

Smart Growth:

Three Ways to Boost Your Ancillary Revenue Generation

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Introduction

Forty-eight million people across the nation suffer from some degree of hearing loss. This number is twice what it was 30 years ago. Hearing loss is currently the third most common physical condition in the U.S., behind arthritis and heart disease. Despite its prevalence, people wait an average of seven years before seeking audiological treatment due to social stigma and lack of education about hearing health.¹



In fact, the prevalence of allergies is increasing, affecting about 30 percent of adults and nearly 40 percent of children. Allergic diseases are the fifth leading chronic disease in the country; however, they are third most common for children under 18.²

We know that hearing loss and allergies are common conditions affecting large populations of Americans, so what do we do about it? What these statistics tell us is that there is an enormous market for audiology and allergy services delivered through the modern ENT practice.

Of course, there are logistical challenges to adding a new service to your practice or committing to upgrading an existing department; some of the major steps may include training and hiring staff, creating space, purchasing supplies, developing protocols, streamlining billing and, of course, recruiting patients – all of which are a huge undertaking on their own. And the biggest obstacle of all? Cost. The start-up costs for any new

ancillary service vary widely, but are rarely insignificant.

So, the real question is, do the benefits outweigh the cost? Our answer is: yes. Although adding ancillary services requires up-front investment of time and money, when successfully implemented, these services will generate enough revenue to easily provide a positive return on your investment.

In the past decade, physicians have been the only major professionals who have suffered consistent increases in the cost of providing services without equivalent return. In fact, the cost of operating a medical practice has increased three percent annually while reimbursement rates have flatlined and, in many cases, decreased.³

Successful practices have found that by expanding their ancillary offerings, their losses in operating costs and reimbursement can be overcome, and they can continue growing.

The following represents the experience of Fuel Medical Group and its members in growing ancillary revenue streams by leveraging simple, easy-to-implement tools. The purpose of this paper is to demonstrate three ways you can generate more revenue by adding or improving ancillary services in your ENT practice:

1. implementing a consistent set of patient flow tools for audiology
2. Implementing allergy immunotherapy
3. Implementing a cross-referral system

Introduction

Case Report

The major advantage you have as an ENT practice with diverse service offerings is the ability to educate your current patients. Since hearing loss and allergies are so prevalent within our population, the odds are that a significant portion of your current patients will be able to benefit from audiology and/or allergy services if offered at your clinic.

Of those who could benefit from treatment for their hearing loss, only 20 percent seek help. Most people choose to deal with the condition on their own, or even pretend it does not exist, until they reach a point where their quality of life is significantly impacted. Furthermore, hearing loss sufferers often wait more than 10 years after their diagnosis to actually be fit for their first set of hearing aids.⁴

On a similar note, in a study reported by ABC News involving more than 600 self-diagnosed allergy sufferers, only 36 percent reported consulting a physician when they were experiencing symptoms.⁵

Yet, studies estimate that at least 50 percent of patients visiting an ENT office suffer from allergies.⁶ This leaves huge potential for ENT clinics to identify, educate and treat their existing patients for allergies.

Over the last decade, about a quarter of ENT clinics have added ancillary services – audiology and allergy at the forefront of this movement – to take advantage of this vast need. Here is how you can do the same.



Case Report

Strategy 1: Implementing a Consistent Set of Patient Flow Tools

Within audiology, one of the major challenges of selling hearing aids is hearing aid consultation process inconsistencies. The solution is implementation of a consistent set of patient flow tools when it comes to conducting a consultation with a patient experiencing hearing loss. Fuel Medical Group helps ENTs implement this through our Audiology EDGE protocol and, more specifically, through one key component: our lifestyle treatment plan placemat. Here is how the placemat works.

A patient comes into the clinic saying his wife is nagging him about the TV being turned up too loud and his constant need for people to repeat themselves. A hearing evaluation shows that he does indeed suffer from hearing loss. During the patient's hearing aid consultation, the audiologist uses the EDGE process to educate the patient on his condition and options, ultimately pulling out the lifestyle placemat, which describes four types of hearing lifestyles: private, quiet, active and dynamic.

The patient skims through the first two tiers, which describe a private lifestyle with minimal background noise, such as one-on-one conversations and the doorbell, and a quiet lifestyle with occasional background noise, such as quiet restaurants and traffic. He lands on the third tier, active lifestyle, which describes going out to the movies – his favorite pastime – and religious services, which he has attended every Sunday for 20 years.

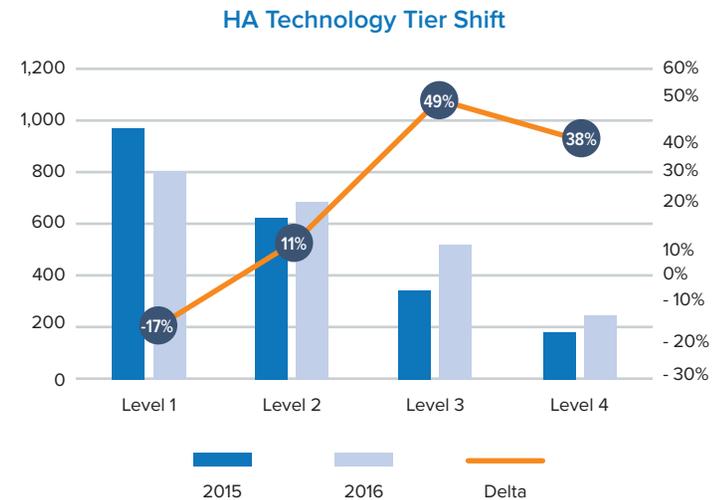
“This one,” he says, pointing to the square. “I like to go out, but I don't really travel or attend concerts like what's described under dynamic lifestyle.” The audiologist nods and flips the placemat over; the back side shows corresponding treatment plans for each hearing lifestyle.

“Our Active Treatment Plan will suit you best,” she explains. “The technology is adaptable and offers great performance in a variety of listening environments. It costs \$4,100, which includes three years of service, batteries and warranty.”

In this situation, the patient identifies his own lifestyle needs, ultimately choosing his own treatment plan and price. In doing so, he does not feel that he is being “sold” into more expensive devices by the provider, and the provider operates in a consultative role as opposed to a selling capacity.

Most patients tend to self-select into the top two tiers of technology. A study by Fuel Medical Group showed that in a 12-audiologist practice that implemented the EDGE process and placemat,

there was a 17 percent decrease in purchases of baseline products and a 38 percent increase in purchases of tier four technology over one year.



Tier three, which was selected by the patient described earlier, actually saw a 49 percent increase. These changes in product mix can significantly impact the bottom line in any practice by increasing average selling price as well as gross margin.

Many patients do not pursue essential treatment for their hearing because they are afraid of the price tag. When they do opt to pursue treatment, they often choose entry-level devices because they are less expensive, even if they are not suitable for their needs. This translates to poor outcomes for the patient and ultimately dissatisfaction with hearing aids overall. The EDGE process ensures that patients understand what type of environment each treatment plan is intended for and exactly what they are getting.

When it comes to patient satisfaction, hearing consultation process consistency and average sales price, the placemat system is an easy solution to help grow your audiology revenue.

Strategy 2: Implementing Allergy Immunotherapy

When setting up a new department such as allergy immunotherapy, certain things to consider include regulatory pressures, administrative burdens, profitability challenges and especially patient safety.

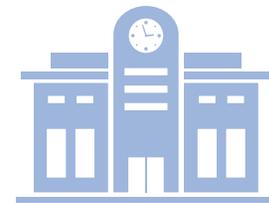
The following case study of one of our members demonstrates that adding allergy immunotherapy can result in increased patient accessibility of treatment and significant revenue growth for a practice in a safe and efficient manner.

This particular member is a six-physician ENT clinic in the Western United States that had been considering adding allergy immunotherapy as an ancillary service. Although the idea of treating existing patients they had diagnosed internally was appealing, they were wary of actually implementing an in-house testing and treatment program since none of their providers were experienced in providing immunotherapy, and they perceived a lack of available space in the office.

At Fuel Medical Group, we consistently see practices failing to achieve their growth potential; these practices simply need assistance with optimizing existing lines of business or rolling out new services. For this practice, we developed a comprehensive analysis outlining what needed to be developed before adding immunotherapy, which included staffing, training, facility updates, patient recruitment, software updates, revenue projection, supplies, protocols and billing.

With a \$27,000 investment in office modifications, equipment and software, the practice was able to launch their allergy immunotherapy services to patients. With our assistance, the program achieved positive cash flow after just 90 days.

The practice, which started with zero allergy patients, grew in one year to 422 patients, generating \$286,453 in revenue. By the second year, they had grown to 929 patients and generated \$567,840.



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Strategy 3: Implementing a Cross-Referral System

With the addition of any new ancillary service, cross referrals are essential.

Increasing patient awareness of the services you provide and their potential need for them is the surest way to increase traffic to those services and keep your patients in-house.

The simplest and most effective way to accomplish this is through a head and neck screener at patient intake.

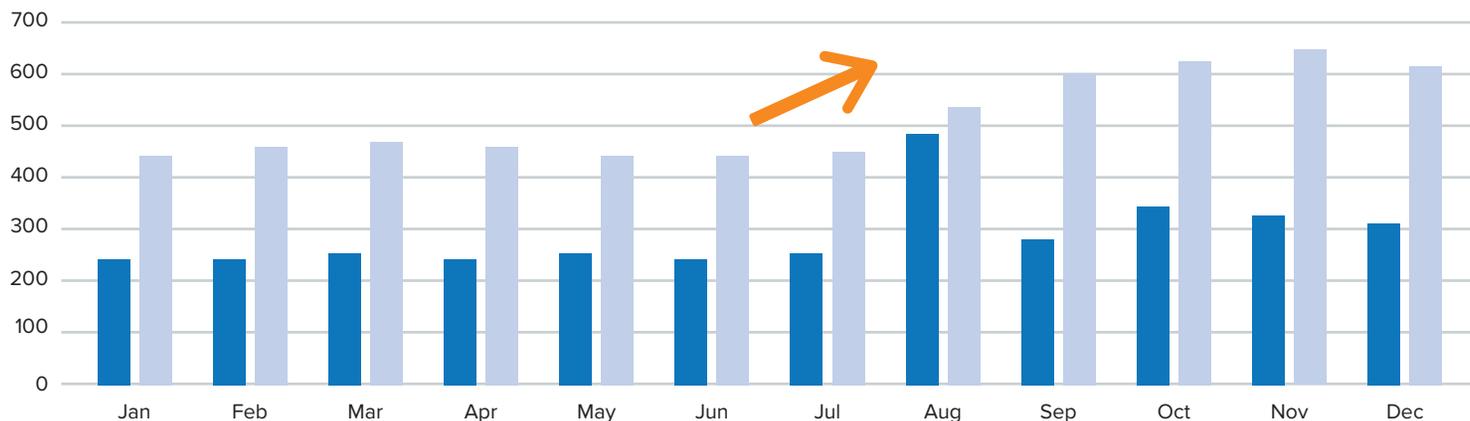
A head and neck screener contains questions bundled in sections for each type of service you offer, such as audiology, allergy, sinus, sleep, voice, etc. The limited number of questions on each service is designed to have patients self-identify possible concerns that you may be able to address. Although processes vary from office to office, the key component is having the patient complete the

screeener and the medical assistant review it during the rooming process. Any red flags for possible conditions can be briefly addressed by the physician during the appointment and a follow-up can be scheduled.

A study by Fuel Medical Group showed that using the head and neck screener increased appointments for audiology evaluations by 37.4 percent and allergy by 42.2 percent.

Based on data, we have seen consistent conversions of existing patients into multi-specialty users once a screener is added to the intake procedure. This translates to consistent patient return and, as a result, increased practice revenue.

Cross-Referral Growth



| | Prior | Post | Growth % | Total Growth |
|-----------|-------|------|----------|--------------|
| Allergy | 238 | 338 | 42.2% | 800+ |
| Audiology | 458 | 629 | 37.4% | 1350+ |



Discussion

The facts and figures presented in this paper are real results from your peers. These are proven, easy-to-implement, concrete steps you can take to generate more ancillary revenue in your practice.

By implementing improved patient flow processes for hearing aid consultations, members have seen 19 percent growth in unit sales in any 12-month period. By adding allergy immunotherapy services, one clinic generated over \$850,00 of revenue in their first two years of operation. And by adding a simple cross-referral system using a multi-screener at intake, another member saw tests in two ancillary services grow by 40 percent in the first year following implementation.

You can see the same results for yourself. Are you ready to start your path to smarter growth?

Fuel Medical is the leading business advisory company serving ENT's, Otolologists, and Audiology Practices. We provide and implement custom insights, tools, and actionable solutions that enhance practice performance and impact patient outcomes. By combining best practice business strategies with analytics, Fuel Medical helps members achieve their goals by more effectively managing talent, information and patients.

***If you are ready to implement impactful changes,
please contact Fuel Medical Group at info@fuelmedical.com.***

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Discussion

References

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