

Reducing Overhead

by Expanding Your Schedule
by Keith Borglum

Many practices look at the cost of rent as a fixed expense, when in fact –in relationship to income– rent is a variable expense.

As with any expense, the cost of a particular item of overhead is not as important as its relationship to the budget and income. For example, a rent of \$3,000 per month is 6% of \$50,000, but only 3% of \$100,000. Splitting the rent between two \$50,000 practices reduces the cost by \$1,500 each.

Most practices only use their exam rooms 8 hours per day at most, and often 6 hours or less, typically between the hours of 8:00AM and 5:00 PM. A full-time office-visit schedule for most physicians is 36 hours per week, and even less for specialists and surgeons with in-patient schedules.

At the same time, patient demand is highest before their work hours, during lunch, after work, and Saturdays. We find that many patients will accept appointment hours between 7:00 AM and 9:00 PM, a total of 14 hours per day or 70 hours per week.

70 hours per week is almost exactly the schedule of two full time physicians in office visits. Therefore, a physician can cut their rent costs in half by alternating their schedule with another physician in the same space.

Example for a 2 or 3 exam room office:

7:00-2:00 Dr A B A B A
2:00-9:00 Dr B A B A B

Alternatively Dr A could take all first shifts and Dr B all second shifts.

Adding a Saturday increases the week by two shifts, which could be split between three physicians at 4 shifts each (but at only 28 hours per doctor, or some uneven mix).

As a few practical and operational details:

- Each would have their own medical assistant, who could handle return calls and filing during non-patient hours
- The practice would be open during normal lunch hours
- Staff stagger lunch schedules to keep the office open through lunches.
- The first and last hours of the day would likely be for longer visits like physical exams, so that the office could be staffed with only 1 or 2 support persons.
- The business office staff could work normal business hours. The skeleton staff would collect paperwork and co-pays during the early and late hours for the business staff.

- The staffing schedule would be more attractive to recruiting staff and physicians with children, as the early shift could be home in time to greet children returning from school.
- The "off-duty" physician can still use their desk during the "on-duty" physician's schedule to do paperwork and phone calls, or to do rounds or out-of-office visits or procedures.
- After-hours on-call interruptions are reduced because there is a physician available late to take call in the office.
- An perhaps most importantly, each physician has some hours free during the day, either early or late.

In 20 years of practice management consulting to doctors, I have never had a client return to "normal" hours after experiencing this format of split-shifts, as it provides a better daily life-style for the doctor.

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