Strategic Practice Management

Second Edition
Editor-in-Chief for Audiology
Brad A. Stach, PhD
Strategic Practice Management
Business and Procedural Considerations

Second Edition

Robert G. Glaser, PhD
Robert M. Traynor, EdD, MBA
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The founder of Plural Publishing, Dr. Sadanand Singh, began his career as an academician. He was a professor of speech science who took his love for knowledge and turned it into the business of selling books. And by creating this business, he helped us all to gain and share that knowledge. Dr. Singh knew well that the only way he could be successful in sharing knowledge was to run a successful business.

The provision of health care is no different, of course. Those of us who practice the profession of audiology do so to help people. Traditionally, we were brought up to think of ourselves as being part of a “helping” profession. The idea of profiting while providing this help was made to seem almost crass; so much so, in fact, that as students we were traditionally not exposed to the business side of health care. But we eventually came to the realization that we cannot help anyone if we do not make money. The businesses we work in need to be financially successful in order for us to take care of our patients.

The business of audiology has changed as dramatically as the profession itself over the last seven decades. The profession of audiology in the United States owes much of its heritage to the aural rehabilitation programs that were developed in the military hospitals during World War II. Early practices developed in the newly formed Veteran’s Administration hospitals, in rehabilitation and hospital settings, and in educational institutions. Training programs developed alongside the profession of speech pathology, largely in colleges of education or arts and sciences. The prospect of understanding the nuance of the business side of a health care private practice was years away.

When we fast-forward a half-century, the landscape of the profession is vastly changed. Audiologists are now recognized by the federal government as “health diagnosing and treating practitioners.” Audiologists hold state licenses to practice and are credentialed by third-party payers. They are doctoral-level practitioners in diverse health care, private practice, and group practice settings. The business model has been transformed. It is now not only not crass to talk about making money, but also essential to talk about making money.

The second edition of Glaser and Traynor’s *Strategic Practice Management* is about the business of audiology. Together, Glaser and Traynor bring decades of practical experience in their own very successful private practices. They have rearranged the content of this second edition and assembled additional contributors to expand their coverage of practice ethics, economic influences, marketing, compliance, counseling, and career management.

Whether you are a student, an independent practitioner, a clinician employed in
an audiology/ENT practice or hospital, educational audiologist, or manager of a university-based clinic, this second edition contains information that is essential to the operation and business management of your practice setting. This excellent text is an informative resource for any health care practitioner considering a start-up venture, purchasing an ongoing practice, reinventing their current practice, or interested in sharpening their clinical service delivery model in today’s competitive and dynamic health care marketplace.

For the practice of audiology to thrive in the current tumult that is health care, sound business practice is essential. If we are going to continue to help people with their hearing care needs, we will need to run our businesses successfully. This book lays the foundation for that success.

Brad A. Stach, PhD
Director, Division of Audiology
Department of
Otolaryngology—Head
and Neck Surgery
Henry Ford Hospital
Editor-in-Chief
Plural Audiology
I am fortunate to have a satisfying career rich in the interest, support, and guidance of personal and professional role models and mentors. Thank you for all that you have provided over many years: Kenneth W. Berger, PhD, Joseph P. Millin, PhD, John R. Alway, DO, A. Lee Fisher, RPh, Floyd E. Billette, OD, Michael J. Setty, MHA, Michael Kincaid, CPA, and William Forsthoefel, CPA. My goal was to exceed your expectations in all that I was to do both clinically and in the business and financial management of my practice.

If you can find a hard-working, dedicated friend to partner with you in your professional career, I hope you are as fortunate as I have been over many years of professional collaboration in writings, presentations, and other practice management ventures to work with a respected colleague like Dr. Robert Traynor. His talent is seen in these pages and in his love for our profession.

Grateful thanks is extended to my associates at Audiology & Speech Associates of Dayton—they tolerated my inattention and covered the practice in their usual, excellent fashion.

Special thanks must go to each contributor to this second edition. Each is at the top of their respective game and their participation ensures an important range of critical information set forth with tremendous depth and focus.

I thank my immediate and extended family: my parents Helen and Robert, Sr.; my sister Gayle; M. J. Willhelm and Rosella Randolph; my daughter Erin and husband Mark and their children Oscar, Milo, Mary Jane, and Leo; and my sons Matthew and Graham.

Last, but certainly not least, special gratitude and appreciation goes to my wonderful wife, Annie. She goes through each day with such effortless style and grace, confirming that “all that is done for love’s sake is not wasted and will never fade.” She remains my inspiration and the light of my life, the shadow sewn to my soul. She is as well a tremendous editor and reviewer.

Robert G. Glaser, PhD
I have been blessed with tremendous opportunity in the field of audiology and a unique vantage point by which to observe the growth of our scope of practice and emergence of audiologists into the business world, not only in the United States but around the world. In addition to the “school of hard knocks,” I have many friends, relatives, and colleagues to thank for my contribution as coauthor of the second edition of Strategic Practice Management. Initially a university professor, I began my private practice to pay for children to go to college and to augment a very meager income. I have not only built the practice but have had the experience of being a consulting audiologist for hearing aid and equipment manufacturers, serving as a member of research and development teams, as well as the opportunity to lecture on most aspects of audiology in over 40 countries. I learned much about the business of audiology and the hearing industry from good friends, Erich Spahr, Bruno Keller, Nicolai Kra-rup, Gustav Nussle, Patrick Perler, Stefan Schafroth, Christina Krauchi, Hoover Blessing, Arthur Schaub, and a number of other colleagues within the hearing industry. I have also learned much about international business operations from distributors within the industry, especially Brito Lousandro (Brazil), Barry Lin (China and Taiwan), Esam Khalil (United Arab Emirates), Carlos Valdivia (Chile), and Mohammad Shabana (Egypt).

I want to recognize my friends and colleagues at the University of Florida, especially Alice Holmes, who in 1998 asked me to teach a business course for the UFL Doctor of Audiology Program; from which much of my material in this volume was generated.

I will never forget lifelong otolaryngology colleagues James H. Peterson, MD, Keith E. Peterson, MD, and Thomas T. Peterson, MD., who gave me my initial taste of audiology practice as a technician in 1972 performing audiograms for ENT exams and drug testing, which evolved into a 40-year audiology practice.

As most clinicians know, successful audiology practices are not organized and maintained by only one person. Without Karen S. Swope, AuD, audiology colleague for 20 years, and Barbara Jones, my office manager with the practice now for 28 years, the clinic may not have survived through some of those tough times. When distracted by international travel, manuscript preparation, teaching, and other activities, I can always depend on Barbara and Karen to insure that all the patients are seen, the bills are paid, and the practice continues.

I would also like to thank Col. Calvin Zen, MD, former State Surgeon Colorado National Guard, who gave me the chance to be his executive officer for a
few years that ultimately was instrumental in allowing for retirement from the United States Army.

I cannot, of course, forget to mention Robert G. Glaser, PhD, a personal and professional friend for over 35 years and my partner in both editions of *Strategic Practice Management*. Dr. Glaser's taste for Italian cuisine and fine wine is only superseded by his passion for the field of audiology and its advancement into the medical private practice community. There are few true partners in book projects, but Bob is an exception. I sincerely thank Bob for his true partnership in completing both editions of this book and contributing his expertise in practice management, his steadfastness on task, his editorial skills, and, most of all, his friendship and counsel.

Certainly this work would have never been completed without the support from my family. I thank my daughter Alison and husband Michael Sarantakos, little Emma and their new child that will be with us soon, and my daughter Andrea J. Fuller, MD, Brian, and Henry, for their encouragement and love over the past year. I also want to remember my father, (the late) Robert M. Traynor, and my mother, Peggy L. Traynor, now 87, who taught me that with the right education and lots of hard work I could do anything.

And lastly I give special thanks to my wife, Krista; without her academic, moral, and inspirational support and unwavering love, my portion of this book would have never come to fruition. The person that knows you the best, of course, also knows your advantages, limitations, shortfalls, mistakes, anxieties, and aspirations. A supporter of Audiology Associates of Greeley, Inc., during its highs and lows, she is my partner in life and involved in virtually all of my successful projects. In the words of Ghandi, “Where there is love there is life.” Krista gives so much life.

Robert M. Traynor, EdD, MBA
Contributors

Debra Abel, AuD
Arch Health Partners
Adjunct Instructor
A.T. Still University
Salus University
Poway, California
Chapter 9

Glenn L. Bower, JD
Attorney
Coolidge Wall Co., LPA
Dayton, Ohio
Chapter 3

John Greer Clark, PhD
Clark Audiology, LLC
Middletown, Ohio
Department of Communication Disorders
University of Cincinnati
Cincinnati, Ohio
Adjunct, Division of Communication Disorders
Louisville, Kentucky
Chapter 12

Kevin D. St. Clergy, MS
Audiologist, Chief Practice Building Expert, and CEO
EducatedPatients.com, LLC
Chapter 6

Jane M. Kukula, AUD, AAAF
Board certified in Audiology
Co-owner, Clinical Audiologist
Advanced Audiology Concepts
Mentor, Ohio
Chapter 4

Robert G. Glaser, PhD
President and CEO
Audiology Associates of Dayton, Inc.
(dba) Audiology and Speech Associates
Dayton, Ohio
Chapters 10, 11, 13, 14, and 17

Michael G. Leesman, JD
Attorney
Coolidge Wall Co., LPA
Dayton, Ohio
Chapter 3

Patrick N. Mangino, AuD
Member of the American Academy of Audiology
Westerville, Ohio
Chapter 15

Robert M. Traynor, EdD, MBA
President and CEO
Audiology Associates of Greeley
Greeley, Colorado
Chapters 1, 2, 5, 7, 8, and 16

Gail M. Whitelaw, PhD, MHA
Department of Speech and Hearing Science
Ohio State University
Columbus, Ohio
Chapters 18 and 19
Prologue

Leadership and Successful Practice Management

ROBERT G. GLASER, PhD

“Management is doing things right; leadership is doing the right thing.”
—Peter Drucker, Founder of Modern Management

Introduction

Unquestionably, leadership skills permeate all that we do as clinicians. Patients rely on our professional skills as audiologists for the leadership needed to appropriately manage their hearing loss. Leadership skills are equally important in both matching their auditory needs with advanced technologies and managing the critical counseling interface with their family members and significant others in their lives. Leadership is critical to the success of our profession.

There are as many definitions of leadership as there are leaders. In a simple amalgamation, leadership can be defined as a process set into motion by an individual or a team of people to create a meaningful collaboration of focused thinking resulting in action(s) for a common purpose. Agreeing on a definition helps to focus on the topic; however, it is the varied critical elements, the components, that create the opportunities for leadership to work its particular magic.

Leadership is complicated, and the process of developing these skills does not evolve overnight. Leaders demonstrate many, distinct characteristics: competence, commitment, positive attitude,
emotional strength, vision, focus, discipline, relationship building, responsibility, initiative, people skills; the list goes on. Many of these intermingled factors are intangible, and that is why leaders require so much seasoning to be effective in the venues of their influence.

**Clinical Training and Leadership Skills**

Talent is never enough (Maxwell, 2007). No person reaches his or her potential unless they are willing to practice their way there. Preparation positions talent and practice sharpens it. Practice enables development in the clinical domain. Clinicians get better at what they do when they have opportunities to see more patients. That is true, but there must be an important proviso: practice creates a better clinician as long as there is a guide, a mentor, a coach straightening the wrinkles and providing feedback on the functional characteristics of their interactions with patients and their families and significant others. Change is never easy but seemingly always essential to success. Guided change is essential to improving clinical skills and, in the long haul, improving patient outcomes. The difficult changes must be done in concert with direction and feedback from another source skilled at evaluation and promotion of better tactical use of whatever talent you bring to the mix. Max DePree, a preeminent leadership expert, recognized that people, in general and no matter the situation, are resistant to change: “We cannot become what we need to be remaining what we are” (DePree, 2004). His directives were clear; to sharpen your talent through guided practice, you need to do more than just be open to change; you have to pursue change. And that pursuit must be consistent and vigorous and never ending because your competitors are on the same track to improve their talents. Those who sit and wait for change to happen will be covered in dust as those determined to excel on a diet of change and improvement roar pass them in a thunderous stampede.

**Selected Characteristics of Leaders**

**Positive Attitude**

“A successful man is one who can lay a firm foundation with the bricks others have thrown at him.”

—David Brinkley, Television Journalist (Maxwell, 1999, p. 88)

Every profession enjoys a cadre of successful people, whether teaching students, managing a productive research laboratory, or creating opportunities in the many and varied venues where we practice. There will always be those who accelerate the profession by example. Of the individuals who have achieved lasting success in our discipline, there seems to be a singular thread; their positive outlook on life and their profession. Each has overcome difficulties in some fashion, yet each has excelled despite the “bricks others have thrown” in the course of their path to contribution. Maxwell (1999) made two important points about attitude: it is a matter of personal choice and it unequivocally determines your actions. No matter what happened yesterday, your attitude is your choice today. Attitude
becomes the decisive factor for success, because it determines how you act.

**Competence**

Competence can be defined in a word as “capability” or “expertise.” Competence goes beyond words: it is the leader's ability to say it, plan it, and do it in such a way that others know that you know how, and know that they want to follow you (Maxwell, 2007). Leaders are admired for both inherent competence and perceived capabilities. There are several key elements that must be a part of a leader’s armament for success. They are simple elements, easy to accomplish on a consistent basis.

**Show Up Every Day**

Responsible people show up when they are expected. Highly competent people come ready to play every day, no matter how they feel, what kind of circumstances they are facing in their personal or professional life, nor how difficult they expect the game to be.

**Keep Improving**

Highly competent people are constantly engaged in learning, growing, and improving. They do that by asking why. After all, the person who knows how will always have a job, but the person who knows why will always be the boss.

**Follow Through with Excellence**

Performing at a high level of excellence is a choice, an act of will. As leaders, we expect our people to follow through when we hand them the ball. They expect that and much more from us as their leaders.

**Accomplish More Than Expected**

Highly competent people always go the extra mile. For them good enough is never good enough; they need to do the job, and then some, day in and day out.

**Inspire Others**

Motivating others to perform at high levels is not a skill that develops overnight, nor can it be taught in a classroom. It is a talent commonly learned by watching effective leaders succeed. Excellent leadership has no stops and starts, no clear edges, nothing but smooth transition from concept and plan to effective action completing a well-defined goal.

**Engage**

Skilled leaders spend their time advancing conversations, not avoiding or ending them. The more you engage others, the better leader you will become both in your clinical efforts and in managing your practice. It is difficult to bring about the type of confidence, trust, and loyalty a leader must possess without being fully engaged in person, over the telephone, via email, through social media or even by sending personal, handwritten notes—likely the most surprising and, therefore, perhaps the most effective example of engagement in this age of rapid, often impersonal informational exchanges.

**Communication Skills**

“Developing excellent communication skills is absolutely essential to effective leadership. The leader must be able to share knowledge and ideas to
transmit a sense of urgency and enthusiasm to others. If a leader can’t get a message across clearly and motivate others to act on it, then having a message doesn’t even matter.”

— Gilbert Amelio, President and CEO National Semiconductor Corp. (Maxwell, 1999, p. 23)

Your communication skills will make you the kind of leader that people will want to follow—or not. Your message must be clear and well articulated. People will not follow you if they cannot see clearly where you are going and how you intend to get there. Keep your message simple. Before you can convince others to follow, you have to believe in what you are promoting, what it is that is so important to you that it can readily become important to others. The goal of all communication is action. Simply providing information is not enough. Leaders must provide an incentive to listen, an incentive to remember the importance of the tasks ahead, and, most importantly, a plan of action and involvement to reach the desired outcome(s). At the root of effectiveness is the ability to communicate meaningful information in a clear and concise manner such that all involved in the processes leading to accomplishing the goals know the path, even when blindfolded.

If you want to become an effective leader, it is best to stop talking and start listening. There is far more to gain by surrendering the floor than by trying to dominate it. As mentioned earlier there is a seeming rush to communicate what is on one’s mind without considering the value of everything that can be gleaned from the minds of others: as my father used to say so effortlessly and consistently—you can’t learn anything with your mouth open.

Commitment

“Followers expect a leader to face up to tough decisions. When conflict must be resolved, when justice must be defined and carried out, when promises need to be kept, when the organization needs to hear who counts—these are the times when leaders act with ruthless honesty and live up to their covenant with the people they lead.”

(DePree, 2008)

The obligation inherent in assuming positions of leadership requires personal sacrifice. Consider the many audiologists who have made the commitment to advance their professional acumen by completing their AuD. They have done so not only at financial expense but also in terms of valuable time spent away from family and friends. Consider as well the incalculable hours spent volunteering for professional organizations: our colleagues sacrifice their time, talent, and personal assets to take on various roles of leadership in our professional organizations. They are involved because they are committed to their profession, what it stands for, what it does for others, and because it is needed to secure our future as important and significant contributors to the health of our nation.

Pursuit

Pursuit is an often overlooked quality of leadership. Exceptional leaders are never satisfied with traditional practice, static thinking, conventional wisdom, or common performance; they are simply uncomfortable with anything that embraces the status quo. You cannot attain that which you do not pursue.
Myatt (2011) states explicitly: “Leadership is pursuit—pursuit of excellence, of elegance, of truth, of what’s next, of what if, of change, of value, of results of relationships, of service, of knowledge and of something bigger than themselves. Smart leaders understand it is not just enough to pursue, but pursuit must be intentional, focused, consistent, aggressive and unyielding. You must pursue the right things, for the right reasons, and at the right times.”

Teamwork

“Teamwork makes the dream work.”
(Maxwell, 2007)

Teamwork divides the effort and multiplies the effect. It is working toward a common goal that joins people in an effort that they might never engage in as an individual. It is an opportunity for growth for all involved, leaders and members of the group as well. Teamwork is not always as easy as getting a few folks together to solve a problem or change a direction. Teams do not usually come together and develop on their own; they require ardent leadership and cooperation within the group. Teamwork, however, is superior to individual effort.

- Teams involve more people, thus affording more resources, ideas, and energy than an individual possesses.
- Teams maximize a leader’s potential and minimize weaknesses.
- Teams provide multiple perspectives on how to meet a need or reach a goal, thus devising alternatives for each situation. Individual insight is seldom as broad and deep as a group’s when it takes on a problem.

Ability to Empower

“We are under the influence of an empowering person are like paper in the hands of a talented artist.”
(Maxwell, 2002)

If you are in a leadership role in an organization, your ability to empower others is not an option unless, of course, you plan on running the entire show alone. Empowering others is as critical to the success of the organization as it is critical to the success and effectiveness of the leader. Empowerment has an incredibly high return. When you empower a person to take on a task, to lead a team or research a topic important to organizational advancement, it not only helps the individuals you raise up by making them more confident, more at ease in making decisions, and more productive, it also frees you to actively promote the growth and health of your organization or practice.

Achievement comes to someone who is able to do great things for himself. Success comes when he empowers followers to do great things with him. Significance comes when he develops leaders to do great things for him. But a legacy is created
only when a person puts his organization into the position to do things \textit{without} him (DePree, 2004).

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\textbf{A Final Note on the Responsibility for Your Profession}
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\textit{Respect for the future, regard for the present, understanding the past.} Leaders must forever move between the present and the future. Our perception of each becomes clear and valid if we understand the past. The future requires our humility in the face of all we cannot control. The present requires attention to all the people to whom we are accountable. The past gives us the opportunity to build on the work of our elders (DePree, 2008).

Although it seems like yesterday, a long time ago, as young students, budding practitioners and teachers and researchers-in-the-making, we accepted the torch of leadership willingly. We recognized early on that there was no substitution for clear communication and effective collaboration within our ranks and across the boundaries of our organizations. We were eager to not only perpetuate our profession but to improve upon the efforts of those who had come before us. Strong challenges remain today and each must be met head on and without fear. Our profession requires vigilant stewards willing to accept the torch and make it burn brighter than ever before. Without your eagerness to accept the responsibility of leadership, our profession will have a restricted future dictated by others seeking to minimize our impact and lessen our rightful place in today’s health care market place. Take the torch and continue the journey. Make us proud.

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\textbf{References}
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