Sure, add ancillary services to your ophthalmic practice

But not before you max out your eye-related services first.

BY JAMES D. DAWES

In my 25 years as a business consultant and healthcare executive, I have always been a proponent of adding ancillary lines of services — whether it’s a dry eye clinic, cosmetic surgery, dermal fillers, skincare products, hearing services, retail optical or a combination thereof. Adding these lines requires work, however, and can be off-putting if the particular line is not even tangentially related to eye care, so naturally the first question practices ask is, “Why would I perform or add any services that are outside of the traditional ophthalmic model?”

The answer is pretty simple: Patients are seeking these services and to the degree you can offer them in your practice, you could improve the quality of service by controlling the delivery system; further, you will likely generate additional revenue for the practice.

Not that adding these services is a “sure thing.” Over the last decade, I’ve seen eye care practices bring in ancillary services lines with great success, while other practices failed with them and abandoned the approach altogether. Here I will evaluate what you need to consider before introducing ancillary services so that you don’t end up in the latter category.

**HOW TO DECIDE**

**My two-part piece of advice**

Physicians often ask me if they should put an optical, hearing center or cosmetic surgeon in their practice. My answer is: Yes, if you have patient demand and can deliver a higher quality service than already available in the market. To find out if there is demand, you’d need to discover the number of patients who would use that particular ancillary service.

The second part of my response is a little more complicated. Many ophthalmic practices are not realizing the full potential of their existing ophthalmic product and service lines, so to venture off into something unknown might not only be a distraction, but might negatively affect patient satisfaction.

My motto in life and business has always been “Know what you do, and do what you know.” In other words, be the best you can at what you do; once you have mastered that, take the lessons you have learned and the goodwill you have generated and leverage them into other service lines.

**Seven ways to fall short of optimization**

Before you venture into any ancillary services, make sure you are making the most of the practice you already have. In my experience, there are seven ways eye care practices fail to do this.

Refractions. Refractions are not covered by Medicare, or by a lot of insurance plans. Many
patients do not understand what is covered and what is not covered and what services relate to their vision plan vs. their medical plan. The first step each ophthalmic practice should take is to determine the average price of a refraction and a routine eye exam charged by your competitors — not just ophthalmic practices, but optometric and retail as well. The second step is to clearly articulate your pricing for refractions and routine eye exams, and differentiate those types of examinations from a medical exam, which may be billed to a patient’s insurance.

2. **Astigmatism testing and management.** Given that as many as 70% of patients have some level of astigmatism, with the advent of toric IOLs, limbal relaxing incisions and laser astigmatic treatments, today’s ophthalmologists have myriad surgical options for patients with astigmatism. Many patients don’t quite understand astigmatism and the impact it may be having on their vision; not surprisingly, they have little knowledge of treatment options. Testing for astigmatism is typically a non-covered service since Medicare and most insurance companies consider its treatment a refractive procedure for a condition that could otherwise be treated with spectacles.

I recommend that ophthalmic practices focus on improving their patient educational tools around the topic of astigmatism and clear pricing models for non-covered testing and astigmatic treatments. Astigmatism management is a core competency of an ophthalmology practice and is often overlooked as an elective service line.

3. **Intraoperative testing.** Over the last several years, many practices have added intraoperative testing to their complement of non-covered and refractive services, and have seen better patient outcomes and improved patient satisfaction as a result. It is easy to over-complicate refractive cataract surgery treatment options with intraoperative testing. Many patients have no idea what the term means and will be confused by the language. Keep it simple, clear and appropriately priced.

4. **Presbyopia-correcting IOLs.** Of course, these have been a hot topic over the last decade and many practices have suffered through PC-IOL fatigue due to poor patient selection and over-promised patient expectations. The bottom line is that some patients want to see without glasses after surgery. As long as the practice educates its patients about realistic expectations and works to ensure proper patient selection, PC-IOLs can add another level of refractive service for your practice’s patient offering.

Again, as with other refractive treatment options, pricing models must be crystal clear and easy for the patient to understand.
Refractive surgery. The capital costs of refractive lasers and the marketing costs of patient acquisition have kept many ophthalmic practices from venturing into this surgical arena. If a practice is seriously considering expanding into products and services outside of the traditional ophthalmic model, I would strongly recommend taking a harder look at adding a corneal refractive component.

Few patients who wear spectacles opt for corneal refractive surgery. However, the capital costs associated with refractive surgery have decreased; additionally, patient acquisition through social media has driven down marketing costs, while levels of patient satisfaction have risen due to improved refractive outcomes. This combination has created a service line worthy of consideration.

Dry eye and allergy testing and treatment. Most ophthalmic practices have unhappy dry eye patients. Algorithms and treatment protocols around dry eye are numerous, sometimes complicated and have largely been dependent upon patient compliance.

Having said that, a new wave of osmolarity, meibomian gland dysfunction and allergy testing tools can help ophthalmologists get to the likely cause of the particular patient’s dry eye and address the problem aggressively, whether that is through intense pulsed light (IPL) treatments, meibomian gland treatments, nutritional supplements, punctal plugs, prescription medications or a combination thereof.

Any practice offering refractive services should consider a dry eye and allergy program for the practice’s pre- and postoperative patients. Optimizing the level of patient satisfaction will not only grow the refractive practice, but can help develop your overall brand by reaching the significant segment of the population suffering from dry eyes.

Optometric integration and retail optical. When practices ask me about adding services like hearing or cosmetics that are at least one degree of separation from ophthalmology, I first ask if they have an optical. If not, I tell them to start there. An in-house retail optical helps a practice to manage the full continuum of vision care for the patient and allows the convenience of a one-stop shop.

While some ophthalmic practices don’t dare to dabble into this realm due to potential harm to independent optometrists, I recommend taking a hard look at patient source data and evaluating the cost/benefit of adding a retail optical component to the practice. At the very least, I recommend establishing an integrated relationship with area optometrists to enhance product offerings to their patients.
ONE DEGREE OF SEPARATION

Services outside the traditional ophthalmic practice model

For those practices already optimizing their ophthalmic products and services, here are some services/product lines to consider that are typically not too far out of the eye-care provider’s comfort zone.

• **Oculoplastics, facial cosmetic surgery, dermal fillers and skincare products.** Oculoplastics and blepharoplasties are a natural progression in ophthalmic practices and so frequently intrigue ophthalmologists looking to expand their service line. Several groups have had success in expanding into full facial cosmetic surgery, dermal fillers, skincare services and related product lines.

However, the competition for patients who want these services is fierce. I strongly recommend evaluating your local market and determining the competitive landscape before jumping into this arena. Patient expectations and price sensitivity are high, so to be successful, you must have a great surgeon and support team, and deliver exceptional customer service at every point in the care delivery process.

Make sure your practice has achieved optimal success in the traditional ophthalmic products and services before trying to take on this task.

• **Hearing testing and hearing aid dispensing.** Probably one of the most disappointing new ideas over the last decade was the potential incorporation of hearing testing and hearing aid dispensing into ophthalmic practices. Most of the industry thought the model made sense since ophthalmic practices have large concentrations of patients who are also the right demographic for hearing loss. Unfortunately, most of us learned that the hearing-aid industry is very different than the ophthalmic industry.

There were two major problems. One was that there is little or no reimbursement for testing because most hearing centers perform free hearing examinations. The second was that the level of professionalism among the hearing instrument fitters was not in keeping with the expectations of most ophthalmic practices.

I have seen a handful of ophthalmic practices achieve and sustain success in hearing services. All of these practices, without question, have found exceptional hearing aid professionals or audiologists who fit well into the culture of the ophthalmic practice and — here’s that phrase again — deliver a level of service that is much better than what exists in the market.
It bears repeating

Remember "know what you do, do what you know" — that is, optimize your ophthalmic practice first, and then add services where you know you can provide higher quality than what is available in your market. OM

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