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
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
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)
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:

• Income = Revenue – 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
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 $0)
- Profit Sharing (A whole ‘nuther discussion)

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

(DPC Summit)

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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: aafp4.cnf.io

Don’t forget to evaluate this session!

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