

The Clinicians Turn: Audiology

Although most audiologists are employed by larger institutions, many have the latent desire to be independent, to call their own shots. These audiologists attend workshops and read literature on the subject with the hope of finally being able to do things "my" way and to reap the monetary and leisure benefits.

These positive aspects are often received with slightly less consideration for the more negative aspects of the "freedom".

Gordon Whitehead was successfully in private practice in Ontario and has agreed to share some of the realities with Human Communication Canada.

Comments on this or the previous discussions, and suggestions for future topics should be sent to the Co-ordinator:

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THE AUDIOLOGIST IN PRIVATE PRACTICE

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The primary traditional employers of audiologists have been hospitals, hearing and speech clinics, residential institutions, universities, and governmental and quasi-governmental agencies. The profession, still relatively young, is maturing in such a manner that new applications of audiological expertise have been instrumental in expanding job responsibilities and, inevitably, creating new employers. The initial clinical/diagnostic role has been joined by positions involving research, teaching, consultative, rehabilitation therapy, industrial and community audiology, educational audiology, and hearing aid dispensing. As the demand for services increases, a growing number of audiologists has elected employment in "private practice" environments.

The purpose of this article is to provide some areas for thought for

any audiologist contemplating one of the two types of private practice situations experienced by this author: a clinical private practice in a medical arts building, and a mobile industrial audiology service. In numerous situations the professional component remains identical whether the audiologist is working for a traditional employer or is self-employed; the professional component, however, is where employment similarities cease. The audiologist who is employed is first and foremost a health-care professional. The audiologist who is self-employed in a successful private practice is first and foremost a businessperson, and secondarily a competent health-care professional. Audiologists in private practice choose this type of employment for a variety of reasons, including "being your own boss" (a concept never fully realized), increase in income, relative freedom from administrative regulations, the opportunity to operate a clinic

according to personal desires, job and time flexibility, the relocation potential, and possibly the very real challenge of operating a successful business venture.

Any audiologist contemplating a private practice situation must assess priorities realistically, and not be guided by the somewhat magical aura of the glories of being self-employed. The reality of the situation is that your first concern must necessarily be the profit motive. You will be operating a business in a sometimes competitive market. A business that does not show a regular, healthy profit soon goes bankrupt, regardless of the commodity it is marketing; an audiology service is no different. Private practices have and will continue to face bankruptcy. The success of the venture will depend entirely upon your business acumen. If your business flourishes, it can indeed be an extremely gratifying and financially rewarding experience; if it fails, it can be demoralizing and, possibly, financially ruinous. Do not enter into private practice unless you feel that you are capable of exercising good business sense and good business practices.

There are two ways of entering the world of private enterprise: purchase an existing business, or start your own; either approach can be successful. Purchasing an existing business can be expensive; even though you may be saving money by buying "depreciated" equipment and furnishings, you may be purchasing rather expensive "goodwill." Goodwill is the charge made by the seller for building the business into a profitable venture, and may represent the majority of the purchase price. If you start your own business, you will pay more for new equipment and furnishings, but you will not have to pay for goodwill; however, you will have to establish a clientele. You must assess each business proposition on its individual merits.

If you elect to start a new

business, you must first decide where to establish it. Is the population available sufficient to provide a sizeable ongoing caseload? It must be! Are the potential referral sources willing to provide you with patients in sufficient quantity? On what terms? Are they willing to put it in writing? It will be risky for you if they don't! Will you have a relative monopoly in your area, or will you have competition? While competition may be healthy for the consumer, it may doom the weaker enterprise, or at least provide financial insecurity. How will you be paid? Will you bill and collect money from patients directly? What will you do if they don't pay you? Will you be reimbursed directly by a provincial health plan? Probably not. The most likely payment vehicle is billing the provincial health plan through an otologist, who will then pay you on a fee for service basis. This author is unaware of any such billing arrangement where the otologist does not keep a significant percentage of the income for "expenses incurred." As a result of having someone else pay you, you must process an increased caseload in order to show a profit. You more than likely will not have control over your own income.

If you have determined a good business location, have secured referral sources, and have a legal operating agreement with these sources (necessary for your job security), you can begin to set up your business. You will require the services of a lawyer and an accountant. Will you need malpractice insurance? The premises chosen must necessarily be very close to your main source of referral; this is usually a medical arts building (rents are generally quite substantial). Space must be adequate for a waiting area, a clinical area, office facilities for yourself and any other office staff, and any intended expansion. On occasion you may be able to share some of these areas or services with another practice. The furnishings required are self evident. What about typing, filing, and copying services? Should you rent or lease your equipment? A soundroom is both essential and

expensive. Can the floor support the weight of your soundroom? Ask an architect or structural engineer. A full range of basic audiological test equipment is required. Will you be providing limited diagnostic services, or full service? If services are limited, will your referral sources favor a better equipped competitor's facility? Will you be competing for patients with a government financed service which is better equipped and charges the patient nothing? You may well end up being the long-range loser!

How much debt should you incur? As with most business ventures, unless you are independently wealthy you must arrange a business loan large enough to pay rent, acquire equipment, pay salaries including your own, pay operating expenses, acquire furnishings, acquire office machines, forms, stationery, printing, telephone, insurance, and pay the loan payment itself for approximately a year or until you project the business will be operating at sufficient capacity to become self-supporting.

Will your business be flexible enough to provide the changing services that your referral sources desire? Are you willing to work cooperatively with other audiological facilities? If not, are you prepared to accept professional criticism, and possible business decline?

You now have a business venture to finance. Five or six patients a day is not a financially viable caseload. Are you willing to see 20 patients a day? Or more? Are you able to handle those numbers yourself? The number of patients you will have to assess in a day will increase to the point that your clinical procedures must, by necessity, be streamlined. You must develop shortcuts you may not presently accept. Counselling must be severely restricted. Can you abbreviate counselling and still remain effective? Are you willing to work very hard for considerably

more than 40 hours a week? Are you willing to work weekends and evenings if required? Can you integrate a very active and time-consuming business with a successful marriage and family life? Can your family?

If the above considerations cause doubt, do not opt for private practice. If you find the above considerations challenging, you may well be quite successful in a private practice.

Another potential business activity relates to industrial audiology. The industrial audiologist in private practice must possess all of the business skills previously mentioned, as well as salesmanship. In order to provide a full service you will require some type of mobile unit equipped to test hearing and to measure and analyze sound. Your professional skills must include the ability to rapidly determine puretone thresholds accurately, take effective case histories, measure and analyze sound, write technically accurate analysis of sound reports, recommend effective hearing protection, understand machinery, organize large numbers of employees, consult with management on a financial basis, consult with unions, work with health services, train personnel in industrial settings, and exercise extreme flexibility in fitting your service into busy production schedules. You must be skilled in sales, or you will not receive sufficient contracts to remain in business. You must keep well-informed on hearing safety regulations. Are you willing to test hearing of workers as they come onto the Saturday midnight shift? As they come onto the 6 a.m. shift on Sunday morning? Can you live with this type of schedule? Can your family? Industrial hearing conservation is very important work, and can be extremely rewarding for the right person. Make sure you are that person before embarking on such employment.

Private practice audiology services can embody many different facets. These practices are important and needed; they fill a gap previously

unfilled by most traditional employers. This type of business can be supremely satisfying both professionally and financially. Be aware, however, that most people do not possess the appropriate business skills to operate such an endeavour successfully. If you have any doubts about any aspects of self-employment, avoid

private practice. On the other hand, if a realistic assessment of your business skills, your professional skills, your personal needs, and your desire to operate a business are strongly positive, a private practice is probably the direction in which you should develop.

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