

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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#dpcsummit

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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





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

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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



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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

- $\text{Income} = \text{Revenue} - \text{Expenses}$
 - 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)



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



- Happen – Is it even possible?
- Upsides – What are the upsides (and downsides)?
- Schedule – Is it going to take away from your DPC clinic?
- Taxes – Cost prohibitive?
- Liability – How far does it extend your malpractice?
- Expertise/Experience – 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

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Innovative Reminder:

- $\text{Income} = \text{Revenue} - \text{Expenses}$
- Increase Revenue
- Decrease Expenses



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)



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 \$5500 for Traditional IRA)
 - 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 – Educate
- #4 Constant Contact w/Patients – Auto Reminders



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



- https://www.youtube.com/watch?v=QX_oy9614HQ

Requires Persistence

“You Miss 100% of the shots you don’t take!” – Michael Jordan



Questions?

Submit your questions to:
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Don't forget to evaluate
this session!

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