

The Use of Practice Consultants

Outsourcing of services and consultants to support their growth is being used by more and more businesses, and oncology practices are no exception. The *Journal of Oncology Practice* spoke with consultants and practicing oncologists alike, and in this article we explore what oncology practice consulting is, how to use it, and how to maximize the results.

Back to Basics

In general terms, an oncology practice consultant is an objective third party who can evaluate either specific elements of a practice or its overall operations to identify opportunities for improvement and recommend a course of action to achieve organizational goals. Many practice consultants are generalists, whereas others specialize in oncology and specific subtopics within the field. Practice consultants generally come in two varieties: independent consultants and consulting groups.

Patricia Falconer, MBA, who founded consulting firm Health Options, Los Altos, CA, in 1992, has been an independent consultant for 16 years, and specializes in community-based cancer centers. Her experience has shown that oncology practices often have specific, nonclinical problems that they lack the resources to solve. “The vast majority of things people ask me for have nothing to do with patient care,” says Falconer. “Either they’re going through a significant change with their practice—like they’ve grown, added more providers, merged with another group, lost someone to retirement—or they have a big, specific, strategic change and they need someone to address these problems.”

One of the benefits to hiring a consultant is that it frees practice leadership to focus on patient care rather than on daily business operations. Another is that an objective outsider can often build consensus for or add authority to a controversial decision by providing a second opinion. Says Falconer, “I sometimes tease my clients that I have big shoulders. Sometimes [for] clients [I] can come in and make the tough call and the tough decision and then leave. The consultant can be the bad guy and the physicians can be the good guys. There is a role for a consultant to make the tough choices.”

What Kind of Consultant Do You Need?

According to Harvey Bichkoff, MPH, who is the CEO of California Cancer Care, Inc., with offices in Greenbrae and San Mateo, CA, consultants are available for any element of oncology practice that one can imagine, such as:

- Recruiters with knowledge of the competition for attracting oncology nurses
- Accountants with medical group management experience

- Experts to perform feasibility analyses for new projects, programs, and service offerings
- Consultants with experience merging practices into community cancer centers
- Architects familiar with the needs of medical office buildings
- Facilitators to guide leadership retreats and strategic planning sessions

For any consulting engagement, a critical element in selecting the perfect consultant is making sure the consultant or group has familiarity with the intricacies of oncology. “They’re very distinct, particularly if you’re going to come in and evaluate the operations,” says Bichkoff. It is also critical to make sure that professionals such as accountants, attorneys, and contractors are licensed to practice in your locality.

Says Falconer, “A big challenge is finding consultants with experience applicable to the field. There are very few oncology consultants available in the United States.” Oftentimes, Falconer says, people hire a practice consultant and get disappointed because that person lacks oncology experience. Because different types of practices within the field have different sets of needs, what works and is relevant for a hospital-based oncology practice may be vastly different from the needs of an academic center, so it is ideal to select a consultant with specific experience in your particular type of organization.

Finding the Right Consultant

Professional organizations are often the best starting point for finding a consultant and may even have a list of recommended consultants. In addition to suggesting the American Society of Clinical Oncology (ASCO), Falconer recommends the American Society of Hematology and the American Society for Therapeutic Radiology and Oncology. Another option is nonphysician organizations such as the Medical Group Management Association. Still more valuable can be personal referrals. Says R. Stephen Paulson, MD, president and CEO of Texas Oncology, Dallas, TX, “Recommendations from another practice that have dealt with the same issues are helpful. Reputation is also important.”

Consulting prices vary widely and are affected by geographical region, type of practice, the consultant’s level of expertise, and the nature of the work being performed. Prices can range from \$100-\$150/h for an individual to \$500/h for a team—or more—depending on the situation, says Paulson.

Bichkoff agrees, pointing out that retaining a top-flight expert in Stark law, for instance, might mean paying \$700/h to an

Case Study: Southlake Clinic, Renton, WA— Jon Britell, MD

Consultant

An individual consultant with extensive oncology experience.

Challenges

“Due to different perceptions of what should be done with our practice and an administration that did not want to side with any faction, the consultation offered a mechanism for an impartial assessment of our situation. We looked at a number of issues, and one was nursing staff and the infusion area. We had been in the process of hiring and trying to hire for some time.”

Results

“Our consultant made a 2-day site visit, interviewing personnel in administration, billing, reception, scheduling, back office nursing staff, and the infusion center staff. She then sent . . . a final assessment in 4 weeks that was basically recommendations of what should be done rather than specific solutions. She gave everybody a template to develop the vision of where we were going, and that I feel was worth it.”

Lessons Learned

“One of the important things was for me not to be directive, to allow somebody else to come in and say how this should be done. If there’s dissension in a group and one person says, ‘This is what we’re going to do,’ that could have shaped the direction and that would have made it less palatable to the group.”

Case Study: Texas Oncology, Dallas, TX— R. Steven Paulson, MD

Consultant

US Oncology, a national consulting group that resulted from the merger of Texas Oncology’s own management group in 1999.

Challenges

“The main thing working with them is that we wanted the business aspects of the practice to be addressed without physicians having to spend a lot of time away from patient care trying to deal with it.”

Results

“The company is involved with strategic planning, billing, collecting, human resources, marketing, asset management, drug purchasing, equip purchasing, recruiting, and so on—All nonpatient aspects of care. They took our accounts receivable days from about 90 days down to 30; our billing and collecting was in shambles at the time they took over. Our drug purchasing is as good as or better than anybody short of the government folks who, by statute, get the best prices. They have strong purchasing power and better equipment pricing because they collectively buy more linear accelerators and things like that than anybody in the country.”

Lessons Learned

“The contract started in 1999, and the original contract is for 40 years, so it has another 30 years left. I’d like the duration of the contract to be less just so you have more flexibility.”

attorney. The key to landing on a good price, he says, is securing multiple bids. “For one project, the range was \$25,000 to \$125,000 for the same project.” Jon Britell, MD, of Southlake Clinic in Renton, WA, tells a similar story. “We had estimates ranging from \$7,000 to \$20,000 for a consultation,” he says.

Price is an important factor but not necessarily the most important. Says Bichkoff, “Particularly with practice management. . . you want someone with real-time experience. Many consultants have never been in an oncology practice. How are they going to tell us any of the detail if they’re a generalist?” Bichkoff also values the opportunity to learn from someone who has worked with several operations and has a good understanding of industry trends and best practices. “I have the luxury of going around the country and seeing what other people are doing, and I want the same thing from a consultant,” he says.

Who will actually be working with the practice is another factor in selecting a consultant or consulting group. Says Bichkoff, “With a large [consulting] group, sometimes they bring in the ‘pro from Dover,’ the big-name rainmaker who pitches the deal and then goes off.” Before making a decision, Bichkoff advises knowing who is going to be committed to the project for what areas and how available will they be.

Independent consultants may be able to offer lower costs with greater personal attention because of less overhead and fewer conflicting client demands, but consulting groups can provide access to a wider array of experts and stronger negotiating power if they are large organizations. Independent consultants may also offer more flexibility in pricing structure, but both types of consulting solutions will likely provide some services on an hourly basis and others on a flat-fee basis. Practice goals are the best determination of whether an individual or a group will be the right fit and the most economical way to structure costs.

Working With Your Consultant

How a consultant fits into the daily operations of an oncology practice will depend on the nature of the engagement, but Falconer says that there are two definite success factors across all possible functions: clear expectations and leadership buy-in. “Establish problems, objectives, expectations, and needs for both parties up front,” says Falconer. “Up front, before I even start, we are all very clear on what direction we’re going. I find out what they need, and let them know what I can do and in what time frame.”

Equally important is support of the consultant’s presence. “I insist that [my clients] inform all their staff before I come—who I am and why I’m there—so it’s clear what my role is. That’s really important to set the stage for effective interaction,” says Falconer. “Most of the time people really embrace the fact that I’m there because they’ve been frustrated with the problems of the practice, too, and they see my role as more helpful rather than someone who’s trying to eliminate their position.” But actions must support the verbal message. “An important part of getting change to occur is when the staff that’s in a leadership role embraces that change and is ready to move forward with it. A physician can say do this, but without their buy-in, it’s not going to change,” says Falconer.

Bichkoff agrees. “Accountability is really key. [When there are] agreed-on milestones and the consultant is held to them,

physicians in the practice can accurately budget their time because the consultant is only as valuable as their access to the consultee,” he says. “Some people feel they’re going to hire a consultant and a magic wand will be waved and everything will be fixed, but they have to be active participants in the process for the consultant to be able to do a good job.”

Do-It-Yourself Options

Whether due to financial constraints or for other reasons, hiring a consultant may not be the best option for all practices. However, there are a number of other ways to improve the operation of an oncology practice. Says Britell, “*Journal of Oncology Practice* articles can be very helpful if physicians would read them. ASCO’s practice management curriculum is also very helpful, but underutilized.” Britell also recommends attendance at state society meetings and other professional events as strong tools for improving practice management skills and staying apprised of industry changes. Similarly, Paulson recommends ASCO’s workshops on practice management, along with medical MBA programs. “Doctors aren’t, quite frankly, trained to manage their practice, at least not until more recently,” Paulson says. “Buying the expertise just seems like the most economical thing to do.”

DOI: 10.1200/JOP.0832507



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