

Add Ancillary Services to Add Value to Your Practice

Nondisruptive adjunct services can become new profit centers for a practice, effectively augmenting its existing services.

BY CONNI BERGMANN KOURY, EXECUTIVE EDITOR

The business of medicine is changing, and the pace of this evolution will only increase. As Shareef Mahdavi of SM2 Consulting in Pleasanton, California, wrote in the “Premium Practice Today” (PPT) section of *Cataract & Refractive Surgery Today*, “As the baby boomers move ever closer to retirement age—the folks at the leading edge of this demographic are turning 65 years old—a record number of physicians in primary care as well as surgical specialties are opting out of caring for Medicare patients. It is far from a coincidence that this behavior by surgeons is in response to the 21% cut in Medicare reimbursements scheduled to take effect later this year.” Mr. Mahdavi is the section editor of PPT.¹

So what should premium practices do in response to this trend? Many are adding ancillary services to their offerings. Mr. Mahdavi admitted that, several years ago, he opposed the idea. “I believed that eye surgeons would be better served by ‘sticking to their knitting,’ a phrase applied to the behavior of excellent companies back when the business book *In Search of Excellence* was first published in 1982,” he wrote.¹

As the times have changed, so has Mr. Mahdavi’s thinking. There are many examples of ancillary services that fit well into the setting of the premium ophthalmic practice. “Today’s patients are spending increasing amounts of their own income on health-related purchases,” he wrote. “Rather than view the practice as having one ‘market’ with multiple ‘customers,’ surgeons need to apply the reverse thinking: one customer with multiple markets.”¹ As an example, Mr. Mahdavi cites CostCo Wholesale Corporation, which has mastered this concept: it seeks to provide travel, small business, and other ancillary services to its members.

Patients are seeking and purchasing goods and services that tie into the premium ophthalmology practice’s core activities, Mr. Mahdavi wrote.¹ These individuals can pay other health services providers, or they can spend their money at the practice of an eye surgeon who is willing to invest the time and energy in providing the convenient buying opportunities they seek.

WHICH ANCILLARY SERVICES ARE RIGHT FOR YOUR PRACTICE?

Several possible ancillary services might be considered for ophthalmology practices. The growth of nutraceuticals is skyrocketing as an alternative to pharmaceuticals. High-quality omega-3 capsules are finding strong scientific support and can now be distributed at physicians’ offices. Some practices are branching out into the area of cosmetic and aesthetic treatments like Latisse (bimatoprost ophthalmic solution 0.03%), Botox (onabotulinumtoxinA), and Juvederm (cross-linked hyaluronic acid; all three products manufactured by Allergan, Inc.).

OPTICAL DISPENSING

An obvious ancillary offering that a practice can add is dispensing. In the past, optical dispensaries were the domain of optometry and general ophthalmology practices. According to PPT Contributing Editor Rochelle Nataloni, however, when surgical practices reacted to declining cataract reimbursement by diversifying into tangential profit centers, dispensaries took on the aura of potential. “The problem was that most ocular surgeons did not have a clue as to how to run a retail business—essentially what an optical dispensary is,” she wrote. “Hiring an optician solves many of the day-to-day challenges inherent in running a dispensary but not the big-

picture issues such as increasing capture rate or balancing the desire to grow one's dispensary while maintaining and nurturing relationships with referring optometrists."²

What about adding an optical dispensary to a practice that markets its ability to reduce patients' dependence on spectacles? Is it counterintuitive for these practices to dedicate time, talent, and dollars to the sale of eyeglasses? According to Ms. Nataloni, to premium eye care practice administrators, ocular surgeons, consultants, and administrators of third-party services dedicated to optical management with whom she has spoken, nothing could be further from the truth. "Balancing advanced IOL surgery and a bustling dispensary is not a contradiction," she wrote. "It is simply a way to provide comprehensive care for the life span of the patient, while simultaneously tapping profit centers that are immune to changes in Medicare reimbursement."²

HEARING SERVICES

Hearing services are also a natural fit with ophthalmology practices. Hearing aids—90% of which are paid for out of pocket—form an elective medical category that is larger than LASIK, Mr. Mahdavi noted. Hoya Advantage is a membership-based program that offers meaningful, nondisruptive business solutions such as benchmarking analysis, optical dispensary services, and hearing loss services, according to the company. The program enables practices to provide patients with a full range of services and continue to maintain effective patient flow.

Jon-Marc Weston, MD, the founder and medical director of Weston Eye Center in Roseburg, Oregon, has begun using a program that came to his attention through Advantage Hoya. This approach offers combined vision and hearing services through the company's Dual Sensory Optimization. These services are facilitated via EyeCanHear, an approach to integrating hearing screening into an ophthalmic practice. Dr. Weston wrote that the approach has been very well received by the patients in his practice and has allowed his business to grow through its current patient base.

"My staff and I wanted to be able to provide our patients with hearing services, because hearing and vision are the two most important senses for communication," he wrote. "Cataract patients are subject to hearing loss as well as vision loss, and no other specialists provide hearing examinations as a primary care function. Ear, nose, and throat doctors see patients by referral and identify problems. These days, there are very few of these doctors who check both senses. In our practice, patients come for their eye examinations without hearing aids; either they do not use hearing aids, or they simply forget to wear them. Subsequently,

WHY PRACTICES CAN SUCCEED WITH A HEARING PROGRAM

More than 30 million people in the United States have clinically significant hearing loss, and 80% of them are undiagnosed and untreated. Ophthalmologists care for many of those patients daily.¹ There may be no better opportunity to assess the functionality of a patient's vision and hearing and to offer solutions when appropriate than when he or she is already in the ophthalmologist's hands. Physicians will build patients' loyalty while screening for hearing loss that has largely been ignored by the medical community for years.

Three Hearing Services

- EyeCanHear (<http://eyecanhear.com>) says it can seamlessly integrate hearing wellness into the day-to-day patient flow. According to the company, it is a turnkey solution, it fits any practice, and it takes out the guesswork by providing all of the elements the practice needs to make hearing care a significant contributor to the practice's growth.
- Avada Hearing Care's "Partnering Vision & Hearing" (www.avada.com) is a leading hearing health care provider with several hundred locations in the United States. The company has decades of experience setting up and operating successful hearing clinics. Avada will help ophthalmologists add the services to their practices.
- Physicians Hearing Services, Inc. (www.phsimd.com), says it offers a fast, straightforward way to incorporate hearing services into ophthalmology clinics. It also provides the latest in digital hearing devices. According to the website, Physicians Hearing Services, Inc., will guide the practice through the development of a systematic daily routine to deliver the message of "Vision and Hearing Together" to patients, follow the steps to identify patients with possible hearing loss, and schedule them for complete hearing examinations all under a physician's supervision.

1. Department of Veterans Affairs. Veterans Health Initiative. Hearing Impairment. March 2002. http://www.publichealth.va.gov/docs/vhi/hearing_impairment.pdf. Accessed September 21, 2012.

many of these patients have difficulty hearing our staff during their eye examinations, and it became clear to us that hearing is a natural extension of vision and the total patient examination. In our practice, we have now integrated the Dual Sensory Optimization approach into our patient process."³

There are various ways to incorporate hearing health

services into an ophthalmic practice (see *Why Practices Can Succeed With a Hearing Program*). In Dr. Weston's case, EyeCanHear allowed the integration of services in a manner that meets the vision and hearing needs of his patients.

"I recommend that any ophthalmologist who is considering adding hearing services to his or her practice hire an experienced organization that already has effective systems in place to manage the entire patient process: identifying, screening, examining, and scheduling patients," he wrote. "Hiring an organization like EyeCanHear has saved my staff and me from having to establish this service on our own, and we have had a very positive response from patients."³

NONDISRUPTIVE SERVICES ADD CASH FLOW

If executed properly, nondisruptive adjunct services can become new profit centers for a practice, effectively augmenting its existing services. A well-run profit center provides additional cash flow that can help offset reduced reimbursements in areas such as cataract and refractive surgery. Dr. Weston added that adjunct services also support a clinic's overall efforts such as staffing requirements, overhead, and investment in new equipment. "In our experience, meaningful adjunct profit centers can produce additional revenues for the maintenance, improvements, and the quality of the clinic's offerings for patients," he wrote.³

CONCLUSION

The demand for products and services that consumers want (vs simply need) is what today's premium providers should explore, according to Mr. Mahdavi. "Which ones to add, how to incorporate them, and when to connect to other activities during the patient's visit are all key questions that must be considered," he commented. "The future of the premium practice and its very survival may depend on how it answers these questions."¹ ■

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Jon-Marc Weston, MD, acknowledged no financial interest in the products or company he mentioned. Dr. Weston may be reached at (541) 672-2020; drw@westoneyecenter.com.



1. Mahdavi S. Do your homework—adding ancillary services. *Premium Practice Today. Cataract & Refractive Surgery Today*. July 2010;1(7)50.

2. Nataloni R. Optical opportunities. *Premium Practice Today. Cataract & Refractive Surgery Today*. April 2011;2(4)54-53.

3. Weston JM. My experience with the Advantage Hoya program. Insert to: *Cataract & Refractive Surgery Today*. September, 2010.