

**Oakland University - Physical Therapy - Winter 2018**  
**OU - PT 8300 - Administration & Practice Management**  
**Mondays - 1:00 PM to 3:50 PM**

**Course pre-requisites:** Admission to PT Program or consent of Program Director and Instructor  
**Contact hours:** 3-hours/week lecture, 1-2 hours/week prep/projects

**Instructor:** Kathleen "Jake" Jakubiak Kovacek, PT  
[Jake@PTManager.com](mailto:Jake@PTManager.com)  
313-516-5691 cell (text messages welcome)  
313-286-0913 home fax

**Office hours:** Available after most class sessions or by appointment

**Course Description and Purpose**

Discussion, lecture, individual and group experience to inform the student on various aspects related to physical therapy administration and practice management including health care policies and impact on practice, advocacy, financial management (billing, payment, health insurance reimbursement), marketing, public relations, regulatory and legal requirements, risk management, staffing and continuous quality improvement.

**Expectations**

Upon completion of the course, the student will have met the stated objectives and will have demonstrated competence by successfully

- Passing Sections, A, B, C of Project 1- *Design a Physical Therapy Practice* (group project)
- Passing the exam on Finance, Reimbursement and Marketing (individual)
- Synthesizing all components of the class into a formal 20-minute group presentation of a business plan for a physical therapy practice to a mock investor (Jake) as if she were pursuing equity investment for a new practice (group project)
- Passing Section D of Project 1- *Executive Summary of Design a PT Practice* (group)
- Submitting your thoughts on your future *Role as Leader* - with details noted in Project 2 in this syllabus (individual)
- Attending and participating actively in class (individual)
- Critiquing via self-evaluation and group evaluation how you and your group performed as a team (individual submission)

**Objectives with current Commission on Accreditation in Physical Therapy Education (CAPTE) Applicable Standards listed**

1. Describe the evolution of the United States Health Care System and the role of the physical therapist within that evolving system. (7B)
2. Discuss management theory and organizational behavior as it relates to health care and physical therapy including span of control, delegation and division of labor by creating an organizational chart for a PT practice that demonstrates organizational authority. (7B)
3. Identify trends in the environment and evaluate their impact on physical therapy. (7B)
4. Adhere to legal practice standards, including all federal, state, and institutional regulations related to patient/client care and fiscal management. (7D1)
5. Report to appropriate authorities suspected cases of fraud and abuse related to the utilization of and payment for physical therapy and other health care services. (7D3)
6. Advocate for the profession and the healthcare needs of society through legislative and political processes. (7D14)
7. Describe the various processes involved in the successful creation of legislation at the state and federal level as it relates to physical therapy. Identify effective advocacy strategies. (7D14)
8. Assess health care policies and their potential impact on the healthcare environment and practice. (7D41)
9. Participate in the financial management of the practice setting via the group project, including billing and payment for services rendered. (7D42)
10. Create a budget for a typical small physical therapy practice via the group project, including expenses and revenues and understanding the break-even analysis. (7D42)

11. Participate in practice management, including marketing, public relations, regulatory and legal requirements, risk management, staffing, and continuous quality improvement. (7D43)
12. Develop a simple marketing plan for a proposed outpatient physical therapy clinic. (7D43)
13. Compare and contrast product and service marketing concepts. (7D43)
14. Consider potential employee/employer conflict situations in the work setting & discuss conflict resolution. (7D43)
15. Evaluate a variety of payment and reimbursement mechanisms typically encountered in physical therapy in Michigan and the USA. (7D42)
16. Use the current Medicare Fee Schedule and the Current Procedural Terminology (CPT) coding system to understand a simple charge master for a physical therapy practice for any location in the USA. (7D42)
17. Utilize current Michigan and USA laws to define legal PT practice and identify behaviors that may place the physical therapist or their employer at risk for civil or criminal lawsuits involving potential fraud, negligence, abuse, harassment, occupational and environmental safety deficiencies. (7D41)

**Instructional Methods**

Lecture, discussion, group exercise, individual study.

**Textbook**

Nosse, LJ, Friberg, DG, Managerial & Supervisory Principles for Physical Therapists  
Third Edition Wolters Kluwer/ Lippincott Williams & Wilkins: 2010, 2005.

**Requirements / Grading - See OU PT Grading & Academic Integrity Policy**

<u>With Optional Final Exam</u>	<u>Without Final Exam</u>
25% final written exam	0%
40% on Project 1 – Design a PT Practice	56% on Project 1
5% on Project 2 – Role as a Leader	7% on Project 2
25% exam on healthcare finance, reimbursement and marketing	30% on Exam
5% class participation/ attendance and self/group evaluation	7% on participation

**Due Dates** - may turn in Section D (Executive Summary), Self/Group Evaluation and Project 2 (Role as Leader) on or before 4/16/18 during class. **Turn in Hard Copy please.**

Exam on finance, reimbursement & marketing	Class 9	03/19/18	
Project 1 Section A	Class 5	02/12/18	
Project 1 Section B	Class 8	03/12/18	
Project 1 Section C	Class 12	04/09/18	Groups 1, 2, 3
Project 1 Section C	Class 13	04/16/18	Groups 4, 5, 6
Project 1 Section D	Class 13	04/16/18	
Project 2 and Self/Group Evaluation	Class 13	04/16/18	
*Final Exam (if needed)	Class 14	04/23/18	

\*No final exam will be needed if the individual meets the following criteria:

- A grade of 90% or above is received on each of the first three sections of Project 1, Design a PT Practice.
- Successfully pass the Exam on finance, reimbursement and marketing.
- Successfully participate in class.
- Thoughtfully complete the self / group evaluation for Project 1, Design a PT Clinic.
- Thoughtfully complete Project 2, Role as Leader.
- Understand that the grading weight will then be 56% on Project 1, 30% on Exam, 7% on class participation & self/group evaluation and 7% on Project 2, Role as Leader.

**MPTA Eastern District Meetings not yet finalized for 2018. Jake will keep you posted**

**Class 1      1/8/18**

Topics:            Course introduction  
                      Review of assignments & course requirements  
                      The Health Care Delivery System  
Reading:        NF Chapters: 1 & 2

**No Class on Monday, 1/15/18 - Martin Luther King Jr. Day - OU observance**

**Class 2      1/22/18**

Topics:            Physical Therapy as a Business  
                      Business Forms/ Structures  
                      Management Leadership/ LAMP  
Reading:        NF Chapters: 11, 12, 13, 14, 15  
Resource:       LAMP Document – APTA Section on Administration & Health Policy  
Resource:       Tannebaum and Schmidt article – Harvard Business Review Classic Article

**Class 3      1/29/18**

Topics:            Human Resources  
                      Affordable Care Act – still US law in 2018. Repeal of ACA failed; but US tax bill impacted ACA by removing individual mandate. Potential impact on Physical Therapy Services.  
                      Understanding Medicare  
  
Reading:        NF Chapters: 7 & 17

**Class 4      2/5/18**

Topic:            Marketing Your Physical Therapy Business  
                      Affordable Care Act / Understanding Medicare - continued  
Reading:        NK: Chapters 18 & 19

**Class 5      2/12/18 - Project 1 - Section A Due – Turn in Hard Copy please**

Topics:            Marketing Yourself  
                      Jurisprudence Essentials  
                      Internal Environment – Productivity in PT practice  
Readings:      NF Chapters: 5, 6, 8  
Resource:       Recruitment & Retention of Physical Therapists

**No Class on Monday, 2/19/18 - OU Winter break**

**Class 6      2/26/18**

Topics:            Economics and Finance of Health Care and Physical Therapy  
Readings:      NF Chapters: 20, 21

**Class 7      3/5/18**

Topic:            Reimbursement – Basics  
Readings:      NF Chapters: 20, 21  
Resource:       Medicare Fee Schedule

**Class 8      3/12/18 - Project 1 - Section B Due – Turn in Hard Copy**

**Note:**      **Return original Section A with any corrections also**

Topics:      Reimbursement – Advanced  
                  Fraud and Abuse  
                  Diagnostic and Procedural Coding  
Readings:    NF Chapters: 20, 21  
Resource:     Reimbursement Grid, Life Cycle of a Claim

**Class 9      3/19/18- Exam on Finance, Reimbursement & Marketing**

Topic:        Facility Planning  
Resource:     Plant layout & major functions

**MPTA Student Conclave & Spring Conference- Pain Summit**

Friday, 3/23/18 & Saturday, 3/24/18 – Registration opens at [www.mpta.com](http://www.mpta.com) in January 2018.

- Kellogg Hotel & Conference Center
- MSU Campus, 219 S. Harrison Road, East Lansing, MI 48824

**Class 10      3/26/18**

Topics:        Advocacy/ External Environment/Time Management  
                  Quality Improvement/ Risk Management  
Readings:    NF Chapters: 3, 4, 9, 10, 16

**Class 11      4/2/18**

Topics:        Special Issues / Entrepreneurship/ Personal Financial Decisions  
                  Physician Owned Physical Therapy Services/ Referral for Profit Businesses  
                  Direct Consumer Access to Physical Therapy Services  
Readings:    NF Chapters: 22, 23

**Class 12      4/09/18      **Project 1 Part C Presentation from Groups 1, 2, 3****

**Class 13      4/16/18      **Project 1 Part C Presentation from Groups 4, 5, 6****

**Class 14      4/23/18      **Reserved for Final Exam - if needed****

**Turn in ALL assignments on or before 4/16/18 – Hard Copy Please**

**Project 1 – Design a Physical Therapy Practice**

You will be one of 5 or 6 members of your group of Physical Therapists who will design a PT practice. Your livelihood depends on your successfully selling your ideas to a venture capitalist (Jake) who is looking to invest in a start up practice. You may choose the type of practice. Your payroll must be at least \$500,000 annually. Your decisions must be based on sound business principles and rational thinking.

The assignment will consist of 4 separate steps – each built upon the previous. All members of the group are expected to have input into all components of the assignments, each segment must be prepared and presented by a different member of the team. Grading will be both individual and group. Group members will evaluate each other's contributions to the group via the self/group evaluation form.

### **Project 1 – Section A – Turn in hard copy please**

1. Define the type of practice, its location and your reasons why you chose these. Name your clinic - Be creative! Briefly name your competition.
2. Include a brief "Addendum" from the Internet which includes the demographics of your geographic location.
3. Describe your management philosophy at the facility and why you think this philosophy will be successful. Describe how conflicts will be resolved.
4. Describe your staff via a brief job description with job title & job duties.
5. In a table format called Employee Expense, document what each job category will be paid in salaries & benefits.
6. In a table format called Revenue, document who will generate revenue and how much, including the rationale used to achieve the patient revenue amounts. If there are any non-patient revenues, include those also.
7. Draw an organizational chart for your facility.

### **Project 1- Section B -Turn in your original Section A with any corrections again**

1. Provide corrections/ changes/ responses to questions in comments from Section A.
2. Describe how you will recruit and retain staff at all levels of your organization.
3. Describe what you will do to comply with external regulatory agencies. Define what agencies will be important.
4. Describe what your marketing messages will be. Define the content and medium you will use. Describe your target audiences. Give examples. Include at least one brochure, flyer, "mini" bill board or other hard copy of what your message will be.

### **Project 1- Section C- Written Format - Turn in original Sections A & B again**

1. Provide corrections/ changes/ responses to questions to comments from Section B.
2. Describe your physical plant, its layout and all-important equipment. Identify traffic flow patterns for the patients and the staff through the facility and the areas of major functions.
3. Describe your documentation and billing functions. Define who will do what and how.
4. Prepare a brief budget with the following components identified:
  - Payroll and benefit costs
  - Supply costs (consumables – items that get used up & must be replaced)
  - Capital costs (non-consumables – low turn over items, e.g. exercise equipment)
  - Plant costs (building expenses, utilities)
  - Overhead costs (marketing, education, etc.)
  - Patient gross and net revenues (**include - Deductions from Revenue**)
  - Non-patient revenues (retail sales of lumbar rolls, education tools, etc.)

#### **Show your assumptions for all components of the budget.**

### **Project 1- Section C- Presentation - Give Jake a hard copy of your Power point.**

A 20-minute professional presentation with all members participating. Emphasis should be on persuading the class and the venture capitalist that your Physical Therapy Practice is worth funding.

1. Use audiovisual tools to "sell" your practice to your audience. **Must provide power point presentation (or similar medium) at minimum. Creativity is most encouraged!**
2. Be sure to request a specific dollar amount your group wishes to borrow from the venture capitalist. Describe the payback time table. Recommend using a Break-even analysis graph. .

### **Project 1 - Section D - Executive Summary of entire Project 1 and Self / Group Evaluation**

1. Section D: In 2 to 3 pages, summarize all components previously discussed in a format designed to convince the venture capitalist to invest in your project. Be persuasive in your writing style.
2. Section D is due on or before 4/16/18, but many groups find it more efficient to complete Section D when they complete their presentation.
3. Complete the Self/ Group Evaluation for yourself & each member of your group.

**Project 2 – Role as a Leader / Advocate**

- In 1 to 2 pages, discuss your thoughts about your role as a leader/manager & advocate in physical therapy.
- How have your thoughts on these roles changed as you've taken this course?

Note: Section D (Executive Summary), Self/Group Evaluation and Project 2 (Role as Leader) are due on or before 04/16/18. **Please turn in hard copy.**

**OU PT Grading & Academic Integrity Policy**

GP Numerical	Letter	Percent		GP Numerical	Letter	Percent		GP Numerical	Letter	Percent
4.0	A	100 - 96		2.9	C	79		1.9	D	69
3.9	A	95		2.8	C	78		1.8	D	68
3.8	A	94		2.7	C	77		1.7	D	67
3.7	A	93 - 92		2.6	C	76		1.6	D	66
3.6	A	91 - 90		2.5	C	75		1.5	D	65
3.5	B	89		2.4	C	74		1.4	D	64
3.4	B	88		2.3	C	73		1.3	D	63
3.3	B	87 - 86		2.2	C	72		1.2	D	62
3.2	B	85 - 84		2.1	C	71		1.1	D	61
3.1	B	83 - 82		2.0	C	70		1.0	D	60
3.0	B	80-81						0.0	E	59 and below

**Accommodations for Students with Disabilities:**

Any student with a documented disability needing academic accommodations is required to speak with the Office of Disability Support Services to make arrangements. The office is located in room 106 North Foundation Hall. For information or to make an appointment call 370-3266

**Academic Conduct:** Students are expected to adhere to the procedures for Academic Conduct described in the University Graduate Catalog. Please read and refer to the University Graduate Catalog, Policy on Academic Conduct. This policy states that “All members of the academic community . . . are expected to practice and uphold standards of academic integrity and honesty. Academic integrity means representing oneself and ones work honestly. Misrepresentation is cheating since it means students are claiming credit for ideas or work not actually theirs and are thereby seeking a grade that is not actually earned.” Examples of cheating include “cheating on exams, using books and/or notes when not authorized to do so, copying from someone else’s work or ideas without giving that person credit. Both direct quotations and paraphrases must be documented. Even if students rephrase, condense, or select from another person’s work, the ideas are still the other person’s and failure to give credit constitutes plagiarism of another’s idea.” This policy will be applied in this and all courses in the Program in Physical Therapy. Students found guilty of academic misconduct by the university will be subject university sanctions and to sanctions from the program by the Physical Therapy Promotion and Honors Committee including probation, suspension or dismissal.