



Solving Legal and Business Problems of Health Care Providers for Over 30 Years

140 West Germantown Pike, Suite 200
Plymouth Meeting, PA 19462-1421

www.healthcaregroup.com

1.800.473.0032

Hiring an O.D. – When Does It Make Sense?

The decision to hire an O.D. is an important step in any ophthalmology practice. Many practices employ an optometrist to expand the overall productivity, income, and profitability of a practice. However, in order to improve your practice's overall performance and productivity, you must make sure that you establish goals and a game plan and communicate them within the practice.

Make Sure You Can Afford an O.D.

Before adding an optometrist, consider the total costs of hiring an optometrist. You may need more support personnel, more examination rooms, or even a larger waiting room. Make sure you have the space available. Also consider the cost of any new equipment that might be needed. The costs of hiring also need to be taken into account, such as advertisements, recruiting expenses, and the "cost" of your time spent looking for an optometrist rather than seeing patients.

A typical compensation package starts with a base salary. Once performance exceeds basic requirements, incentive compensation should be awarded. While base pay might cover general performance parameters, consider paying incentive compensation to reward for productivity or fiscal results in excess of defined parameters. Practices may also want to reward other performance achievements, such as relationship building, practice promotion, and teamwork. Compensation packages also typically include other fringe benefits and perks which add up.

Practice Roles

Although the ophthalmologist is a full service eye care professional, effectively able to do it all, there are distinct areas in ophthalmology practices where optometrists can be as efficient, if not more efficient, than a physician. If you hire an optometrist to enhance productivity, think about the role you want the new optometrist to play: either that of a physician extender or a channeler of product sales through an optical dispensary. Because these two roles are not fully comparable, consider your objectives.

In terms of professional services, optometrists are mid-level providers, enhancing physician productivity by providing services from initial patient work ups and refractions through eye exams. By doing so, they encounter and direct patients to additional services from glasses (optical dispensary) to subspecialty care and surgery.

Optometrists also perform a wide range of delegable activity, including providing clinical services e.g., refractions and unknown pathology (to handle or to channel to physicians). Optometrists also deal with "work-ins" for certain problems as well as pre- and post-operative activity. Other duties include supervising technicians and performing routine eye examinations done by technicians, etc. to enhance patient flow. The optometrist can also free up physicians to see surgical patients or those patients requiring more time or physician level skills.

An optometrist can positively impact the productivity and profitability of your optical dispensary through professional, consultative sales activities with patients. You might even decide to have an optometrist handle the overall optical business. Hiring an optometrist might be a good way to bring focus to this product line of business.

Cautions

Be aware of the applicability of the fraud and abuse and Stark laws on referrals and fee-splitting for Medicare beneficiaries, as well as similar state statutes for non-Medicare patients. These laws

basically prohibit paying optometrists based on the volume of value of referrals of glasses for Medicare beneficiaries.

Other Issues

Carefully consider what type of ophthalmology practice you have. If you rely heavily on optometry referrals, hiring an optometrist may adversely impact those referrals.

Keep in mind the other physicians in your practice and whether they want an optometrist in the practice. Decide who will be given the responsibility of training, monitoring, and managing the new optometrist.

A version of this article was submitted for publication in Ophthalmology Management. It was reviewed and updated in 2006. Permission is hereby granted for the reprinting and use of this article provided that such distribution is free, and provided that the source and ownership of this material is acknowledged to be The Health Care Group, Inc.®. This article can be found online at www.healthcaregroup.com.