

## Business

PRACTICE MANAGEMENT

PERSONAL FINANCE

TECHNOLOGY

# Degree of Management

Unless you're a solo doctor with a very small staff, you probably have someone assigned to be in charge of your office. That person might be called the office manager. Or the practice administrator. Or both.

But while these terms often are used interchangeably, the positions are very different. The easiest breakdown between the two comes from Alice Anne Andress, director of physician services at Parente Randolph, a management consulting firm in Doylestown, Pa. "The administrator and office manager represent two different levels of governance," she said. "The first is responsible for more long-term strategic issues, and the latter the day-to-day running of the office."

**STORY BY  
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A practice administrator, whose pay often equals that of a new primary care physician, is responsible for things such as marketing, helping doctors make decisions on consolidation and expansion, and implementing new technologies. Typically he or she would have a bachelor's degree, often an advanced degree, and almost always have extensive experience in health care.

An office manager, who is typically paid about 20% to 30% more than front or back room staff with similar years of experience, makes sure that staff arrive on time; handles patient, vendor and staff concerns; and might fill in for people who are on vacation or out sick. An office manager might be a bookkeeper and coder.

But if a practice decides to farm out the coding and bookkeeping functions, the office manager can be hired with little office experience in non-medical businesses, although most experts say that is not ideal.

Whatever size your group is, and even if you're entirely satisfied with the office's governance, it may be helpful to look more closely at these positions. An understanding of which position will best suit your needs, an idea of how to hire for them and knowledge about what people in those jobs normally do in an office can help your group adapt to changing situations.

### Peripatetic office manager

Because office managers spend most of their time overseeing day-to-day operations, they often rise naturally from the ranks.

"My office manager started with me before I even thought about having an office manager," said Jeff Sugarman, MD, the founder of three-doctor Redwood Family Dermatology in Santa Rosa, Calif.

Dr. Sugarman hired the woman who would become his office manager five years ago as a receptionist, with the help of Keith Borglum, a medical business consultant also in Santa Rosa. Dr. Sugarman admits he knew "absolutely nothing about how to start a practice," but Borglum said he was aware of a future need to move the first hire beyond receptionist.

So he looked for someone with organizational and leadership skills. "There was no one else there, so I knew she would have to deal with billing issues, scheduling issues, day-to-day problems that a manager would normally handle. And if the practice grew, she was a likely candidate to become an actual office manager," Borglum said.

Dr. Sugarman, who now has a staff of 25, including two physician assistants, said the receptionist had 20 years experience as a medical assistant and coder. But her characteristics, more than training, qualified her for office manager.

"The things I like about her are not those things you can really train someone on. They have to have it inside them," Dr. Sugarman said. She's good at getting staffers to do what she wants without being perceived as overbearing. She's also very patient, with both staff and patients, and she's detail-oriented, he added.

But even more important for Dr. Sugarman is that "she shares our office philosophy of 'The patient comes first.'" So she's aware if patients are kept waiting too long or if they seem upset about something, and takes action to solve the problem.

While the bulk of the office manager's training has been on the job, some areas required formal training. She attended classes given by the Professional Assn. of Health Care Office Management. And she accompanies Dr. Sugarman to conferences hosted by the American Academy of Dermatology, which offers sessions in office management and administration.

Not only do office managers often rise from the ranks of staffers, in small offices they often do double duty. Veronica Corpening, MD, an ophthalmologist with Eye Associates of Central New Jersey in North Brunswick, NJ, has one person who works as a coder and office manager. Dr. Corpening has a solo practice with two opticians but plans to bring in a second physician soon.

When she launched her practice 10 years ago, Dr. Corpening hired a woman to handle coding from home, but then soon moved her into the office. While there, she often handled patient problems related to insurance and billing issues.

"Without anyone really making the decision, she started taking on many of the duties normally handled by an office manager," Dr. Corpening said.

She was handling those duties so well that Dr. Corpening decided to formalize the situation. She increased the coder's hours to full time, with half of her salary base on office manager compensation and the other half on a coder's fee, which is a percentage of the amount of money she brings in.

But while the worker's pay is split down the middle, the time wearing each of her hats is not so clear-cut, and that's how Dr. Corpening likes it. "Since she's here full-time, she can stop her coding work to handle a problem, or if she's a bit behind in her coding, she can close her door and let the office handle itself for a while. It works out very well for a small office like ours."

### Specialized practice administrator

Practice administrators spend more of their time dealing with high-level strategic issues,

## Should you hire your spouse?

Except in the case of solo practices, experts advise against hiring a doctor's spouse as office manager or practice administrator.

For one thing, the partners may find it awkward to criticize a colleague's spouse's work performance, or even make salary decisions. In addition, experts say spouses often don't have sufficient detachment to work well with the office staff.

"Spouses may have a proprietary feeling about the practice. Their emotionality may adversely affect their managerial capability," said Alice Anne Andress, director of physician services at Parente Randolph, a management consulting company in Doylestown, Pa.

Andress added that even if spouses can be completely objective, the staff will not trust them. "Who's going to complain about a doctor to a spouse?" she asks.

—Larry Stevens

and not all groups might need that level of management, at least not full time. But some groups that can benefit from a more dynamic approach to health care may be missing out, because they have no one on staff to help lead the way. If your practice is relatively stable, even if it is mid-sized, you might be able to rely solely on an office manager.

But, said William F. Rucci, a partner with consulting company Rucci, Barardo & Barrett in Malden, Mass., "If you plan to make major changes, a practice administrator can take the responsibility for much of the legwork."

Rucci points out that doctors often don't have the time to handle the tasks involved in expansion or consolidation, purchase and installation of an electronic medical records system, or hiring another doctor. While office managers can handle some tasks associated with those kinds of projects - for example, they can check out availability of office space in a designated neighborhood - many practices find they need someone with higher-level business skills to take control.

William J. Doherty, MD, of four-doctor, Boston-based Orthopedic Surgery, was satisfied with his two office managers, and he didn't think his group would need any other business office supervision. But he found that with no one specifically assigned to handling strategy, the practice was basically just treading water. "We felt the world was passing us by," he said.

The group had a number of plans on the back burner - for a consolidation, for an EMR - but it wasn't able to make significant moves to initiate such projects.

So Dr. Doherty called Rucci to help them get on track. As Rucci remembers, "I told them they needed a forward-looking person who can help make the big decisions and then follow through on those decisions."

Because neither the group's current staff nor the doctors had much experience with long-term planning, the group members agreed they needed an administrator.

The group put ads in medical journals and on the Web and collected about two dozen resumes. Dr. Doherty whittled that list to four applicants, whom he invited to come in for interviews.

The person hired had not been a practice administrator before, but she had run a rehabilitation department at a large hospital and had been involved in creating a geriatric center from scratch.

"We felt this was someone who knew how to plan long-term projects, and that's what we needed," Dr. Doherty said.

Besides working on projects such as consolidation and the EMR system, the administrator has been trying to boost efficiency by improving patient flow.

When a group hires a practice administrator, there is always the danger of some conflict with the office manager. Dr. Doherty said he avoided that by laying out the specific duties each is responsible for and by including the office manager in the interviews for practice administrator. "We wanted the office manager to feel she was part of the process."

Because practice administrators are more expensive than office managers, many mid-sized practices don't hire one until they have a specific need. For Dr. Doherty, that need became obvious when the group was unable to act on several important projects.

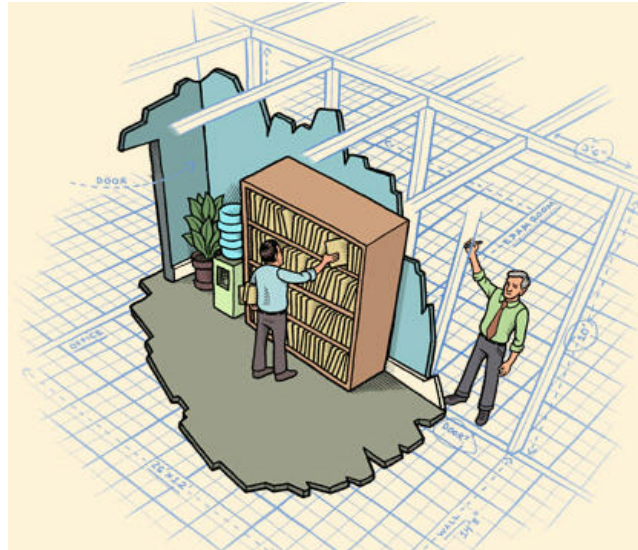
In other cases, a change in the group's resources or capabilities could trigger the hiring of a practice administrator. For example, the group might have lost an office manager who was actually handling strategic issues, or physicians may need to take on more patients, reducing the time they can devote to strategy.

For Retina Institute of Hawaii in Honolulu, that point came when one of its doctors, who also had an MBA and enjoyed dealing with strategic issues, left the group. At the same time, things were in motion at the practice. "We have become a major referral base for Japan and Okinawa, and we were about to start an EMR conversion," said Michael Bennett, MD, one of the three doctors in the group.

The group wasn't actively looking for a practice administrator. But a chance discussion with an administrator Dr. Bennett often worked with when doing surgeries at The Queen's Medical Center in Honolulu changed that.

"She was remarkable," Dr. Bennett said. "She handled vendors, doctors and patients with ease, and she never became frazzled. We were all very impressed by her."

When she told Dr. Bennett she was looking for a new position with more responsibility, they sat down and talked. Now that she's been working at the office for about three years, Dr. Bennett said, "I really don't know how we could have taken advantage of some of the opportunities that are opening up to us without her."



**OFTEN THE TERMS "OFFICE MANAGER" AND "PRACTICE ADMINISTRATOR" ARE USED TO DESCRIBE THE SAME PERSON - BUT THE TWO JOBS, IN FACT, ARE VERY DIFFERENT. HERE IS A BREAKDOWN ON THE RESPONSIBILITIES OF EACH POSITION.**