Growing Your DPC Practice – Let it Roll!

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Participate in polling questions and submit your questions to https://aafp4.cnf.io/



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Learning Objectives

By the end of this educational activity, participants should be better able to:

- Discuss various business management and leadership skills essential for managing a growing DPC practice.
- Explore innovative ways to continually fund a growing DPC practice and your pocketbook while your practice grows.
- Learn what has and hasn't worked from peers practicing DPC.



A Little Background



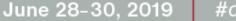
- Co-started a DPC practice right out of residency 2016 in a new state
- Split when practice had 850 patients Aug 2018
- Started/Transitioned ANOTHER DPC Practice Sept 2018
- 550+ Active Patients
- 100% Pure DPC
- Dispense Meds, In-House Labs, Same Day Visits, Home Visits, etc.
- Panel is 33% <18, 66% 19-64 and only 5 patients > 65 (Canadians and Nigerians - Still opted IN Medicare)



A List of Some of My Side Hustles

- Emergency Room
- Urgent Care
- Nursing Home/LTAC
- Hospitalist
- Telemedicine
- Academic Preceptor
- Author of Board Questions
- Principal Investigator for Research
- Medical Surveys

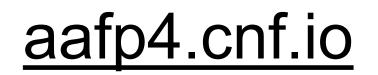




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How many started from scratch? Transition a previous practice?

- a) Straight From Scratch
- b) Transition, but didn't convert hardly anyone
- c) Transition, converted 50+ patients
- d) Transition, converted 200+ patients





You Started - Business Plan

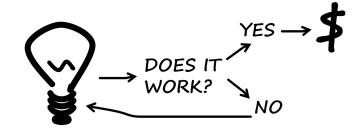


- By now it should already be created
- Time to Implement, Revisit, Refine and Simplify.
- Time to better yourself Always Reading
- Atul Gawande Ted Talk: "Want to Get Great at Something? Get a Coach"
- Lead by Example Willing to Take Out the Trash
- Hiring/Firing Right People on the Bus Simon Sinek "Start With Why"

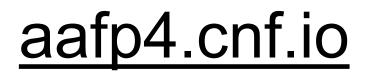


How many of you have changed your Business Plan?

- a) Never
- b) Once
- c) 10+ Times
- d) What's a Business Plan



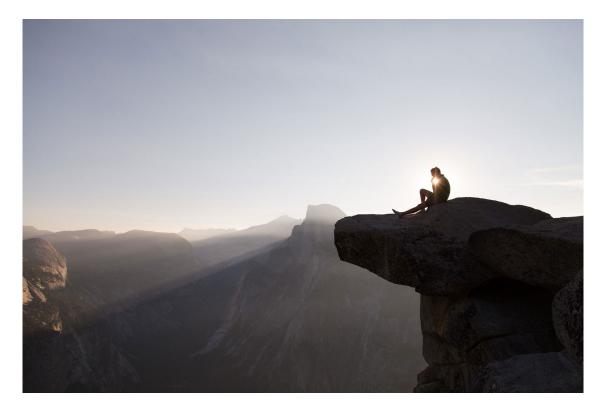






What are your Goals?

- Looking for a Single Doc Shop?
- 1-2 Doctors
- 1-2 Clinics
- Want to take over the City?
- Want to take over the World?





How to Achieve Those Goals?

- Stability
- Security
- Money
- Happiness
- Flexibility
- Burn-Out Resistant



...Direct Primary Care is all of the above!



Simple Math

- Income = Revenue Expenses
- Increase Revenue
- Decrease Expenses



• Innovative Reminder: Think outside the box!



Conventional Ways to Revenue

- Telemedicine (I Find it Morally Difficult Z-pack for ALL!)
- Urgent Care Shifts (Close by Office can be a great referral source...make sure it is in your contract)
- No Unnecessary Staff (Decrease Expenses
- Business Loan (Bank/Credit Union)
- Personal Loan (Borrow from 401k)



Summi

Unconventional Ways



- Medical Student/Resident (CME, Free Scribe, Free UpToDate/Library Resources, Stipend)
- Pharmacy Resident (Similar as above, but runs your pharmacy for you)
- Precept at Schools (Observe OSCE, Assistant Professor, Online Grading)
- Research Studies (Compensation/Research Participant/Clinic Exposure)
- Sublet Space (Share overhead)
- Write Board Questions (Literally Every Patient you have is a Board Question)
- Teach Online University (Flexible schedule)
- Disability Exams in your office (DOT, Pain Management, etc.)
- Sleepy ER Moonlight (If Opted Out, need ER/U.C Exception (Dr. Phil [©])

Unconventional Ways



- Work for Insurance Companies (Chart Reviews)
- Expert Witness (Usually Hit-and-Miss time away from clinic)
- Medical Director/Hospice Director (Oversee charts on your own time)
- Pharmacy Rep Speaking Arrangements (Usually nights/weekends)
- Coaching
- Writing



HUSTLE Mnemonic



- <u>Happen Is it even possible?</u>
- <u>Upsides</u> What are the upsides (and downsides)?
- <u>Schedule Is it going to take away from your DPC clinic?</u>
- <u>Taxes Cost prohibitive?</u>
- <u>L</u>iability How far does it extend your malpractice?
- <u>Expertise/Experience</u> Are you qualified or can you become qualified?



HUSTLE

- Financial Debt Burden
- Wellness Intellectually Stimulating



- Professional Development Expand Skillset, Flexibility
- Public Access to Care Increasing Service to Community

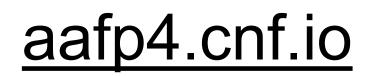
More reasons than just money!





How many Side Gigs do you have?

- a) None Just putting my all into this DPC thing
- b) 1-2 Just to keep the bills paid
- c) 3-4 The more side gigs I get, the more outside the box I become
- d) 5+ It's nice to mix it up a little bit every now and again





Innovative Reminder:

- Income = Revenue Expenses
- Increase Revenue
- Decrease Expenses







- #1 Expense Building (Sublet, Rent space from Specialist, etc.)
- #2 Expense Staff (Medical Students, Externs, Residents are very affordable)
- #3 Expense Equipment (Single Use, Infrequent Use, High Dollar Items)





Expense Management

- #3 Expense Equipment
 - Dentist's Autoclave
 - Liquid Nitrogen from Livestock Supply
 - Circumcision Tray Share between 4-5 clinics
 - Hyfrecator Similar as above
 - Immunization Fridges Central Hub
 - Labs Usually Furnish Centrifuge, Vials, Urine Cups, etc.
 - Medication Samples (Dispensed based on NPI # not on number of patients on panel)



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Employee vs Owner

- W-2 vs W-9
- Side Hustle 1099 income
- Business Expenses are Real
- Retirement Benefits are too (Solo 401k vs SEP IRA Limits)





Taxes are Different As a Business Owner

- Examples of Write-Offs:
- Office space at home
- Miles to and from work (I deducted more than ENTIRE cost of my CAR in 2018)
- All Medical Equipment
- Textbooks/Leadership Books/CME/Financial Literacy Education
- % of Cell Phone Usage
- Advertising/Meals/Business Attire
- Children's Website Modeling Agency ;)
- *Obviously not a CPA and you should verify with yours* :)



20% Pass Through Deduction

- \$100000 W-2
- \$7650 SS Tax
- \$0 S.E. Tax Deduction
- \$0 20% Pass Through
- \$12000 Standard
- \$88000 Taxable Income
- \$15300 Income Tax
- \$77051 After Tax Income



- \$107650 1099/Self-Employed
- \$15210 Self Emp. Tax, FICA/FUTA
- \$7650 S.E. Tax Deduction
- \$17608 Pass Through
- \$12000 Standard
- \$70392 Taxable Income
- \$11435 Income Tax
- \$81004 After Tax Income



Retirement Contributions are, too!

- Solo 401k (\$55000 vs \$18500 for Traditional 401k)
- SEP IRA (\$55000 vs \$5500 for Traditional IRA)
- Employing Kids for Roth IRA Contributions (\$5500 vs
- Profit Sharing (A whole 'nuther discussion)

 Obviously not a Financial Planner and you should verify with yours :)





What works to get and keep people

- #1 Referral Source: Patients Take Care of them Let/Encourage them to help you grow! Free, High Quality Advertising
- #2 Define your niche (families/kids, businesses, sports medicine, pain management, etc.), and target THAT niche. What is your Why? Who are your "People"?
- #3 SEO/Website Management Literacy Educ
- #4 Constant Contact w/Patients Auto Remind



What does not...

- Providing Crappy Care
- Stagnation Always be moving
- Paper Media, Mailers, Sponsoring Events
- Most Third Party Marketing Strategies Simply Out Price Themselves





What also may not work as well...

- Large Cost Website Management Companies Educate yourself in a basic SEO class and follow general trends
- Large Cost Low Yield Advertising Campaigns (paper mail, etc.) -
- Referral Groups The core of these groups is "you refer to me, I'll refer to you" Kickback type feel – We are offering a solution to save money – I'm not 'selling' anything. I'm EDUCATING.



If I had \$100 to market....

- Deduct a patient's monthly fee that I felt needed it
- Have a Drawing at my office to invite people in
- Take a self-directed basic SEO course





Requires Patience and a Plan

- Stanford Study 5 yr olds and Marshmallows
- Those who are Patient Receive their Reward



<u>https://www.youtube.com/watch?v=QX_oy9614HQ</u>



Requires Persistence

"You Miss 100% of the shots you don't take!" – Michael Jordan





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Questions?

Submit your questions to: <u>aafp4.cnf.io</u>

Don't forget to evaluate this session!

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