APPLYING "SOAP" TO PRACTICE MANAGEMENT ISSUES

This diagnostic method can be used to address operational shortcomings.

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In an increasingly complex health care environment, making sure your practice is profitable and has the ability to conquer operational challenges is harder than ever. Adhering to regulatory standards, maintaining physician productivity and operational efficiency, monitoring human resources and billing—the challenges are numerous. To thrive in this environment, physicians and practice administrators must have a disciplined, process-oriented approach to problem solving.

To arrive at a diagnosis and action plan for their patients, many physicians use the SOAP method—an acronym for subjective, objective, assessment, and plan. The SOAP method can also be applied to practices that are facing operational challenges—that is, practices with a particular practice management issue that must be addressed. When performed correctly, SOAP can result in an action plan that is likely to resolve whatever issue ails the practice.

To illustrate how the SOAP method can be applied in the business setting of a medical practice, this article presents a case study of the fictional 2020 Eye Care, a three-doctor group.

2020 Eye Care has grown in recent years and now has 29 full-time staff members, compared with 27 a year ago. Dr. Thompson, who has been with the practice for 2 years, has seen rapid increases in his productivity but still lags behind the other two partners. At a recent partners' meeting, the growing staff was a key topic.

SUBJECTIVE

Subjective issues in practice operations come in many forms. In this step of SOAP, participants describe their general perceptions of a problem or the current symptoms of the practice.

Some of the symptoms described by the 2020 Eye Care leadership included those listed in this article:

- **Dr. Jones:** "The technician staff members seem to

SOAP Method

For Your Patients

SUBJECTIVE
Establish the chief complaint and the symptoms

OBJECTIVE
Examine the patient, conduct diagnostic tests

ASSESSMENT
Rely on symptoms and examination to reach a diagnosis

PLAN
Determine which course of action will best resolve the assessed disease

For Your Practice

SUBJECTIVE
Review the general observations of the practice's partners and administrators

OBJECTIVE
Compare practice metrics to industry standards

ASSESSMENT
Based on metrics comparisons, diagnose the problem(s) in your practice

PLAN
Determine which course of action will best resolve the assessed problem

TABLE 1. STAFFING BENCHMARKS FOR 2020 EYE CARE

Benchmark	How to Calculate	Benchmark Range[a]	2014 Result	2015 Result
Staff payroll ratio	Gross staff wages divided by net collections	20%-26%	23%	26%
Net collections per staff	Net collections divided by the number of full-time support staff	US$140K-US$200K	US$140K	US$130K
Staff per physician	Number of full-time staff divided by the number of full-time physicians	4-8	6.5	8

[a]The benchmark range amounts are based on benchmarks developed by BSM Consulting after working with ophthalmology practices throughout the United States. This information is corroborated by other industry data as well as American Academy of Ophthalmology benchmarking database results.

be standing around a lot lately."
- **Dr. Smith:** "The implementation of electronic health records has slowed me down. I would like to consider hiring a scribe."
- **Dr. Thompson:** "How can I grow my practice to increase my income potential?"
- **Administrator:** "Staff morale is low, and many feel overworked."

The issues described by the parties at the practice are varied, and without additional assessment, prescribing a solution would be difficult.

OBJECTIVE

In the objective step of the SOAP method, participants gather data in order to analyze the subjective symptoms. One way to accomplish this when measuring operational efficiency is through the use of financial benchmarking. Similar to diagnostic testing with patients, in the objective step, certain data points are analyzed and compared with a range of results, indicating where the practice falls on that spectrum.

AT A GLANCE

Physicians and practice administrators must have a disciplined, process-oriented approach to problem solving.

Practices can apply the SOAP method—subjective, objective, assessment, and plan—when faced with operational challenges or a particular practice management issue.

When performed correctly, SOAP can result in an action plan that is likely to resolve whatever issue ails the practice.

When operational efficiency or practice profitability is measured, it is important to compare results against previous time periods or industry benchmarks. Table 1 illustrates common staffing benchmarks and includes comparisons with industry standards that can help 2020 Eye Care make a proper diagnosis during the assessment phase.

ASSESSMENT

In the assessment stage, by marrying the subjective symptoms with objective analysis, the hope is that an accurate diagnosis is possible. With the right data, someone using the SOAP method should be able to determine the root cause of an issue and prescribe a solution that can lead to improvement. Often, unfortunately, it is not as simple as

TABLE 2. ACTION PLAN FOR 2020 EYE CARE

Action Item	Responsible Party	Due Date	Status
Analyze feasibility of scribe for Dr. Smith	Administrator	4/1	In process
Conduct staff satisfaction survey	Administrator	4/31	Survey to begin on 4/10
Review technician roles and assignments	Administrator/ lead technician	5/15	Not started
Create 2016 budget to estimate future staffing needs	Administrator/ controller/ partners	4/20	In process; draft to be presented at March partners' meeting

that. Similar to applying the SOAP method to a patient (see *SOAP Method*), it is possible that a practice manager applying SOAP to a practice will end up far away from an accurate diagnosis. In this situation, further testing and exploration are necessary.

In our objective assessment of 2020 Eye Care, we saw some interesting trends. After comparing the statistics for 2020 Eye Care with industry standards, our assessment was that the practice is within range on the payroll-ratio and staff-per-physician metrics and a little low on the net-collections-per-staff benchmark. Comparing 2014 to 2015, all three metrics have changed as a result of adding new staff members and Dr. Thompson's growing patient volume.

Are the results conclusive enough to make a diagnosis and prescribe a plan? In this case, the answer is *maybe*. The benchmarks indicate that staffing levels are probably appropriate, but there are still some outstanding issues such as the low staff morale reported and the feasibility of Dr. Smith's desire to add a scribe. Because these issues were not resolved, additional analysis is necessary.

PLAN

Assuming a diagnosis has been reached during the assessment, the final step in the SOAP process is to devise an action plan to lead to improvement. The action plan, which should be documented on paper so that all members of the practice can reference it, should include elements for each task, such as the responsible party and the due date, to ensure transparency and accountability for all parties. The action plan should also include an improvement goal that is attainable and measurable within a specific time period. In other words, the participants must identify the necessary steps in the action plan to achieve the stated goal.

Based on the findings in Table 1, 2020 Eye Care should rely on the action plans in Table 2.

BRINGING SOAP TO YOUR PRACTICE

The SOAP method is not hard to understand, but it can be difficult to execute when it is used to address practice challenges. It is crucial to monitor the action items on the plan over time to see how they are influencing the established goals. Change and goal achievement rarely happen overnight, but the overall aim should always be continual improvement. ◼

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