How to Incorporate Optometry Into Your Dispensing Ophthalmology Practice

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The Changing Marketplace

- The need for physicians through 2017 will grow ‘greater than average’, that is, by 27% or more (BLS)
  - Growth due to aging of the population, causing ‘sick’ eyes.
- The number of patients presenting at ophthalmology practices will double by 2030 (over 2010) (AAO)
- Patient’s eyes will be ‘sicker’
  - Living longer; cases more profound
  - Diabetes epidemic
The Changing Marketplace

- The number of physicians will remain consistent (AAO)
- Improvements in technology will bring even greater volumes of new patients.
  - Clear lens exchange is our future.
The Changing Role of ODs

- All states license ODs for therapeutic and diagnostic drug use.
  - Injectables and use of a scalpel
  - ODs doing surgery with lasers?
- ODs are gaining experience treating medical patients...albeit slowly.
The Changing Role of ODs

- Solo OD practices are at risk.
  - Hard to compete.
    - Heavily managed care supported.
  - Hard to sell; hard to buy.
  - Mainly, own a job.
  - Many part-time practices.
- More MDs are hiring more ODs.
- More MDs are purchasing more OD practices.
Two Ways to Incorporate ODs

- Purchase the OD practice.

- Hire an OD.
Which MDs Would Benefit Most?

- Those who wish to establish satellite locations.
  - Add a location; remove a competitor.
- Those who wish to increase surgical market share.
  - Purchase the OD practice, obtain the surgical referrals and optical sales.
- Those with high surgical yields, both cataract and refractive.
  - Off-load follow-up visits
- MDs who are booked more than one week in advance.
  - Lose patients...mostly new patients.
- Those comprehensive MDs who see fewer than 40% ‘routine’ patients.
Benefits of Incorporating ODs

- Practice sees more patients overall
  - More than 80% booked, start to lose.
  - Booked out more than 3 days, start to lose.
- Shift less productive patients to the OD.
- MD retains the most productive patients.
- Managed care facilitation.
  - Join vision care panels.
  - Increased fees and dispensary sales.
  - Increased market share.
    - More for you means less for ‘them.’
Drawbacks of Hiring an OD

- Nearly all ODs take longer to see patients.
  - Trained differently.
  - See fewer patients per day.
  - Insistence on performing refractions.
- Most ODs lack opportunities to treat significant numbers of medical patients.
  - Especially those in commercial practice.
  - You may need to train your ODs (in-house ‘residency’)
- You will need to supervise your ODs.
Drawbacks of Hiring an OD

- Optometry is politically hostile to Ophthalmology.
  - ODs are actively seeking physician status, enhanced medical and surgical privileges and partnership opportunities.
- Stranger in your house.
- Daytime; work for you.
- Nighttime; attend local society meetings
Why the Strategy Works

- ODs like working in this environment
  - Get to ‘treat’
  - Are well accepted in most practices
- ODs make less than MDs and medical MDs
  - More profit for the practice

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<td>Exams per Week</td>
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<td>Fee</td>
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<td>Weekly</td>
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<td>Annually</td>
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Why the Strategy Works

- Employed ODs earn the same or more than in private or commercial practice
  - Was not always true
  - Compensation from MD employment is rising
- Fewer headaches
  - Fewer or no administrative worries
- ODs do not become partners
  - No loss of ownership interest in practice or ASC.
Success Strategies for Hiring ODs

- Decide, in advance, what the OD will do
  - Routine vision exams?
  - Contact lenses?
  - Medical patients?
    - Which ones?
      - Post cataract?
      - How many days/weeks post op?
      - Post LASIK?
      - Glaucoma
        - When should they refer to MD?
      - AMD?
Success Strategies for Hiring ODs

- Set work standards
  - Know the metrics
    - Examinations per hour
    - Examination protocols (how the work will be done)
- Provide (and require) training
  - Professional, product and lifestyle.
- Create a supervision model
  - Direct observation
  - Chart review
Recruiting ODs

- Newspaper ads are not effective.
  - "Round up the usual suspects."
- Consider using a recruiter.
  - 'Disinterested' third party.
  - Can be more objective.
  - Has more resources.
- Consider purchasing existing OD practice
  - Buy the practice; get the surgical referrals
Employment Agreements

- Use a competent healthcare attorney.
- Moonlighting clause
- Non-compete
- Compensation
- Days/hours
- Termination
  - Liquidated damages
Success Strategies for Hiring ODs

- **Structure compensation**
  - (35%–45%–20%)
  - % of professional fees
  - % of non-Medicare dispensary fees
  - % of contact lens product fees

- **Method**
  - All salary?
  - All bonus?
  - Bonus against a draw?
  - Salary and bonus?
Success Strategies for Hiring ODs

- Directly supervise/observe
  - “People respect what you inspect, not what you expect.”
  - Regular chart audits.
- Regular performance reviews
  - Set written goals and objectives.
  - Follow up.
A Word of Advice

- Do not make an OD responsible for the dispensary.
  - ODs have less dispensary and business training than opticians.
  - ODs should see patients.
What I Learned From...

‘Belly Flops’

- Problems come in all shapes and sizes
- You are only limited by your imagination
- Making your problems disappear can be fun
Thank You For Your Time and Attention

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