

This Is Why Physicians Need Goals

By James Keil, MBA, FACHE, FACMPE

Goal setting in physician practice management is often overlooked or forgotten when day-to-day challenges and general inertia takes precedence. It takes discipline to run your practice with a constant eye on the goals that will actually improve your bottom line instead of attending only to the details in front of you. In fact, many of the top headaches of physician practices can be caused by the lack of concrete, measurable goals. In this era of medical management challenges, there is hardly a moment when we don't hear about declining reimbursements and declining physician compensation; yet most physicians and their staff often do not know if they have goals, what their top goals are, or where they are in achieving those goals. In physician practice management, we must follow other matured industries by increasing standardization through clearly defined goals.

The exercise of choosing goals should start with an annual 360° Profitability Analysis, especially if there are already significant pain points in the physician practice. The discipline of practice management requires a 360° view simply due to the complexities of managing the business. As is the case with budgeting, we are often "squeezing the balloon" if we only address one side of the equation. Declining physician compensation, for example, likely has multifactorial causes and it is critical to review your business as a whole when tracing the root cause. An overhead review might reveal many things, but so too would a revenue cycle review. All components need evaluation and only then can goals be established to improve the physician's bottom line.

Finally, every physician practice must always be able to answer the question "What are we measuring?" The execution of established goals requires each physician and staff member to know what they measure, why they measure it, and the methods to improve those measures. Again, goals are set by defining where improvement is needed, then set up the measures for improvement, and then "manage what we measure" in order to improve the bottom line.

It is no longer good enough to simply go to work each day to address the things that arise. We must define what is not going well and back into the goals by assigning a definition of which business segments are not high performing. Goal setting is "creating the practice you want."

About the Author: James Keil, MBA, FACHE, FACMPE, is a healthcare executive with 25+ years of experience leading organizations in for-profit, non-profit, and publicly held environments. He has driven growth as a former CEO of multiple medical groups and has

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