HEARING AIDS
A Medical Business Prospective

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Full Disclosure

> Vicki Alexander is a consultant for Audiology Management Group, Inc.
Today’s Focus

- The Awakening
- Preparing for Growth
- The Medical Model - Results
- Suggestions for Integration
- Questions and Answers
The Awakening

- Many medical practices have been reluctant to promote audiology and hearing aid dispensing.
  - The feeling is that by doing so, the practice appears too commercial.

- ENT’s are the gatekeepers for better hearing.
The Awakening

- What does the FDA say about hearing aids?
  - Patients should first seek help and treatment from an ENT
    - Select a hearing aid that meets your lifestyle
    - Patients should know how to care for the hearing aids purchased
    - Consider the hearing aid warranties

www.fda.gov

USA Today, Nov 2, 2009
The Awakening

- Patients want and need hearing aid services but must realize **you** offer them.

- There is a need for a focus on **Identification, Diagnosis, Treatment, and Rehabilitation**

- Remember the Objective – Help people to hear well again.
  - You are not only diagnosing your patient’s hearing loss, you are offering treatment.
Opportunity for Growth

- **ENT Hearing Aid Market Penetration**
  - ENT = 9%
  - *(91% get their hearing aids elsewhere)*

- VA = 20% and likely to continue to increase due to changes in eligibility rules

- The remaining 71% is split amongst Private Practice Audiologists, Hearing Instrument Specialists, National Chains and MFG retail locations.
The Awakening...
At The Silverstein Institute

- Hearing aids were just a service for patients.
- Our hearing center did not have a distinct identity.
- Patients were not always aware of the hearing aid services we provided.
The audiology department was being run by the audiologists and not being managed efficiently. (patient flow bottlenecks)

Too often hearing aids went out on trial with no payment received.

Patient scheduling issues negatively affected ENT and hearing center patient experience.
The doctors realized their hearing center was not performing to its revenue potential and we needed a solution…
Preparing for Growth

- The doctors directed me to evaluate the audiology and hearing aid department and develop a business plan.

- A Medical Model was developed as the solution to what was our underperforming audiology and hearing aid departments.
The Medical Model

Primary Areas of Development

- Practice Impression
- Office Structure
- Staffing Structure
- Audiology Scheduling
- Patient Flow
- Maximizing Patient Profitability
- Tracking / Reporting to Manager
- Referral Network
- Compensation Structure
- Marketing Plan
- Area Technology Leader

The Hearing Center Medical Model
The Medical Model

- Physician driven...the hearing aid industry must become more medically oriented.
- The hearing center must be directed by physicians and managed by practice administrator.
- Product choice/price is not the main focus. Treat the patient based on need.
The Medical Model (cont.)

- Policies and procedures are critical.
- You must have the right staff doing the right job.
- Marketing is introduced when the proper systems are in place.
- Concierge level of patient service is maintained and expected from all staff.
How would you define your practice impression?
The Medical Model
Practice Impression

The Approach...

- Have a friendly and informed front desk staff.
- Maintain clean and orderly waiting areas, testing rooms, and professional fitting rooms.
- Hearing education and hearing aid information is clearly displayed.
- The focus is on education and awareness.
Is your hearing center clearly defined for patients in your office structure?
The Medical Model
Office Structure

Our Approach...

- Separate division for the hearing center
- Separate phone line dedicated to the hearing center with on-hold messaging
- Separate receptionist and waiting area
- Outside and inside signage
- Patient Education monitors in exam rooms
- Patient-friendly atmosphere
Is your staffing structure organized to best serve hearing aid patients and maximize productivity and profitability?
Our Approach...

- Physician-directed Hearing Center
- Office manager oversees structure; reviews numbers DAILY, WEEKLY, MONTHLY
- Front desk staff dedicated to the hearing center
- Defined job descriptions / organizational chart
- Separate diagnostic and dispensing staff
- Monthly hearing center meetings
The Medical Model
Audiology Scheduling

Does your audiology schedule allow for proper time for hearing aid evaluations and long-term patient care?

<table>
<thead>
<tr>
<th>Service</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>HAE</td>
<td>1 Hour</td>
</tr>
<tr>
<td>Hearing Test</td>
<td>30 min</td>
</tr>
<tr>
<td>Clean &amp; Check</td>
<td>15 min</td>
</tr>
</tbody>
</table>
The Medical Model
Audiology Scheduling

Our Approach…

 Separate schedule for diagnostic and hearing aid evaluations / dispensing

 Hearing tests scheduled for hearing related ENT appointments prior to patient seeing physician

 Scheduled follow-up appointments for hearing aid patients  (annual HT, 6 month C&C)
At your practice, are hearing aid candidates processed in an efficient and effective manner, while maintaining a concierge-level patient experience?
The Medical Model
Patient Flow

Our Approach…

- Identification, Diagnosis, Treatment, Rehabilitation
- Maximize hearing loss identification
- Physician interaction with hearing aid candidates; refer and direct patient to hearing center for HAE (scheduled appt.)
- Team approach to patient care
The Medical Model
Maximizing Patient Profitability

Is your practice prepared for and driving every opportunity to treat patients suffering from the effects of hearing loss?
The Medical Model
Maximizing Patient Profitability

Our Approach…

- Optimum use of billing codes
- Goal of 100% identification of patients that will benefit from hearing aids, educate the patients, offer treatment options
- Proper scheduling to allow for outstanding patient experience
- Profit-focused retail price model
- Follow the Medical Model processes and procedures for maximum efficiency
The Medical Model
Tracking / Reporting to Manager

Are you receiving just the bottom line numbers for your hearing center?

What details do you know that contribute the bottom line?
Our Approach...

- To drive changes that increase the profit from our hearing center, we constantly track, report, and analyze the KPIs. (Key Performance Indicators)
- Daily, weekly, monthly, quarterly, annual reporting to manager and physicians
- Patient database, retention and follow-up
- Diagnostic activity
- Dispensing and sales activity
- Individual staff performance activity
The Medical Model Referral Network

Are you actively developing, maintaining and tracking results of your referral network with a specific focus on new patients suffering with hearing loss?
The Medical Model Referral Network

Our Approach...

- Develop and maintain proactive relationships and networking with area physicians, including other specialists
- Active hearing health education program for area physicians
- Brand development as the medical choice for hearing treatment
- Result tracking procedures, including regular reporting to management and physicians
- Fast patient result/condition reports sent to referring physicians
The Medical Model Compensation Structure

Do you know how your audiology and hearing center staff is compensated?

Is there an incentive for hearing aid sales that benefits the practice as well as the dispensing staff?
The Medical Model Compensation Structure

Our Approach...

- Physicians are aware of compensation structure.
- Established performance driven commission structure for hearing center staff.
  - Audiologists and dispensers compensated for performance
  - Different structure for audiologists and hearing aid dispensers
  - Front desk incentive programs
The Medical Model Marketing Plan

- Do you have a 12-month comprehensive marketing plan established for your hearing center?
- Are you targeting the correct prospects first?
- Are you battling your competition at their level, or defining your own brand?
- Do you measure the results of any active marketing?
The Medical Model
Marketing Plan

Our Approach…

- Annual, comprehensive marketing program that targets existing patients, as well as new patients
  - Patient retention management
  - Hearing healthcare seminars with ENT physician involvement
  - Referring physician marketing
  - Advertising / prospecting
Suggestions for Integration Using the Medical Model

- Create a hearing center identity within your practice.
- Obtain and review data on your hearing center’s activities.
  - Track, report, and review your hearing center’s performance to determine the opportunities for growth.
- Hearing Center awareness
  - It needs to be obvious to patients that you provide hearing health services, including hearing aids. Don’t let it be a secret!
- Staffing
  - The right people, doing the right job
Suggestions for Integration Using the Medical Model

- **Audiology Scheduling**
  - Implement regular schedules for diagnostic and dispensing staff

- **Physician Education**
  - Learn about the latest benefits available for patients with current hearing aids, such as: wireless options, tinnitus treatment and new discreet sizes.

- **Identify, Diagnose, Treat, and Rehabilitate**
  - Hearing aids are a Medical Device!
Results at Silverstein Institute

Hearing center revenue is now 30% of total practice revenue.
For additional information and questions, please contact:

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