

# Impressing Patients, Partners, and the Business Manager

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AN INTERVIEW WITH RICHARD EDLOW BY JAMES KNAUB, CONTRIBUTING EDITOR

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**H**igh-quality, patient-centric ophthalmic care is an easily attainable goal if you can schedule 30-minute slots with the doctor and receive triple reimbursements for comprehensive exams. But with the real-world economics of healthcare reform, you'll need a different approach.

Whether you need to see more patients to offset reimbursement cuts in a fee-for-service environment, handle a large patient panel in an emerging accountable care organization, or succeed with a contract that includes a quality component to its reimbursement formula, your practice will need to perform more high-quality exams in the same amount of time. Richard Edlow, OD, Executive Chairman of EyeCare Service Partners, which operates seventeen offices and three ASCs in three states, utilizes EPIC 5100 Refraction Stations configured with M3 autorefractors to maximize utilization of physician time – the most costly time in any eyecare practice.

For the group, which formed in a merger with the Katzen Eye Group in 2014, the additional physician time comes from shifting the 6 minutes they've measured that it takes to perform a manual refraction from the optometrist or the ophthalmologist to a technician operating the automated EPIC 5100 system.

"That 6 minutes is taken completely out of the exam room and moved to the EPIC station," Edlow says. "If the doctor is normally seeing three patients an hour and we add an EPIC system and a technician, we've just gained 6 minutes, times three patients and freed up 18 minutes for the doctor. Those minutes can be used to both better educate patients

selectively and/or see one or two more patients per hour."

If patients are also having tonometry as part of the EPIC exam, Dr. Edlow says it saves their doctors another 2 or 3 minutes per exam versus moving the patient to a separate tonometry station. The refraction data and the tonometry data are integrated and automatically transferred to the patient's medical record in their NextGen EMR. Dr. Edlow says automating the transfer of data to the record saves a bit of time, but its greater advantage is that it eliminates the significant downstream costs of transcription error. Trimming the doctor's time required for a quality exam makes it feasible to schedule four patients in one hour.

"It's that time that was spent performing refractions that is now spent seeing more patients or having a bit more quality time to spend with patients," Dr. Edlow says.

"To me, patient-centric care means that decisions are made regarding patient flow, how to examine patients, and how to manage patients based on what's best for the patient – not what's most convenient for the staff and the doctor," he adds.

Of course your practice needs to find a way to provide patient-centric care without eroding profitability. Purchasing an EPIC 5100 Refractive Station and allowing the staff to use it - requires a financial investment. Before you sharpen your accounting pencil, perhaps Dr. Edlow's experience can help guide your decision. He and his partners have done the math, in terms of practice workflow and financial investment. When they first considered the EPIC Refraction System about a decade ago, their analysis considered the cost to acquire the

**Figure 1. EPIC Profit Analysis**  
Based on seeing 4 patients vs. 3 per hour for a doctor working 7 hours per day/five days per week.

**REVENUE**

**Exam Fee Revenue**

Projected minimum per exam revenue: .....	\$50
Additional patients per week: 35 .....	\$1,750
Projected 4 weeks per month: .....	\$7,000
<b>Optical Revenue and Net Profit</b>	
Average gross revenue per glasses patient .....	\$280
Percent of patients buying glasses (50%) .....	.70
Gross Monthly Revenue .....	\$19,600
Less Cost of Goods/Services (32%) .....	\$6,272
Net profit per month .....	\$13,328

**EXPENSE**

**Equipment**

EPIC Systems (Monthly cost over 5 years at 5%) \$1,510

**Staffing**

\$15/hour times 2,080 hours .....	\$31,200
Benefits, etc. (20% of wages) .....	\$6,240

**MONTHLY PROJECTION**

Exam Revenue .....	\$7,000
Optical Net Profit .....	\$13,328
Total Revenue .....	\$20,328
EPIC System .....	(\$1,510)
Staffing (Salary plus benefits) .....	(\$3,120)
Total gross profit .....	\$15,698

Source: Richard Edlow, OD

system and the staff to operate it, as well as the projected revenue from additional exams and optical sales. (That analysis, updated with current revenue and expense projections, is shown in Figure 1.)

The analysis projects the monthly cost of purchasing or leasing the EPIC Refractive Station at \$1,500 per month, based on total cost over 5 years at 5% interest.

The staff cost analysis includes one full-time equivalent technician with a \$15 per hour salary times 2,080 hours worked, plus 20% of that total for benefits.

The additional revenue is based on seeing one additional patient per hour, four instead of three, for 7 hours times 5 days per week (35 per month). Dr. Edlow projects the per patient exam fee at about \$50. The projection assumes that 50% of the additional exam patients would purchase glasses at the practice's optical shop at an estimated retail price of \$280. He calculates the cost of optical goods and services as

32% of the retail sales price. The analysis projects a monthly gross profit increase of \$15,698 from adding the EPIC Refractive Station...that's a 5 month ROI per Epic investment.

"It's a pretty compelling argument," Dr. Edlow says.

"When we hire an EPIC technician, we consider it an entry-level position. If we hire someone bright and willing to work, they're doing quality refractions within a week."

Dr. Edlow said his projections proved conservative. EyeCare Service Partners actually adds closer to two additional patients per hour on average and the percentage of patients buying glasses is closer to 70% than 50%. This analysis doesn't include any Saturday hours, which the group also offers.

While economic argument stands on its own, Dr. Edlow points out two other benefits he's seen using the EPIC 5100 Refractive Station. First, the digital system enables greater accuracy, particularly in astigmatic patients.

"A refractor has gradations of 5 degrees, so you can be accurate between two gradations, or 2.5 degrees, but with the EPIC system, you can do gradations with 1 degree. It's possible to be more accurate with patients who have a high degree of astigmatism, and it's great for those very discerning patients, such as engineers and accountants."

Second, in an era when patient satisfaction and quality are starting to move from being desirable attributes of a successful practice to actual components of a reimbursement formula, eye care practices will benefit from fostering the patient experience. Dr. Edlow says a perceivable "wow factor" comes into play with patients.

"The impression of the EPIC workstation is that it's modern technology versus old technology," Dr. Edlow says. "In today's world of iPads and iPhones, switching from a refractor is like switching from a rotary dial phone to an iPhone 6. That's the wow factor for patients. New patients will say, 'I've never had an exam like that before,' especially the millennial patients." ●



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