clicking here](#).

Membership Renewal: \$325.00



The Value of Time



By **Angela Ash**, Practice Manager
Reflections Dermatology

Is your doctor on time or do you have patients constantly asking your office staff how much longer they must wait for their scheduled appointments? According to health care consultants Press Ganey, last year the nationwide average wait time to see a doctor was 23 minutes with longer wait times in urban areas and among certain specialties. To put the wait time in perspective, most doctors only schedule 15-minute appointments.

There are, of course, many different reasons why patients must wait longer than anticipated for the appointments. While there is always the possibility of an emergency to cause an unusual delay, most practices seem pretty consistent - they either always keep you waiting or rarely make you wait. Several contributing factors are involved here but creating the best possible patient-doctor relationship in terms of wait time can be easily accomplished with a few tips and tricks.

Health care is currently one of the most regulated industries in the country. This means doctors will devote a significant amount of their day to detailed documentation, computer and signatures, taking time away from patient interaction.

One of the ways to combat the limited time with patients is to have an effective EMR system. Dr. Jeffrey LaDuca of Auburn, New York states "Having an effective EMR system is a great way to track how many patients you will see that day, how many patients are waiting and how many have already been roomed".

When it comes to cosmetic patients, Dr. LaDuca also suggests using lidocaine with epinephrine with surgical procedures. After injecting the lidocaine, he will go see his next scheduled appointment and then return to complete his surgery.

By this time, epinephrine will cause vaso spasms and reduce bleeding during the procedure.

Another trip to keep in mind - if you are going to add patients, add them at the end of the day to ensure you don't back up patients that are scheduled and already waiting. Always be aware of the time, don't ever be afraid to have the patient come back for another visit and only address what needs done immediately.

Training your staff on the importance of limiting patient wait time will help ensure you don't get left behind.

You can delegate work to responsible staff so you can see the next patient that is waiting. Never book more than you think you can see in a day. Additionally, arriving early in the morning and reviewing your schedule for the day is tremendously helpful.

However, if you have issues, never hide the fact that you are running behind schedule. If a patient has been in the waiting room for more than 15 minutes, a staff member

should apologize for the long wait and give them a realistic estimation of the duration until they will be seen. This will calm most frustrated patients. An added bonus of proactively informing patients of delays is that it relieves the stress of constantly apologizing to irritated patients for a longer than expected wait time. ■

**LAST YEAR THE
NATIONWIDE AVERAGE
WAIT TIME TO SEE A
DOCTOR WAS 23 MINUTES**

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Three Ways to **MOTIVATE AND MAINTAIN** a Millennial Employee

By **Ana Welsh**, Vice President of Corporate Operations, Schweiger Dermatology Group

It's 2015 and Millennials are now the largest generation in the American workforce, according to a Pew Research Center analysis of U.S. Census Bureau Data. Managing employees ranging between ages 18-34 can be challenging. It almost seems as if they are different breed of employees and what motivates them may be completely different than what motivates you.

Below are three ways to motivate your millennial employee to not only stick around but also become a beneficial addition to your team.

1 **CONSTANTLY "UPLOAD" THEIR CONFIDENCE**

by acknowledging their great performance moments; Millennials are used to uploading pictures, selfies and quotes to their social media profiles consistently, as that's how they like to expose their character and share their moments.

Forbes.com published a study conducted by UNC's Kenan-Flagler Business School and the YEC, noting that 80% of Millennials said they would rather receive feedback in real time.

"Upload" a visual of their great work not only to them directly but also to their team. They will appreciate the attention and will most likely change their habits to garner more "uploads" at work.

2 **"LIKE" LOUDLY, CRITICIZE SOFTLY.**

After uploading their moment, Millennials yearn to get as many "likes" as possible per post. These days, the more likes one receives, the more prideful they feel about themselves. You may have heard the phrase "Praise loudly, criticize softly", this is the Millennials' version of that piece of advice. Millennials are used to attention, make sure you give it to them. It doesn't cost a penny and provides a great return on your investment.

Don't be afraid to "upload" their confidence by praising them for doing a good job! They'll appreciate the work-version of seeing you "like" their performance.

3 **RESPECT WHEN THEY "LOG OFF";** Millennials

have a very strong value towards having a work life balance. They no longer want to dedicate majority of their time to work and instead prefer to plan ahead and when they leave work, they don't want to think about work.

According to the same survey published on Forbes.com, 33% of Millennials prefer work flexibility over salary when considering a job offer.

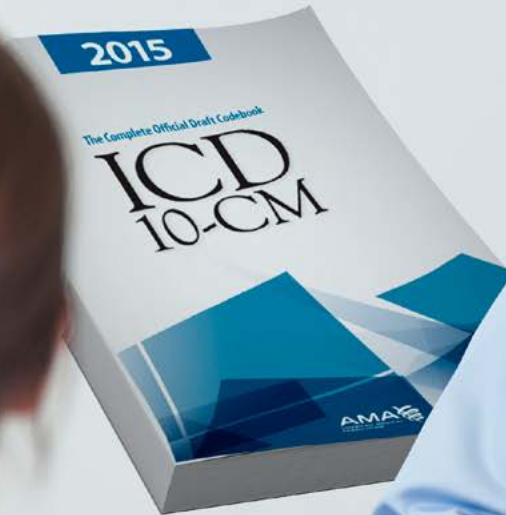
If the employee always works Saturday's, perhaps approve that PTO and let them take the weekend off to go on a quick road trip with friends. Respect the time they are off and avoid texting or calling them with any questions or needs. They will be appreciative of this division and feel less resentful when they are on the clock and who knows... provide more quality work. ■



ABOUT THE AUTHOR

Ana Welsh is a self-titled "old school millennial" living and working in the New York City area. Ana is the Vice President of Corporate Operations for a large multi-location group practice, Schweiger Dermatology Group. Ana has hired over 100 employees and has a true passion for employee satisfaction at SDG. With over 180 employees, Ana mentors dozens of employees and manages the company's Human Resources Department. Ana can be reached via email at aw@schweigerderm.com

ARE YOU READY?



ICD-10-CM CODE STRUCTURE



By Janice Smith
Office Manager
Spencer Dermatology Association,
LLC, Crawfordsville, IN

OCTOBER 1st, 2015. This date has been looming since the delay of ICD-10-CM last year. There are no more delays so it is now about preparedness. In July, CMS and the AMA announced a plan to ease the transition to the new code set, (as it relates to using code specificity). According to CMS officials in a guidance document, *“While diagnosis coding to the correct level of specificity is the goal for all claims, for 12 months after ICD-10 implementation, Medicare review contractors will not deny physician or other practitioner claims billed under the Part B physician fee schedule through either automated medical review or complex medical record review based solely on the specificity of the ICD-10 diagnosis code as long as the physician/practitioner used a valid code from the right family.”*



continued from page 15

ICD-10-CM CODE STRUCTURE

ICD-10-CM is composed of codes with 3-7 characters. Codes with three characters are the heading of a category of codes that may be further subdivided into greater specificity by using fourth, fifth, sixth or seventh characters. A three-character code is used when it is not further subdivided.

An example of a valid three-character code is L42 (Pityriasis rosacea). Most codes require greater than a three-character code such as C44 (Other malignant neoplasms of skin) which, by itself, is not a valid code. Examples of valid codes within the C44 category include:

C44.612 Basal cell carcinoma skin/right upper limb, including shoulder

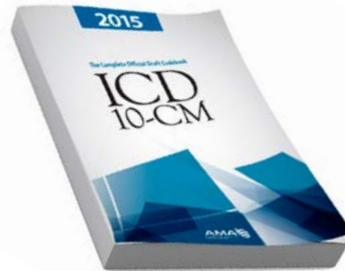
C44.619 Basal cell carcinoma skin/left upper limb, including shoulder

C44.722 Squamous cell carcinoma, right lower limb, including hip

C44.729 Squamous cell carcinoma, left lower limb, including hip

A “family of codes” is the same as the ICD-10 three-character category. Codes within a category

ICD-10-CM is a significant change for our healthcare system, but will allow for better collection of data to be used for evaluating and improving patient care.



are clinically related, and capture specific information on the type of the condition. The number of characters used may vary up to seven. For example, L40 (psoriasis) has codes within that category that allow for specificity of the type of psoriasis being treated.

L40.0 Psoriasis vulgaris

L40.1 Generalized pustular psoriasis

L40.2 Acrodermatitis continua

L40.3 Pustulosis palmaris et plantaris

L40.4 Guttate psoriasis

L40.8 Other psoriasis

L40.9 Psoriasis, unspecified

Under the CMS guidance, a claim will not be denied if selected for an audit at a later date, as long as it is within the same family. For quality reporting year 2015 for PQRS,

VBM or Meaningful Use, there will be no penalty, again as long as the code reported is within the same family of codes. CMS also announced that they will have an ICD-10 Ombudsman to help receive and triage provider issues and will release guidance on how to submit issues to them as we get closer to the implementation date.

A continual point throughout the time leading up to October 1st, charting will be crucial for coding staff to select the correct ICD-10-CM code. If you haven't already started, now is the time to begin auditing patient charts to ensure that the physician, mid-level and clinical staff are all documenting the most specific diagnosis properly. If they are not, you need to communicate that to your staff. You should also be dual coding in your practice management and EMR systems.

Below is a checklist to ensure your transition **October 1st**:

1. Complete coding and clinical documentation training for all staff
2. Complete a crosswalk of your most frequently used codes
3. Implement process changes to workflows
4. Update billing forms
5. Begin dual coding
6. Audit random charts for completeness of provider documentation
7. Verify clearinghouse and payer's readiness to accept ICD-10 claims

ICD-10-CM is a significant change for our healthcare system, but will allow for better collection of data to be used for evaluating and improving patient care. As the only industrialized nation not currently using this system, it is probably long overdue. Time will tell if both practices and insurance companies are truly ready for the transition. ■



ASK THE LAWYER

Q&A

with Michael J. Sacopulos, JD,
Medical Risk Institute

QUESTION: I recently took my daughter to our personal physician's office. While there, I noticed signs up stating that all use of cell phones was prohibited beyond the reception area. I understand that a patients with a cell phone can be annoying, but is this really necessary? Do you recommend this policy? What harm can come from patients using their smart phones while being in our practice?

ANSWER: Like any good lawyer, my answer is... "It depends." If your patient is waiting in an exam room, and is simply reviewing Facebook posts, probably not much harm can occur. However, if that patient or his or her family member decides to snap a few photographs, trouble might be brewing.

On July 4th NFL star, Jason Pierre-Paul, of the New York Giants sustained a severe hand injury when attempting to light fireworks. A two time Pro-Bowl player Pierre-Paul seems to like fireworks. In fact, it was reported that he had to rent a U-Haul van to bring the load of fireworks to his South Florida home. The accident that caused injury to his hand remains somewhat unclear. What is clear, is that news and images of his subsequent partial hand amputation appeared on an ESPN blog shortly thereafter.

I need not tell you that this could be a severe HIPAA violation. The hospital caring for Mr. Pierre-Paul began an immediate investigation to determine which staff member was responsible for the breach. However, it seems that the reports and images may not have come from the hospital. In fact, there is good reason to believe that this information was leaked by Pierre-Paul's family members or one of his close friends.

July also saw the inappropriate release of photographs of Whitney Houston's daughter, Bobbi Kristian, in a hospice setting. These wildly inappropriate photographs were supposedly sold to the highest bidder. Healthcare providers looked into this breach. Again, it appears that these photographs were leaked/sold to media outlet by a family member or friend.

I am not suggesting that your dermatology practice will soon be treating NFL stars with traumatic artillery injuries. I am suggesting that smart phone photographs can make their way out of your practice and cause you trouble. The only photography that should be taking place in an exam room is your staff's documenting a medical condition for a patient's chart. A smart photo prohibition, while difficult to enforce, reduces the likelihood that your practice will be wrongfully accused of a privacy violation.

My children will tell you that I can be a little uptight and old school. Yes: I believe that the use of cell phones in your practice is disrespectful and distracting. But beyond the general lack of civility, I believe that smart phones in your practice cause a legitimate concern for patient privacy. Your family's physician's office has a right. Both staff and patients should be asked to put away their smart phones while in your practice.



ONE IN A MILLION

A DERMATOLOGIST

Where others generalize, you specialize. Your highly-focused knowledge of dermatology holds the key to treating health issues that no one else can resolve. With specialized dermatology care comes specialized needs. Your practice needs healthcare technologies that understand the dermatology workflow while addressing the need to capture data, meet interoperability standards, and help you fulfill government mandates without sacrificing one bit of your specialized patient care.

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