

Transcript Details

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Seven Steps to Starting Your Own NP Practice

Announcer:

This is Partners in Practice, a weekly series dedicated to the evolving field of the advanced practice clinician. Here is your host, Nurse Practitioner, Mimi Secor.

Mimi Secor:

As the need for healthcare continues to expand, more nurse practitioners are opening their own practices. Many don't know where to start, what they can do, how to find funding and the myriad of other details involved in opening a practice. Barbara Phillips teaches clinicians how to start and grow a practice in seven steps. You're listening to ReachMD, the channel for medical professionals. Welcome. I'm Nurse Practitioner, Mimi Secor, your host. And with me today is Nurse Practitioner Business Owner, Barbara Phillips from Aberdeen, Washington. Hello. Welcome, Barbara. Welcome to ReachMD.

Barbara Phillips:

Hi, Mimi. Thanks for having me.

Mimi Secor:

So let's start with the basics. Can nurse practitioners actually own their own practices?

Barbara Phillips:

You know, yes, they can and they can do so in 50 states plus in Guam. There's some restrictions of course where we might have to have collaboration. In a couple of different states, notably California and New York, there's actually some rules regarding how much of that practice the nurse practitioner can own.

Mimi Secor:

What kinds of practices can nurse practitioners own?

Barbara Phillips:

There are several types of nurse practices that NPs can own. The majority of them have primary care practices. Others will have house call, urgent care, mental health, a walk-in or retail practice, an integrative healthcare type of a model, corporate wellness, occupational med as well as various other specialty kinds of practices. That's really just a small list because the nurse practitioner, finding a need, if he or she can find a need and find a way to support the business it can be done. Our only limitations really are our imagination and of course the potential legislative barriers that might be in place.

Mimi Secor:

I know this is a really major interest area of yours, Barbara. Do you have any guesstimate of how many nurse practitioners own their own practices in this country? Just your best guess?

Barbara Phillips:

My best guess. I would say literally thousands of them do and many of them are just flying under the radar.

Mimi Secor:

Is it really possible to start a practice in seven steps?

Barbara Phillips:

Yes and no. There are seven major areas that I focus on when I'm teaching this. But when you think about it, there's all kinds of things happening at one time. What I do is I take these seven areas and I look at it kind of like a mind map because it's not a linear process but

you're doing several different things at once. So when I teach the seven steps it's kind of like a container so that people can focus.

Mimi Secor:

So what is the first step you teach in starting a practice?

Barbara Phillips:

Well, I call it the PPFM analysis. Basically, it means the personal, professional, financial and market analysis that we need to do and it should answer the question should I start this business. It really is an in-depth look at one's goals, resources, their readiness and the support that they may have, particularly in the personal and professional arenas that we're looking at. In the financial part of it you're looking to answer the question, is this thing that you want to do financially feasible? What is it going to cost? Do you have the resources to do it and if not, where are you going to get those resources? Then finally, the market analysis is really taking a look at the sandbox that you want to play in and how you can best play in it in a really big way so that your business is successful. I particularly feel that the PPFM analysis is the starting place because it lays the foundation for what you want to do. It lays the foundation for your business plan. I believe that taking the time to do this will help ensure the ultimate success of your business.

Mimi Secor:

Well it sounds like you really can, from doing that analysis, determine if it's really feasible for you as an individual or not.

Barbara Phillips:

Right. Right.

Mimi Secor:

Once they've completed this analysis, what should they do next, Barbara?

Barbara Phillips:

Well, I think the next thing that we need to do is create the actual business. In many ways, you can look at that like having a child. You create a structure and it might be a boy or a girl for instance, but in this case we're talking about your business structure. You name the business. You obtain all the licenses and numbers that you need such as your tax ID and your MPI and your business license and you protect that baby that you just had with insurances. In this part of the course we also teach a lot about collaboration, how to find a collaborator, what do you do with them, different kinds of agreements that you want to have because so many of us still require a collaborating physician.

Mimi Secor:

What percent of states do require a collaborating or supervising physician as some states term it?

Barbara Phillips:

The actual percentage I don't know. There's about 16 states that do not require.

Mimi Secor:

That's helpful to know. The listener has decided they've think they've decided to move forward with their own practice. How do they actually create the business structure and legal requirements? What's that next process?

Barbara Phillips:

Well, to create the legal part of the business one needs to really talk with somebody locally because the various rules and regulations will vary from state to state. But once they have created this the next thing that they need to do really is focus on how are they going to make money. You know, how do they get paid. That's where we really start looking at the financial aspect of the business. One of the things that nurse practitioners are not very good at is talking about money. So, we spend a lot of time talking about money and getting used to the idea that a business makes money. I'd like to use the analogy of the body so we have to have blood flow in order to be alive and to be healthy. Your cash flow is like that blood. So that you must have cash flow in order to have a healthy business.

So, we really look at the financial business models. How are you going to get paid, what kind of fee structures you have. Since so many of us work with insurance companies we spend a lot of time on credentialing and looking at the coding and the billing and unfortunately even looking at how do we interface with collection agencies if need.

Mimi Secor:

If you're just joining us, you're listening to ReachMD, the channel for medical professionals. I'm Nurse Practitioner Mimi Secor and I'm speaking to day with Nurse Practitioner/Business Owner Barbara Phillips from Aberdeen, Washington. And we're discussing the process of starting an independent nurse practitioner practice. So far, this has been all about the setup, the preliminary work, is that correct?

Barbara Phillips:

Yes. We have to lay that whole foundation so that you can see your patients as soon as you're ready to open your doors.

Mimi Secor:

Speaking of that aspect, your fifth step is about patients. Can you describe a little bit more about the process addressing that area?

Barbara Phillips:

Five in the whole process is really the clinical practice management. That's really all about the patients. It's what we're going to do with them from the moment they hit our front doors until the moment that they walk out. A lot of us being clinicians we think we know all about that but we may not have stopped and thought about the entire process of who all that patient has to interact with, what policies and procedures need to be in place. Who's going to do what and how are they going to do it? So, we really start looking at what are you delegating, what pieces do you need to have in place, how do you make sure that the quality is still there and all of that kind of stuff. A lot of this actually overlaps when we talk about our next step because there's all these checks and balances that need to be in place.

Mimi Secor:

So you mentioned there is overlap with the next section. What is that overlap?

Barbara Phillips:

Well, this is actually the area we know least about as clinicians. That's the operations or what I call the business practice management or just the business of healthcare. It's really critical because it's the gears behind the business. So it really looks at the overall business aspect including things such as your financial management, your risk management, human resources, your compliance and all of the policies and procedures and checks and balances that you need to have in place to run a successful business. This is an area that we can literally spend weeks talking about it. There's so much in this area.

Mimi Secor:

Much of this we don't learn in school, especially the business aspects. What do you find are some of the common challenges that nurse practitioners must address in this area of practice management.

Barbara Phillips:

Well, this is an area that we all need some help in but unfortunately what I often see happening is that a nurse practitioner will think I do the clinical part of it, I'll just hire a practice manager to do all of this part. They let that person just run with it. The mistake here is that not everybody knows how to run a business, even that practice manager you've just hired. And there's been plenty of healthcare providers who have not known enough of what they should be looking at and don't have the checks and balances in place that they've actually lost their business because somebody has embezzled the money out of that business. So, I think it's critical that we have the basics in place that we know what we need. We have the appropriate advice that we're getting from different professionals so that we know that things are going to go smoothly in place and that we're getting frequent reports from people. I think that's critical.

Mimi Secor:

We're overseeing the process and overseeing that aspect.

Barbara Phillips:

We're overseeing the process. We don't have to know how to do the brain surgery but we need to know what the checks and balances are.

Mimi Secor:

I understand the last step, marketing, happens to be your very favorite area. Can you tell us a little bit more about this?

Barbara Phillips:

Yes, I love marketing. This is something I do talk all day about. It's something that many practices don't feel that they need to do for a whole lot of reasons. They just don't feel that it's necessary, but I happen to think it's actually our most important job as the business owner. Here's why - as the business owner it's my duty to always make sure that I have a steady stream of patients coming to my front doors because without them we don't have the revenue, therefore we don't have the cash flow, therefore we don't have the life blood and our business is dead, right? I just think it's so important for us to be aware of our marketing and how that's being handled. It doesn't mean we have to do all the individual marketing but again, we're responsible for it because if we don't have our business healthy then we're doing our patients a disservice. We're not able to give the jobs in the community and all of that and we don't have a job in the end.

Mimi Secor:

Right. I know you're involved in both traditional marketing but also you're really heavily involved and have great expertise in the new social media. Any particular comments about promoting practice through the new social media/

Barbara Phillips:

Yes. Actually, there's so many different things that you can do. A lot of people think of social media and they think of Twitter. While Twitter does have its place in all of this, I think when we, as professionals are looking at doing our marketing using social media we need to be looking at things such as the Facebook pages not necessarily our personal profile. We want to keep it professional. We want to keep it to the point. It's a great way to remind people to come in. Hey, it's Heart Health Month for instance. Or it's time to come in and get your flu shot. And that you also do not answer personal questions about somebody's healthcare on this media. We have to be very, very careful about protecting that personal health information and also making sure that we're bringing people in and we're not trying to diagnose them on Facebook.

Mimi Secor:

Let's summarize the steps for the listeners of your seven step process.

Barbara Phillips:

Okay. Step one is the PPFM analysis. Step two is creating the business. Step three is about getting paid. Step four is tools, technology and equipment. Step five is the clinical practice management. Step six is the operations or the business practice management. And finally is marketing.

Mimi Secor:

Where can our listeners learn more about the consulting that you provide to would-be entrepreneurs?

Barbara Phillips:

Well, they can certainly read our blog and that's at www.npbusiness.org. Or they can visit our Facebook page, which is [Facebook.com/nursepractitionerbusiness](https://www.facebook.com/nursepractitionerbusiness). They can interact with us and also interact with other practice owners and business owners to question them and learn more from them as well.

Mimi Secor:

Thank you, Nurse Practitioner/Entrepreneur Barbara Phillips from Aberdeen, Washington. It's been a great pleasure talking with you today. Good luck with your business growing.

Barbara Phillips:

Thank you.

Announcer:

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