Ownership of the audiology profession comes in many models. In today’s healthcare industry, it is common to see physicians partnering with other physicians within clinics and offices that share overhead and referral sources. With fluctuating reimbursement rates, high overhead and consolidated practices, it is rare to see a medical physician hang his or her shingle out the door as a sole practitioner. For a couple of ADA members, this team approach has been a successful venture. In the following pages, Dr. Bruce Vircks at Wolfe Clinic in Iowa and Dr. Ken Henry of Professional Hearing Services and The Dizziness and Balance Center of Northern Virginia share their experiences and advice for creating and developing professional relationships in the medical field while maintaining professional autonomy.
This article will be divided into two sections. In Part One, Dr. Vircks will discuss establishing professional equality including compensation and the importance of planning and executing growth of your portion of the clinic to maintain your position as an asset to the overall business. Through illustration from his own work, Dr. Ken Henry will discuss the importance of developing and expanding areas of audiology within different arenas.

Part I: Making the Right Connections
Bruce Vircks, Au.D.

As the Director of Audiology at Wolfe Clinic, a well-established ninety-year-old professional corporation, with about two hundred and fifty employees (including eighteen ophthalmologists, sixteen optometrists, two otolaryngologists and three audiologists with seven main offices, ten family vision centers and twenty outreach offices), I have had a lot of experience with preparing, establishing, and maintaining professional relationships within the medical field as well as with outside professions.

In our clinic, the four audiology practices are housed within four of the main offices, providing pediatric and adult audiology, hearing aid, tinnitus management and hearing conservation services. One of the audiology offices provides full ENT services, one with limited ENT and two have no in-house ENT services. Therefore, one of the four practices is busy with ENT and family practice referrals and the other three operate more like private practices housed within medical clinics. In the ENT-based practice, more staff is needed to service the ENT practice consistently and to provide hearing services to hospital patients. At the other practices, our professional relationships are with the eye clinic staff. Having good relations with the eye clinic providers is important, but the audiology-ENT relationship is most critical. Following are some strategies that may help you to develop good relations with the medical providers, right from the start.

First Impressions
If you are considering a new opportunity in a medical environment, your first meeting should be carefully staged to create a positive first impression. Do your homework! Gather as much information as you can about the work setting, staff, practice focus, patient volume and history working with audiologists. Research the business side of the practice and be able to have a good estimate of the cost of rent per square foot, equipment values and needs, and staff and space requirements to run various elements of the practice. If the practice was pre-existing, make contact with other audiologists who have worked in the setting. During my preparation, I spoke with the audiologist who was exiting our clinic and worked for part of a day to get a feel for patient flow and communication with the other providers.

Careful preparation for the first meeting is the key to developing a positive and respectful relationship that will benefit all of the key providers, you the audiologist as well as the other medical providers. Be prepared to propose your vision and your plan on how you will be an asset to the growth of the practice. During my interview process, I proposed that I would develop the balance, hearing conservation and hearing aid aspects of the practice, making the audiology component of the clinic much more productive. In exchange, I expected to be compensated in line with the other providers with a base salary and profit-sharing benefit. The first meeting laid the groundwork for a great relationship and financial opportunity.

Your first objective in the meeting or interview will be to impress upon your prospective partner or employer that you will be in control of your professional world and make the decisions about audiology practice management, fees, products, staff and scheduling. If you have multiple offices, you will need to have a general plan regarding how much time you want to spend at each office location for maximum use of your time and resources. Practicing in one office full time is more the exception than the rule today.

Compensation
Once you have created a good first impression, compensation is the next key topic. You should know your worth and the value you bring to the practice. Tabulate the elements of your desired compensation package, including base salary, profit share, 401K, insurances, professional education, memberships and other elements to help you to set your financial goals and expectations. There may be a variety of ways to structure a win-win financial relationship, including employer, employee, partner or contractor. At our clinic, all providers are employees with salary and bonuses based on productivity. Each provider is charged for overhead that is scaled to his or her productivity. For example, the percentage of revenues from the physicians doing surgery are higher than that of the physicians not doing surgery or the audiologists, etc., so the expense of the shared overhead is balanced based
on level productivity. This allows overhead values to maintain a fairly even level of gross compensation as a percentage of production across providers. Hence, this model offers an income incentive and fairly distributes the cost (overhead) to deliver and recover the production. The base salary, productivity-based bonus income and a comprehensive benefit package create a competitive total compensation package for all of the providers, regardless of discipline.

**Professional Relationship Development through Contracting**

Developing contractual relationships with potential referral sources outside of the clinic is extremely important to the growth of the business. As with many practices, the principal audiologist is often the person to network, to initiate and to negotiate contracts to increase patient flow into the office. Developing outside relationships is time and labor intensive. It is important to have an ongoing professional development plan that continues to evolve as needed so that if outside referrals change, the plan continues to be employed. In my 25 years in the community, I have looked at who might need audiology services. I personally contacted the major industries in the area to determine who was handling their hearing conservation program and if they needed testing or follow-up services, then negotiated pricing and scheduling. I made presentations to local service clubs, which connected my clinic with a number of businesses. I became involved with the Lions Hearing Aid Bank and local infrared system installations. I also had received mailings from HearPO and HearUSA and decided to sign on in order to increase my visibility and direct reimbursement. Rotary put me in touch with local officials, which helped to set up relationships with the water, police and municipal employees. Working under the umbrella of Wolfe Clinic is extremely beneficial because it is widely known in the area and is the preferred provider of eye, ear and hearing services. Below are some key contractual relationships that I have developed within the following categories: Local Governmental Agencies, Local Industries, Veterans Administration Vendors, Commercial HealthCare Providers, and Other Non Medical Professionals.

**Local Governmental Agencies**

- **Area Education Agencies**
  
  We work with educational audiologists in our four markets to coordinate diagnostic and hearing aid services for children. The educational audiologists coordinate the school-based FM and classroom amplification systems.

- **Industrial Contracts**
  
  We work with the Water Treatment Plant facility and the City (Public Works, Motorpool, etc.)

- **Vocational Rehabilitation**
  
  Audiology and hearing aid services are provided by the state for Vocational Rehabilitation. In recent years, the coverage for hearing aid services has been restricted.

- **Medical Assistance (Title 19)**
  
  We are among the few providers in our markets for audiology and hearing aid services to this population since most of the retail hearing aid dealers will not.

- **SWAT team/Police Department**
  
  Refer for custom molds for their radio systems.

- **Public Health Service**
  
  Audiology and some hearing aid services.

**Local Industries**

- **Fisher Controls**
  
  Their industrial hygiene department completes routine industrial audiograms, but they refer for audiology, ENT and follow-up industrial audiograms to evaluate standard threshold shift (STS). They also refer for some custom ear protectors.

- **Industries (such as Lennox, Swift, Dow Chemical):**
  
  They complete their own annual audiograms but refer for asymmetrical losses, some custom ear protectors and STS evaluation.

- **Veterans Administration Vendors: CES and LHI**
  
  Industrial audiograms and some comprehensive audiograms for active military

**Commercial Healthcare Providers**

- **HearPO:**
  
  In this relationship, patients pay discounted fees for diagnostic audiology and hearing aid services. Hearing aid choices are restricted to vendors within
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their network, which may vary over time and may not be your favorite choice for each patient.

• **HearUSA:**
  A per-office annual fee is part of this contract. Prices and discounts for services will vary with this plan because HearUSA develops different contracts with each insurance carrier.

**Other Local Contract Relationships**

• **Lions Hearing Aid Bank:**
  I help to manage the Iowa Lions Hearing Aid Bank that collects, tests, categorizes and distributes donated, used hearing aids to needy individuals. These patients are screened by local Lions Clubs, who pay a flat fee for audiology and hearing aid services. Partnered with the Lions club to install infrared listening systems in the local community theater and civic auditorium.

**Diversification**

As you can see from this partial list of contracts that we have in place at Wolfe Clinic, development of outside relationships allows your practice to grow independently of the internal referral sources inherent in a multidisciplinary practice. Since the diversification of your practice depends on the development of a network of local contacts, maintaining a visible position in the community is helpful. Taking on leadership responsibilities in local service clubs, the United Way, your church, the Community Theater or orchestra will help to keep you connected with local leaders who may need your services. As the professional, you can represent the face of audiology in your community.

**Part 2: Positive Relationships with ENTs and Other Providers**

Ken Henry, Au.D.

**Practice Overview**

The parent company of Professional Hearing Services and The Dizziness and Balance is Ear, Nose and Throat Specialists of Northern Virginia. The corporation is a partnership among the otolaryngologists. The corporation employs over 50 people at four office locations and two hospital centers. The audiology division has developed and expanded into three unique divisions:

• Professional Hearing Services (PHS)
• The Dizziness and Balance Center (DBC)
• Newborn hearing screening program and infant diagnostic assessment program (NHS)

Partnering relationships and expanding internal referrals (within the group); external referrals (practitioners outside the practice) and independent medical and industrial contracts has been important to the professional and economic viability of the group. Inherent in this business/relationship model is recognizing that dynamic partnerships outside the practice are more feasible economically and professionally than the conventional internal referral (self-contained) ENT/audiologist practice model.

In the typical ENT practice model, the referral process is often insurance driven. In other words, the initial relationship between the patient and the provider is established and directed primarily by the insurance referral process. Referrals to audiology often result secondary to that initial referral to ENT. Furthermore, referrals to ENTs are also often the result of direct referrals by other medical practitioners. As audiologists we may not be quite so fortunate to have a direct referral
process via insurance or direct referral from medical practitioners. Frequently, private practitioners rely upon advertising and marketing to develop traffic in the office. While this is important, establishing and fostering business partnerships or relationships are just as important for private practitioners in audiology. It is a time consuming and labor intensive process but ultimately well worth it. At Professional Hearing Services (PHS) the emphasis has been and will continue to be to pursue opportunities outside of the framework of the corporation. Establishing and pursuing additional professional relationships with other agencies and groups is the focus of this paper.

Expansion with Three Distinct Areas of Service

Professional Hearing Services

PHS is a comprehensive audiology facility which performs adult and pediatric hearing assessments. Not surprisingly, dispensing is an important component of the services provided by PHS but certainly not the only one that continues to be expanded (see Figure 1).

The Dizziness and Balance Center

DBC predominately provides diagnostic vestibular services which include ABR, tympanic electrocochleography, VNG, Rotary Chair, Active Head Rotation, Platform Posturography, VEMP and other electrophysiologic services (see figure 2). The services provided by DBC also depend to a large extent upon referrals from external sources. These referrals result in approximately 25% of our gross revenue. While many of the referrals are generated by the group physicians, well over half of the medical referrals originate from outside the practice particularly from neurology and other ENT physicians. DBC and PHS now employ thirteen audiologists and an audiometric technician as a result of service expansion.

Neonatal Hearing Screening

PHS developed a relationship with neonatology and with a hospital corporation. In 1997 we engineered an agreement with a suburban hospital in Northern Virginia to provide newborn hearing screening services. This agreement was in anticipation of the Virginia legislature passing a mandate, as other states have, which require hospitals to provide universal newborn hearing screenings. Virginia subsequently passed the mandate in July 2000. We developed a close relationship with the chief of neonatology who endorsed the concept of universal newborn hearing screening. We initially entered into a relationship and agreement with neonatology to provide the services as part their group. In essence, we became a subcontractor, and the agreement for provision of services and the financial arrangements for fee-for-service reimbursement were with neonatology (not the hospital). Thus, we were able to incorporate the universal newborn hearing screening with informed consent into the delivery process at the hospital well before the screenings became state mandated. Not surprisingly, this was not economically feasible for the first two years. However, the blueprint was established to expand our service model to another much larger hospital within the same hospital corporation. When the mandate for universal newborn screening was enacted we had already established medical/business relationships with neonatology. Then we began negotiating directly with the hospitals for the direct provision of services to the hospital system. Now, ten years later, the newborn hearing screening program employs ten hearing screening technicians with supervisory audiologists that oversee the screening and diagnostic evaluation of over 15,000 newborns a year. The economies of scale resulted in the contract hospital program being professionally viable and economically feasible and provided the mechanism for additional contractual agreements with the hospitals. The services of an audiologist are now available five days a week to perform comprehensive pediatric electrophysiologic assessment (neurologic and audiometric assessment). We are providing routine Audiology services as well as participating in a number of chemotherapy protocols in the pediatric units.
Developing the initial relationship with neonatology as well as the department of pediatrics was instrumental securing a direct relationship with the hospital and developing this rather large undertaking. The success of this contractual relationship began with developing a close professional relationship with neonatology and ultimately will result to expansion to three hospitals and comprises 18% of the gross revenue generated by audiology.

**ENT and Professional Hearing Services**

Although, the newborn hearing screening and diagnostic electrophysiology program was developed independent of ENT, it was successfully accomplished precisely because the relationship we have with ENT. While ENT did not initially foresee the benefit to a program that was so "labor intensive" they nonetheless supported the initiative, realizing we had developed a working relationship with neonatology and pediatrics. Our healthy professional relationship with ENT helped as they understood that PHS had a professional and philosophical interest in developing the program. The hospital-based program continues to evolve and expand with other hospitals.

Incidentally, not all of the "contracted" hospital-based services have been successful. Early on we attempted to provide intraoperative monitoring and vestibular assessments on a contract basis through the neurodiagnostic/EEG laboratory at the hospital. While the services provided by The Dizziness and Balance Center have been quite successful, the administration of these electrophysiologic and vestibular services were not so successful at the hospitals. Unfortunately the services were inadequately utilized and improperly used. These aspects of the hospital program were not economically viable. We ultimately discontinued these services since there was benefit in the service provision and focused predominately on pediatric services. Fostering External Business Relationship

Because of a strong relationship (mutual understanding) with our corporate ENT counterparts, we have been able to expand in directions that otherwise may not have been considered in a conventional ENT/Audiology model. The advantages of course are obvious - professional independence and clinical and economic diversity. Some of the business relationships worth mentioning are: QTC Management Services, National Rifle Association, Federal Bureau of Investigation, Public School System, Industrial Screenings, Nursing Home Services, National Provider Groups, and Hospital Contracts.

Business relationship models, particularly with physicians or medical facilities, must be established by developing close working professional relationships based upon mutual benefit and the provision of a valuable diagnostic or rehabilitative service to the facility or community. Intrinsic in that agreement are formal guidelines about how the economics of the relationship will work. One must also be mindful that certain aspects of providing diagnostic or rehabilitative services may or may not work depending upon work flow and referral sources. The emphasis here is that establishing business relationships should improve traffic and hopefully these relationships will be financially viable. While I am not promoting a "if you build it they will come" practice model, your services are highly dependent upon developing professional relationships and service relationships. This is perhaps more important in audiology than by other medical providers, unless you are marketing directly to consumers. Having unique services or a market niche will certainly help to develop business relationships with physicians or service groups. Likewise so will having a comprehensive array of services (see Figure 2)

**Autonomy and Financial Independence**

Developing non-medical professional relationships with other service providers such as those mentioned above are likewise important even though these relationships may be somewhat less formalized than a hospital agreement or an agreement with medical practitioners. The premise is to build additional traffic and revenue so as to not rely solely upon marketing campaigns for referrals. These business/professional relationships may also provide element of stability and diversity of traffic flow. In some cases the business relationship may involve going to the business location for conducting industrial screens or to provide ancillary assistance to the public school system for hearing aid or classroom related services. In our practice, we have been providing audiological and tinnitus examinations for military examinations and disability evaluations for the Veterans Administration. Because of the diversity of our services we have been able to expand to include occasional vestibular examinations as well.
The benefit of building these outside relationships is to provide a degree of autonomy and financial independence. These relationships provide the opportunity to enter into formal or informal business agreements or contracts outside the framework of a typical audiology/ENT practice. The feasibility of multiple business agreements and relationships cannot be overstated given the current economic climate. These relationships should be continually fostered and encouraged. Indeed, I surmise that most of us do not do enough to maintain frequent contact with medical providers as valuable as they may be. It is helpful to periodically meet with your referral sources (medical and nonmedical) to discuss the provision of services and to discuss other services you may be able to provide. Other than direct consumer marketing, developing referral sources is perhaps the most important avenue for developing stability and revenue.

Bruce Vircks, Au.D., is Audiology Director at Wolfe Clinic, with offices in Marshalltown, West Des Moines, Cedar Falls and Ames, IA. He has volunteered with the Iowa Lions Club to establish and manage the Iowa Lions Hearing Aid Bank program since 1995. Dr. Vircks currently serves as the Treasurer of the Academy of Doctors of Audiology.

Dr. Ken Henry is director of Professional Hearing Services & The Dizziness and Balance Center. Professional Hearing Services is a multi-office audiology/ENT practice in Northern Virginia with a staff of ten full-time audiologists; three part-time audiologists and six Ear, Nose & Throat Specialists. He is also the supervising audiologist for the Inova Fairfax Hospital Neurodiagnostic Laboratory where OAEs and evoked potentials are performed on infants and children for hearing assessment and neuro-otologic assessment.