Finding and Using Outside Advisors for your Physician Practice – A Key to Success

During my years in consulting, I have found that the successful medical practices out there are the ones that surround themselves with excellent advisors. Not only do they surround themselves with excellent advisors, they utilize them at every turn. I think it’s important to have people on the outside looking in, willing to offer advice when needed. I have never seen the “perfect” medical practice – it does not exist. Why? Because we are human and as humans, we make mistakes - It’s not a perfect world we live and practice in. However by surrounding yourself with a solid team of advisors, I think you can minimize these mistakes and maintain a healthy bottom line.

Every medical practice has a variety of specialized team members that handle patient intake, billing, collections, office management, and, of course, the delivery of the actual medical care itself. In the best medical practices this system is continually refined and each member is carefully selected and trained to ensure that the practice runs as safely and efficiently as possible.

What many physicians and practice managers often overlook however is the importance of the “outside” staff that supports the operations of the medical business. These outside professionals are just as vital to the success of a practice as any internal employee and must be chosen with the same degree of care. Here are, in my opinion, the key outside advisors you should surround yourself with:

**CPA** Some will disagree but there is not much separating “tax preparers” these days. Any CPA worth their salt can prepare a good tax return. They should – it’s their job! This is a necessary skill set but in today’s economic conditions and reimbursement rates, you require more. You need a real “tax planner” — someone who is BOTH technically proficient at the paperwork and who is proactive about spotting and suggesting ways for you to pay the minimum amount legally possible. Which category does your current CPA fall into? Make sure they are working as hard to save you money as you worked to earn it.

**Healthcare consultant** If your CPA does not already provide healthcare consulting services, then seek to engage such a person. What can an outside consultant do for you? First, this person acts as a resource to your practice. This person can advise you and your team on any area/issue related to daily practice management. Working in unison, there should be no practice problem that can’t be addressed and resolved. A consultant can be that set of eyes from the outside looking in to the practice. This kind of oversight is vital in today’s ever changing marketplace. Finally, working together, you and the consultant can strategize and implement ideas that will increase your bottom line. Remember there is only one financial benchmark that should matter to you – did I make more money this year than last year?

**Insurance agent(s)** Insurance is your indispensible first line of defense against a variety of exposures from malpractice to data breach and even traditional life and health. In many cases these needs are served by two different agents, one who handles life insurance planning for the staff and principals and another who is a property and casualty or “P&C” professional to help with liability coverage and health insurance. There are certainly many agencies that do both, but my experience with thousands of doctors leads me to believe that most are better at one or the other. I also prefer multi-line agents that have the entire universe of products available to suit my client’s needs at competitive pricing, not just one insurance carrier’s line.
**Attorney(s)** The plural is included because no matter what they tell you no one attorney can adequately handle all the needs that arise in a practice; lawyers are nearly as specialized as physicians. A good attorney will help you with asset protection strategies, make sure your business entity is in compliance with state laws, assist with contract matters, and more importantly, someone you can reach out to for advice. Everyone needs a sounding board.

**Financial planner** As corny as it sounds, *People don’t plan to fail, they just fail to plan.* I typically find that most physicians pay more attention to their business finances than their personal finances. However, the two should go hand in hand. Want an example? You would not believe how many doctors practicing today HAVE TO WORK – they can’t retire and simply live off their retirement savings.

A good financial planner will address these areas:

- Are you adequately insured
- Are you planning for retirement
- Are you saving
- Are you planning for college education
- Do you have an estate plan
- Working with legal counsel, are your assets protected
- Do you even have a written financial plan in place
- Is there diversity in your investment portfolio

A financial planner should also work with your CPA to identify opportunities to reduce taxes and allow to safely and predictably keep more of everything you earn by examining the costs and benefits of things like retirement plans and other legal tax deferment strategies.

These advisors form the absolute core of any well-crafted external support team. My advice is to use them. These people are not “overhead,” but an investment in your practice. Engaging a successful team of outside advisors will make you money in the long run.

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