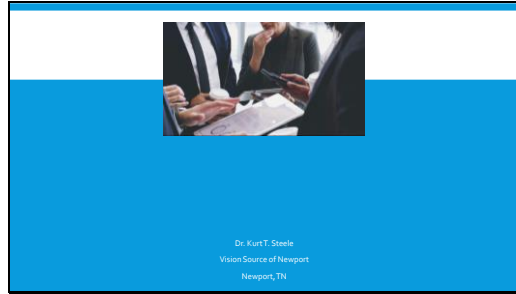


Slide 1



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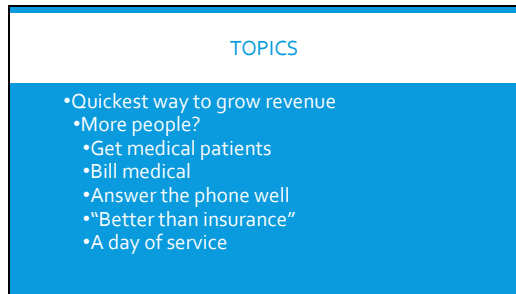
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Slide 2



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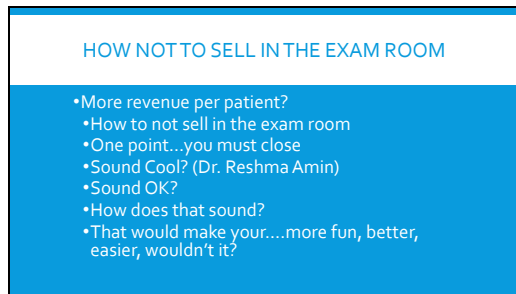
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Slide 3



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Slide 4

TOPICS

- More doctors
  - How do you know when to bring them on...what Mark Murphy told me
  - How do you get them...what Dad told me, "if one side loses, both sides lose"
- More space
  - How do you know when to build
  - How much can you afford (5-7% of revenue)
- Growth Metrics (Revenue Metrics)
  - Revenue per exam, hour, and day
  - Make sure you can manage (not control) your growth
  - Be able to project revenue and expenses (the best you can)

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Slide 5

TOPICS

- Expense metrics
  - Old ones (COGS, Staff, Overhead, Occupancy, Patient Care, Advertising, Net)
  - New ones (COGS, People, Things (Overhead and Patient Care), Place, OD Compensation, Cash Flow)
- Silent Killers
  - No Shows
  - Accounts Receivable
  - Spiffs
  - Missing Copays

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Slide 6

FASTEST WAY TO GROW YOUR REVENUE

- What if you increased your per patient revenue \$30/exam
  - 10 eye exams X \$350 per exam = \$3500 per day
  - 10 eye exams X \$380 per exam = \$3800 per day
  - \$300 X 4 days X 48 weeks = \$57,600
- What if you added two exams per day
  - 12 eye exams X \$350 per exam = \$4,200 per day
  - \$700 X 4 days X 48 weeks = \$134,400
- You would have to increase your per exam revenue \$70/exam to equal adding one patient in the morning and one in the evening

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Slide 7

**BUT MAYBE I WAS WRONG (OPTICAL CONSULTANT)**

- January-June 2022:
  - 5567 patients and collected \$954,037.84 An average of \$171.27 per patient.
- January-June 2023:
  - 5566 patients and collected \$1,184,064.19 An average of \$198.47 per patient and growth of \$230,026.35
  - At same per patient revenue we would have collected \$1,021,795.82. So I assume \$67,758.98 due to more patients
- The other \$162,267.37 came from better optical sales (or something other than seeing more patients per day)

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Slide 8

**MORE PATIENTS-GO GET MEDICAL**

- Diabetics-Summit and Emily's cousin
- Humana-"Well, y'all don't treat glaucoma so we will move on"
- Tri West- "Why did you not send that to an ophthalmologist"

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Slide 9

**MORE PATIENTS**

- VISIT MEDICAL FACILITIES, TAKE THEM FOOD!!!!
- First week we did this, inside that month our medical fees increased 60%.
- Now bill medical!!!! "How much more do you guys make on EyeMed"

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Slide 10

**BILLING MEDICAL NEW PATIENT...**

* 99202 \$72.86	
* 99203 \$112.84	92002 \$90.48
* 99204 \$167.60	92004 \$150.46
* 99205 \$220.94	

\* 99 codes now paying more and easier to justify with MDM or time, in my opinion.

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Slide 11

**BILLING MEDICAL ESTABLISHED PATIENT**

* 99212 \$56.93	
* 99213 \$90.82	92012 \$86.07
* 99214 \$128.43	92014 \$127.08
* 99215 \$179.94	

\* Level 2 should be rare...period.  
\* In general, I seem to do level 4 on initial and level 3 on follow up

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Slide 12

**WHAT CAN WE MEASURE OF THE OPERATOR**

- Missed Phone Calls...what is acceptable?
- 90% of possible appointments seen
- Do you have a system in place to measure this?



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Slide 13

PHONE IDEAS...ALWAYS BE CLOSING (ABC)

- I think having a person answer the phone now sets you apart.
- Thank the person that is calling.
- When was your last exam here? If established
- "When were you thinking of coming in?"
- If not..."what seems to be the problem?"
- Oh great, Dr.....is fantastic at fixing those. When were you thinking of coming in?

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Slide 14

MORE PATIENTS

- "Better than insurance" plan
- We have a fee that covers all visits for one year and a single vision pair of lenses with glare protection (Easy/Kids SV and Sapphire Progressive). Patient pays for frame. Have some frames that you can sell at \$50 that you pay about \$10 for.
- A day of service

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Slide 15

REVENUE METRICS

- Revenue per
  - Exam...how well are convincing patients to do what is best for their eye health and vision.
  - OD Hour-how productive and efficient are you?
  - Day-for projections
  - Don't get hung up on matching a number-look at trends

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Slide 16

REVENUE METRICS

- Doctor Metrics
- Revenue per exam (\$375-\$400)
- Recent article Laurie Sorrenson
- Less than \$325-Cherry Red
- \$325-\$375-Red
- \$376-\$400 Green
- \$401-\$450 Orange
- >\$450 Gold

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Slide 17

REVENUE METRICS

- Doctor Metrics
- Revenue per OD hour (\$450-\$650)
- Sorrenson (\$450-\$500)
- Less than \$400-Cherry Red
- \$400-\$450-Red
- \$450-\$500 Green
- \$500-\$550 Orange
- >\$550 Gold

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Slide 18

REVENUE METRICS

- Doctor Metrics
- Exams per hour (1.33)
- Less than 1.2 Cherry Red
- 1.24-1.34 Red
- 1.35-1.50 Green
- 1.51-1.80 Orange
- 1.81 and above Gold

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Slide 19

**REVENUE METRICS**

- Revenue per Day
- Important to project revenue-Newport office
- Dr. Steele \$4,800
- Dr. Eisenhower \$4,600
- Dr. Norris \$2,500

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Slide 20

**EXPENSE METRICS-HISTORICALLY VS NOW**

<ul style="list-style-type: none"><li>• Cost of Goods Sold: 25-30%</li><li>• Staff Salaries and Benefits: 18-20%</li><li>• Overhead: 6-9%</li><li>• Patient Care: 2-4%</li><li>• Occupancy: 8%</li><li>• Advertising: 1-3%</li><li>• Net: 30-35%</li><li>• Since 1995</li></ul>	<ul style="list-style-type: none"><li>• Cost of Goods: 28%</li><li>• People: 22-25%</li><li>• Things 13% (9% Overhead plus 4% patient Care)</li><li>• Occupancy 8-10%</li><li>• Advertising 1%</li><li>• OD Compensation 15%</li><li>• Profit 7-11%... Cash flow plus owner share</li></ul>
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Slide 21

**FROM A BANK...THE TIMES THEY ARE A CHANGING**

<ul style="list-style-type: none"><li>• Cost of Goods: 28%</li><li>• People: 25%</li><li>• Place: 8-10%</li><li>• Things: 13%</li><li>• OD Compensation 15-17%</li><li>• Profit 7-11%...Cash flow plus owner share</li></ul>	<ul style="list-style-type: none"><li>• COGS: Inflation? Include buying group fee.</li><li>• People: We all know what is going on there</li><li>• Place: Occupancy</li><li>• Things: Patient Care + Overhead</li><li>• So net is now 22%-28%...if you are not trying to sell or borrow...increase OD compensation.</li></ul>
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Slide 22

PROJECTIONS

- Cost of Goods Sold (28% of \$588,700)
- Lab Bill 8-10% (watch if getting above \$58,870 in a quarter in Newport)
- Contact Lens Bill 10%...\$58,700
- Frames 6%
- \$35,322 for this quarter

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Slide 23

PROJECTIONS

- Staff at 24% (\$141,288)
- Average costs is \$20/hour
- $\$141,288 / 20 = 7064$  hours for quarter
- $7064 / 13$  weeks = 543.4 hours (13.5 FTEs)

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Slide 24

STAFF METRICS

- As a percentage of Gross
  - Less than 22%
  - 22-24%
  - 24-25.99%
  - Greater than 26%

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Slide 25

STAFF METRICS

- Revenue per hour
  - >\$100
  - \$90-\$100
  - \$80-\$90
  - \$71-\$80
  - Less than \$70

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Slide 26

STAFF METRICS

- <\$125,000-Cherry Red
- \$125,000-\$150,000-Red
- \$150,000-\$175,000-Lime
- \$175,000-\$200,000-Green
- >\$200,000-Gold

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Slide 27

BONUS SYSTEMS

<ul style="list-style-type: none"><li>• Team Bonus System</li><li>• Cost of Goods Sold plus Overhead plus Staff = 60%</li><li>• So \$1,000,000 practice and have COGS at 27%, Staff at 23%, Overhead at 9%</li><li>• This leaves 3% or \$30,000 for bonus</li><li>• We usually let them have half of overage...\$15,000 for bonus and/or raises.</li></ul>	<ul style="list-style-type: none"><li>• Doctor Bonus System</li><li>• Occupancy, Advertising, Patient Care, and OD Comp 35%</li><li>• Occupancy 9%, Advertising 3%, Patient Care- 4%, OD Comp 18%</li><li>• Leaves 3% or \$30,000 for bonus</li><li>• How much do you take? What are you trying to accomplish?</li></ul>
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Slide 28

NOW THAT YOU HAVE MORE PATIENTS

- Scribes...virtual
- Do you need another doctor?
- Do you need more space?

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Slide 29

DO WE NEED ANOTHER DOCTOR?

- If you are booked out more than 2 weeks/one month
- You just want to slow down
- What Mark Murphy told me

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Slide 30

DO YOU NEED MORE SPACE?

- First building 1500 square feet...topped out at \$700,000 (\$466.67/square foot)
- Second building 3600 square feet...topped out at \$1,650,000 (\$458.33/square foot)
- Now in 9481 square feet...that would be \$4,361,260. I would take that!!!!
- Greenville office...just got approved for land...looks like \$1,200,000 in 2600 square feet (\$460/square feet)

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Slide 31

SILENT KILLERS

- No Shows and Cancellations
- Accounts Receivable
- Spiffs

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Slide 32

NO SHOWS

- For us it is right after lunch...so we take lunch 1-2
- Friday afternoons....take walk ins 1-2, 2-4 do your phone calls.

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Slide 33

SILENT KILLERS-A/R

- Accounts Receivable
- 1. Less than 10% of your accounts receivable should be over 90 days
- 2. Banks: Less than 30 days 90%, 30-60 days 50%, over 60 days worthless.
- 3. Not collecting co pays or deductibles
- 4. Improper coding
- 5. Collect at Front???
- 6. Use outside service???

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Slide 34

SILENT KILLERS-SPIFFS

- Written policy on family spiffs
- Spiffs from sales reps
- We are too nice

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