

Non-traditional office hours can reap big financial benefits

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(HealthDay)—Physicians can reap significant financial benefits by extending their office hours to include non-traditional hours, according to an article published Jan. 8 in *Medical Economics*.

Keith Borglum, C.H.B.C., a practice management consultant, appraiser, and broker in Santa Rosa, Calif., notes that additional patients yield higher profitability after fixed overhead costs of the practice have been met. If, for instance, overhead is \$20,000 monthly, or \$1,000/workday, it takes approximately 12 patients at \$90 average reimbursement per patient to pay the office overhead prior to income to the physician. Beyond those first 12 patients, additional patients only incur a variable cost, mostly for medical supplies and billing costs. These variable costs run about 12 to 18 percent of collections.

According to Borglum, even factoring in additional physician labor costs, it is financially worthwhile to extend hours if there is patient demand. Based on the above figures, four additional patients each extended hour nets \$320 per hour. Even with four additional hours of physician labor costs at \$100/hour, staying open from 5 p.m. to 9 p.m. can yield an additional \$880 per day, pre-tax net income.

"If a nurse practitioner or physician assistant is employed, the provider labor costs are halved, and profitability increases even further, even if subject to 'incident-to' non-[physician](#) Medicare billing penalties," Borglum writes.

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