



WUTCHIETT TUMBLIN AND ASSOCIATES

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Better Management is Better MedicineSM

Giving Away a Fortune? Stop the Bleeding! – 2005

A practice's fee structure must reflect the quality of client service and the level of patient care provided. And charging for the care doctors provide is critical to giving the practice the resources necessary to continue to elevate patient care, to invest in new medical technology and give the doctors and staff raises.

Charging for the services and products they provide to clients challenges doctors at times. Charging appropriately is a frequent topic of discussion at conferences, and it seems that some doctors (owners *and* associates) go out of their way to look for opportunities to provide care without billing the client.

Teaching associates to charge for their services begins with the overall culture of the practice. The practice attitude and philosophy must reflect the belief that your time, knowledge, training, and experience have value, and you bill for what you do because of this value. If the doctors and staff don't believe in the value of the practice's services, clients never will.

Sometimes associates don't charge for services and products because they don't understand what's expected. You can only reasonably expect associates to charge appropriately if you effectively communicate your expectations up front. Left without direction (or with a poor example), each associate interprets the practice owners' expectations and, by necessity, begins to establish his or her own idea about charging for patient care. Differences in philosophy quickly lead to disagreements and an unhappy associate-owner relationship.

Use the following guidelines to set the tone and communicate your practice philosophy about charging clients for their pet healthcare.

1. **Incorporate your philosophy into the Employment Agreement.** Include a clause in your Employment Contract that states the associate is responsible for charging for all services and products provided per the established hospital fee schedule. By doing so, you're communicating your expectations up front when the associate signs his or her contract, which helps avoid misunderstandings later. And, if the associate gives services away, he or she is in violation of the contract.
2. **Add it to your Position Description.** Adhering to all hospital directives and protocols – including charging for all services and products provided – is a standard responsibility on the Doctor of Veterinary Medicine Position Description in WellIMPSM. Your position description is another opportunity to communicate your expectations about charging to help avoid misunderstandings.



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3. **Explain your fee schedule.** Ask your Patient Care Coordinator to review your fee schedule with the associate, so he or she gains a thorough understanding of how services and products are billed to clients. Also review the travel/circle sheet to ensure the associate is effectively and accurately completing it, so all charges are captured.
4. **Explain your credit protocol.** Ask your Client Care Coordinator to review the hospital's requirements regarding client payment, which clients are eligible for credit privileges, the credit terms, and the use of treatment plan estimates. Also explain how the practice's ability to collect payment from clients ultimately impacts doctor and staff compensation.
5. **Share philosophy regarding patient care.** Periodically conduct case reviews to determine if you're missing any opportunities regarding patient care, if the doctors have similar medical philosophies regarding patient care, and if the doctors have similar philosophies regarding charging for patient care. Would you have worked the case up any differently in retrospect? Did you provide/recommend all the care you would expect? Was the client billed for all the care provided? If not, why? Discuss the results in your doctor meetings to enhance awareness and consistency among the doctors.
6. **Teach associates how to develop treatment plan estimates.** Written estimates for the expected cost range for medical services are an important client education and communication tool. Show your associate how to create a treatment plan that itemizes all of the components of care and that clearly explains what the client can expect in terms of patient care and cost. Informed clients make informed choices.
7. **Lead by example.** Actions speak louder than words, so be sure to send a consistent message about charging for services and products. If you expect an associate to charge for the services and products he or she provides, set the example by charging appropriately for all you do as well.

In a survey conducted in conjunction with The 2004 Well-Managed PracticeSM Study: Associate Management Guide, we asked associates to describe the best coaching experience or advice they have received from a mentor. The associates told us, "Always explain your treatment plan in terms clients understand and be sure they're made aware of the cost and prognosis of the plan you intend to follow. Offer the best, educate and inform, and let the client decide. Don't give services away. And, treat the client as you would want to be treated yourself."

Follow these words of advice and the steps outlined here to teach your associates the importance of charging for all they do. Doing so will help ensure a satisfying associate-owner relationship and provide the resources necessary to continue to raise the bar in your practice.



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