



Let's GrOw!

-Adding Medical Staff in DPC-

Vance Lassey, MD

AAFP1.CNF.IO

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Learning Objectives

1. Identify pros and cons of hiring Physicians, NPs and PAs.
2. Learn different payment models in employed DPC.
3. Learn about trends in contracts, benefits, and payment.



Let's GOOOOOOO!





Leeroy Jenkins



Being Leroy Jenkins

PROS

- High Reward
- Doesn't waste time
- Makes quick decisions
- Ready to go at a moment's notice
- Gets stuff done
- High Reward (gets chicken)

CONS

- High risk
- May not be prepared
- Quick decisions not well thought out
- Finds trouble that might have been prevented if prepared for
- Productivity might be impaired by having to deal with the unexpected/unprepared for



When it comes to hiring in DPC, it's usually better not to be Leroy Jenkins.



Common Sense



The 5 W's of Hiring

- **Why**
- **Who**
- **When**
- **Where**
- **hoW**



Why

- Getting busy
- Need call help
- Ready to build the brain trust
- Might need help with supervision
- Waiting list built up/want to help more patients
- Ready to grow the business (financially)



Who

- Physician
 - Primary care
 - Specialist/partial-specialist
 - Practice hospitalist/part-time hospitalist
- Physician Assistant
- Nurse Practitioner
- Assistant Physician



When

- When you have numbers for them (long wait list)
- As soon as you're full, but no waiting list yet
- When you have the \$
- When you don't have the \$ but need the help
- When you're busy and feeling burnt
- Before you're super busy but want to prevent getting burnt
- Right person, even if wrong time



Where

- At your “home clinic” location
- At an expansion clinic
 - Build, Buy, Rent
 - Renovate
- House-calls only
- Practice hospitalist/part-time hospitalist
- “Extender” vs taking own panel



How

- **Employed**
 - salaried position on payroll, contract-based, full or part-time, employee gets a W2
- **1099 Independent Contractor (or “worker”)**
 - provide services under a flexible arrangement without being classified as an employee
- **Partnership**
- **Rent clinic space/separate business entity/overhead sharing arrangement, etc.**



Adding medical staff: PROS & CONS



Adding medical staff: PROS

- Call coverage
- Building the brain trust
 - new staff will have unique specialty, experience, and skills
- Good company
- Help with supervision if needed
- Security
- Increased income
- Can serve your community with more DPC!



Adding medical staff: CONS

- Expensive (at least at first) as they ramp up
 - Signing bonus?
 - OVERHEAD!
 - Desk/office, computer, cell phone, EMR fees, malpractice insurance, CME, payroll tax, benefits, office supplies, wear and tear on the facility, driveway, trash service, biohazard disposal, **coffee**...there's always *something*!
- Might not work out
 - If they leave, time and \$ seems wasted. And now you have members without a physician- what do you do then?
- HR is **by far** the hardest part of growing a business





Anticipate HR Pitfalls

Use the “Pros” list to compare the applicant’s vision for a DPC practice with your vision of a partner—these need to match up

- Call coverage
 - Double-check this! Be specific!
- Building the brain trust
 - Are you compatible intellectually/practice style?
 - What are your individual strengths?
- Good company
 - Are you compatible socially?
- Supervision
 - Will a partnering doc help supervise midlevels? How will you compensate for that? Extra? Included responsibility with salary?

Anticipate HR Pitfalls

Triple-check all expectations of a potential clinician.

- Get these in writing whenever possible (make part of contract).
- Realistic and reiterated expectations will prevent a multitude of problems.
- Clear expectations are everything, and they depend on good communication.
- ASSUME NOTHING



**Do you know what
happens when you
assume?**

**You suppose something to be the case,
without proof**



Anticipate HR Pitfalls

- Salary expectations
 - Ensure CRYSTAL clear understanding of the contract.
- Regarding percentage of revenue:
 - Remember they can do math—they know how much money they generate.
 - They do NOT usually understand overhead/conceptualize your risk, etc.



How a business-inexperienced employee sees you



The reality



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Anticipate HR Pitfalls

- Future changes to contract/raises/extras
- Partnership expectations
- Work expectations
 - Hours, call, availability, vacation(s), technology availability, scope of practice, compatible practice style, number of patients they are expected to care for, etc

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Learn from past mistakes

- You can't find everything you need from the interview process sometimes, or there's just something you forgot to check before hiring.
- You will learn from these costly mistakes—try not to make them twice.
- Resist the temptation to hire “warm bodies”.

“The right person at the wrong time is better than the wrong person at the right time.”



Prevent or fix your hiring mistakes

“Hire slow and fire fast.”



Hire Slow

Be as creative as you can in ways to get to know a future medical staff member/partners before signing a contract.

- Wait for them to come to you when possible
- Multiple interviews
- Always call former employers/co-workers
- Invite them to casual social events, BBQ's etc.
- Give them lots of time to review the contract/ask questions
- Whenever possible, an on-the job trial period is invaluable- perhaps the applicant can cover some call, etc.
- Students are perfect because they'll spend weeks/months at your side- there is no better job interview, this works like an internship.



Fire Fast

Use wisdom and common sense.

- Are early problems a result of bad early communication that can be fixed by clarifying expectations? If so, re-clarify, and give grace and follow-up after a pre-set interval.
- If not, despite your hesitation and the discomfort: CUT YOUR LOSSES. “Kicking this can down the road” makes things worse every time



(buy me a drink and ask me how I know)



Where does the money come from?



Payment models: Full Salary

- Full salary from day one
 - Pros:
 - More attractive to prospective employees; easier to find help
 - Less complicated- no math required by bookkeeper
 - Cons:
 - Expensive, especially early on
 - Greater upfront cost
 - **Does not motivate clinician** to recruit patients or serve them in such a way as to grow the panel
 - Works better if clinic is in high demand (less financial hardship to a small business)



Payment models: Commission-Driven “EWYK” Model

- Known ubiquitously throughout the DPC world by the colloquial term “*Eat what you kill*” (“EWYK”)
- This model is common in DPC
- Cons:
 - less attractive to some prospective employees, especially if highly money-motivated, because early-on the clinician makes very little money.
 - Salary changes every pay period, requires doing math every 2 weeks, can be a bit complicated
 - *(Get good at spreadsheets, which can automate this process!)*



Payment models: Commission-Driven “EWYK” Model

- Pros:
 - Clinician earning what they take home means a much lower financial strain on the business early on
 - Clinician highly motivated to recruit patients & give premium care/service
 - EWYK seems to attract and bring out the best in “DPC Believers” and idealists, and weed out those chasing the myth of “easy money”; in DPC
 - Practice is more likely able to give clinician a higher salary in the long run
 - Doing the math every 2 weeks makes it really easy to print a report for clinician; demonstrates growth (satisfying!)

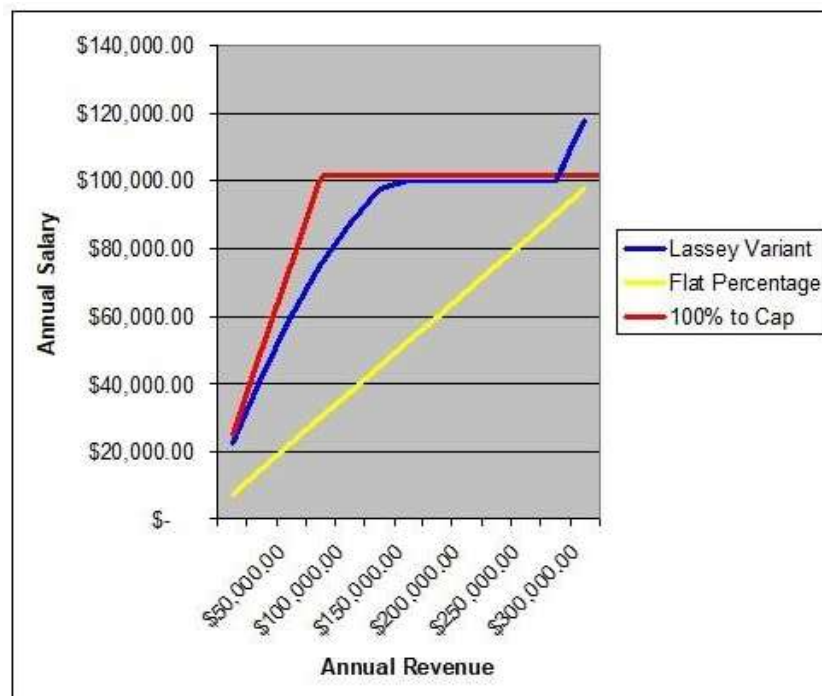


Payment models: Commission-Driven “EWYK” Model

- Works better when more lead time is available for clinician to prepare for the ramp-up period
- Clinician will prefer EWYK if you have an engaged waiting list, or clinic has high demand. But if clinic lacks this potential, EWYK is less likely to cause financial hardship to a small business, and clinician gets the satisfaction of “owning” their growth



Illustrated EWYK Iterations



Live Content Slide

When playing as a slideshow, this slide will display live content

Social Q&A for Let's GROW! Adding Medical Staff in DPC



QUESTIONS?

Contact Information

Vance Lassey, MD

doc@holtondirectcare.com

 **HOLTON**
DIRECTCARE

