

Ep #88: Strategies Needed to Thrive in Private Practice with Chip Hart



Full Episode Transcript

With Your Host

Dr. Una

The EntreMD Podcast

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Hi docs, welcome to *The EntreMD Podcast*, where it's all about helping amazing physicians just like you embrace entrepreneurship so you can have the freedom to live life and practice medicine on your terms. I'm your host, Dr. Una.

Dr. Una: Well, hello, hello, everybody. And welcome to another episode of *The EntreMD Podcast*. I am so excited because I have a special guest here, Chip Hart. He was on last year and it turns out his episode was the most downloaded episode of 2020. So, we're here, we're back to talk about all things private practice. If you do not know him, he is a private practice consultant, has been for over 30 years. He looks 30, so I don't know how, but over 30 years.

Chip: That's right. I think it's a little white up there...

Dr. Una: Just a tad bit, maybe. Yeah, so I'm super-excited to have him back on. And this is going to be a really great episode. I want you to lean in on this one and even before we get in, I'm going to tell you, for anybody who's in private practice, you need to go share this with them. They will thank you forever. So, welcome back to the show, Chip.

Chip: Thank you. I have to say, I'm a little surprised that we had the most downloaded episode, and then I realized, it's because we did it in February and everyone had 12 months to do it. So, it's cheating a little bit.

Dr. Una: No. We had January episodes. It's because it was really good.

Chip: It's true. But think of how easy everything was in February 2020. We thought it was going to be a tough year, we were going to have to work hard, but everything would be normal. Never again.

Dr. Una: We had no idea. We had no idea whatsoever. Alright, so we have a lot to talk about today. So, I'm just going to get right into it. And, you know, you did a really good job all of last year, kind of keeping people abreast of what was going on with private practice, how to adapt, and all

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those kinds of things. So, we're here, almost a year into the pandemic. And I want you to give the listeners kind of an idea of the state of private practice in 2021.

Chip: Okay, I'm pausing because I told you, I warned you, I said I wanted to ask you some questions. And I'm going to ask you a question or two, because in theory it will lead me to my answer.

Dr. Una: Okay.

Chip: So, my question to you is you did the same thing. You and I have had parallel paths over the last year because I've spent a huge amount of time on camera, on a mic, emailing, calling people. As you know, Paul Vanchiere and I did the COVID webinars every week for months. We had as many as 1500 people live on any given Thursday night and we have thousands of people in the forum.

And all I felt like I was doing was just spewing information. Like, I'd get something in one ear and I would just be sharing it. And you're much more controlled and normal about it. But I feel like you and I have been on parallel paths to some extent. So, my question to you is, before I directly answer, what are you seeing?

And I'm asking this question for two reasons. One, we're going to get back to my answer. Second, because when I was on your show last time, I was a maniac and I didn't let you get a word in. So, I want to actually hear from you, what did you see in 2020 that gives you hope for 2021? That's my question.

Dr. Una: Well, I think the biggest thing I saw – well, some gave me hope, some was like, that was just bad. The reality is a lot of private practices did shut down. That happened. But a lot of private practices did really well. And the big difference I saw was some people decided to adapt and decided to be entrepreneurs.

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In private practice, kind of we're doctors that own practices, not really thought of as a business per se, in a way. But these are people who are like, "Well, we are going to do sales and marketing." We don't call it that. We call it the recaller, we call it sending out emails, we call it educating our people to overcome the objections that are stopping them from coming into the office, we call it networking, all kinds of stuff.

But the practices that adopted that seem to do really well. And I saw a lot of people start practices. And because they started from a different standpoint, they did pretty well. I had people, clients of mine, who started off their practice with a waiting list.

Chip: I spoke to one of your clients yesterday. She emailed us. You know who I'm talking about, down in Hawaii. That narrows it down a little bit. She emailed me because she started a practice in the middle of the pandemic and already has a full panel. And that made me so happy to hear that story.

Dr. Una: Yeah, and to see that happen is like, wait a minute, what is going on is awful but there's hope. There is. So, that's kind of what I noticed.

Chip: Alright, so you've given me enough to talk to you for two hours with just those comments. So, I will cram two hours into a couple minutes here. But first of all, I couldn't agree more. I mean, I've seen – and for those who don't know, my specific area of expertise is independent pediatric practices. But certainly, what's happening in other, particularly primary care practices, is very, very similar. There are differences, certainly, but not substantial differences.

What we saw, I will tell you, early April when I was really hearing from my clients and seeing what was going on, and also when we all learned that was the biggest drop-off, I was panicked. I was panicked for my clients. I was really afraid. Like, we're going to see the end of physicians practices or, in a way, what I was expecting is we were going to see a massive

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change in physician practices starting to go cash-only. I mean, that's what was going to happen.

Pretty slowly but steadily, things returned. Not to normal and not to the way they were. But between a general and appropriate focus and necessary focus by pediatricians on chronic disease management and well visits, like you know, how many times have I yelled at you about that? 1000? That really broke through and that saved so many pediatric practices. That saved pediatric practices, returning to the distinct competency of pediatricians, which is doing well visits and managing chronic care for kids.

Because I'm going to say, right now, what COVID did is expose a lot of weaknesses in your businesses and in your mindsets. I mean, you know that so many doctors, even pediatricians who make so little money, they did not realize how nice they actually had it and they'd taken their business for granted.

Dr. Una: Okay, I'm going to stop you right there because that is really good. I want to make sure nobody misses it. Because we are in times when it sucks, the reimbursement sucks, and all this stuff. And it's true, in a way. But at the same time, we didn't know how good we had it. And that's the truth. And COVID exposed that and helped us take advantage of it. So, this is good. I just want to make sure people got that perspective. So, go ahead.

Chip: I am, in this role, what I do in my life, I am what my wife likes to call a truth-teller. I have no problem telling brutal truth to these practices because hearing – I'm going to try not to get political. But we are now witnessing the results of people not speaking truth, okay, in this country.

The truth is, in order to succeed as a physician, you have to work your butt off. That is the truth. There is no golden ticket. It's not easy. But if you do it right and you work hard, you will go farther and do more intrinsically for yourself and for your community, but you'll also put more in your bank account than everyone else. That's the only real – those are the only two

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benefits. That's like saying, the entire world, you can get more money and you can get more reward. If you are feeling bad about yourself right now, imagine owning a restaurant in 2020. Imagine owning a car dealership. Imagine owning a hair salon. Imagine being a florist.

Does anyone think that a florist doesn't work from dawn until dusk? Does anyone think – running a restaurant is one of the hardest jobs there is. And those people have been wiped out. As a physician, you get a lot of people lamenting, "Like oh my gosh, my income is going to be cut by 30% this year." You still have an income. And a nice one. And actually, I have a lot of people who did better in 2020 and that's before the PPP money...

Dr. Una: Say that again. Please say that again.

Chip: I know so many practices who are sitting on so much cash because of the PPP money, they're embarrassed. Now, don't get me wrong, there are some people for whom that PPP money was the difference between opening and closing. That was your last warning. What more did you need to be told by the powers that be that you weren't running your business right?

Don't get me wrong, someone out there is listening who did do everything right and was still unlucky. Yes, there are those people. Things happen, you try your best, you do your best, and you did everything right and maybe it turns out, for reasons we don't understand, you didn't park in the right location or maybe a hospital bought up everything. That stuff does happen.

But boy, if you're a pediatrician right now, the parents in your community are freaked out and they need guidance and they need help and they need someone to explain to them how they can get their kid safely into school and how they can manage – oh my gosh – the mental health crises that all the kids in the United States are getting. Talk about a growth business. And how do I work with my kid who – I don't know if you saw, I did do a little analysis of obesity during COVID and the initial data shows that there isn't

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necessarily an increase in the average BMI of children during COVID, which is good news. But there may be an indication that for kids who are at the ends of the BMI scale, those kids may be in more trouble. Which every pediatrician I know has a story of them.

So, that's your job. You actually have a job to do right now. And part of your job is not only keeping your – this is going to sound dramatic, but I really believe this. And you know I believe this because you know I'm crazy. I believe that pediatricians, and I will extend that to primary care, but again I live in the pediatric world. Pediatricians are saving America.

If you want me to repeat something five times today, that will be it. without pediatricians, you can't have kids back in school. If kids can't get back in school or if they can't manage school, you have parents who can't work. We have an enormous – the number of unemployed in the United States right now is measured in 10s of millions. We have to get our economy back on track or everybody's in trouble. And one of the two or three professions with the keys to that door are pediatricians.

Dr. Una: So, I'm running with that. When I'm on my way to go see my patients and people are like, "Where are you going?" I'm like, "I'm going to fix the economy." I love that.

Chip: You can't exaggerate that because rewind 2020, take the pediatricians out of it, you've got millions of kids who are sitting in their rooms on phones, no social interaction, no one's eyeballing them for depression, no one's eyeballing them for appropriate developmental care, no one's giving them vaccines. I mean, pediatricians are so crucial to the framework and mesh of a healthy economy. Certainly, in the face of a pandemic.

And so, I know that when you went to med school and you graduated three years ago and, you know, I'm speaking to some newly minted physician out there, you went to med school, you got out of there thinking, "Okay, I've got

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about 200 grand of loans I've got to deal with. I've got a spouse who I barely see, but we're going to have a kid anyway, or we just had one. I've got a mortgage. I did not sign up to save the United States. That wasn't what – when I said I wanted to be a doctor, I just wanted to go into an exam room, use my brain, and help some people.”

But you're not actually in control of everything that happens to you. And one of the things you're not in control of is the fact that you are, I'm going to say, you are responsible for the health of the United States right now. You are. And if you don't want to be, okay, don't focus on that. Focus on taking care of your kids.

But the fact is, without the aid of all of these frontline healthcare workers – and I'm putting these pediatricians on a pedestal. I don't mean to do that. It is everybody. The people who are the MAs, the MPs, the front desk people, the people who are taking care of billing and being empathetic and kind and understanding right now, people having challenges paying their bills, all the people who are making sure that the lights are on and that the water is running, that stuff is crucial.

And what COVID did was expose to our entire society – and by that, I can only speak to America. I mean, I know what's happening in other countries, but we don't “know” it, right? In our society, in American society, we just were given a huge clue that we live in a little bit of a house of cards. It was two weeks into a pandemic. And how many people had died two weeks into it? 10,000? I mean, we're at 300,000 right now?

Dr. Una: Probably about there.

Chip: Yeah, okay, it might not have even been that many, and certainly not the millions who have been infected. Two weeks into the pandemic people were being unemployed. People were going out of business. People were calling for the government to start spending money. And I'm giving that

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example because two weeks into the pandemic, I knew practices who were already furloughing staff.

So, to bring us all the way back to the topic of your conversation, a full-time pediatrician generates \$600,000 of revenue a year. Just to use that as a rule of thumb. I do this a lot. \$600,000 a year. Let's say you're in a practice with four pediatricians and you're all full-time. I realize, you might all be part-time. I realize my numbers might not fit you. But adjust them for you.

So, you run a \$2.5 million business. It annually generates \$2.5 million a year. And you went two weeks without cash flow and you had to start laying people off? What kind of business are you running?

Dr. Una: Wow, when you put it that way...

Chip: I mean, how did a \$2.5 million business with a margin, arguably, of as much as 30%, how did that business run out of cash so quickly. You'll have to pardon me. We live in a town on the northern border to the F35s are going to fly over quite a bit. They call it the sound of freedom. Everyone here calls it the sound of wrecking your video.

All of these practices, all of these doctors have set their businesses and personal lifestyles up so that all of the money that comes into the practice, they pay their bills, and they immediately pay themselves. All the money goes right back out.

And what they didn't do is slow down and say, "How much cash do I need so that if something bad goes on for two or three months I can pay my staff?" So, I understand it's not easy right now. And again, if you're the person who's the second year out of residency, you're already up to your eyes in debt because you got a loan, you opened this practice, you know, you don't have a lot of cash left over, that's one thing. I get it.

But if you're in our 20th year of being a pediatrician – don't worry, it's only like two more. It drives us crazy – if you're in your 20th year as a

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pediatrician and you've been generating that revenue time after time, year after year after year and you didn't build a moat around your business to protect it from the things that could happen, you just got a top-shelf A-plus perfectly clear example of what could go wrong.

So, over the years of me doing consulting, the pandemic was a new one. But I have worked with practices where managing partners have died suddenly or where building fires have eliminated a practice, or, I mean, every dumb thing that you can imagine, the telephone guy's van backed into the telephone pole out in front of your business, knocked it over, knocked out the internet for your entire neighborhood for three months...

Dr. Una: Really?

Chip: Oh yeah, right in the middle of New Jersey. Crazy things happen.

Dr. Una: I couldn't have thought of that. Okay.

Chip: You should have me on sometime to tell you the crazy things that I've seen. But everything can happen. And so, you own a multi-million-dollar business. Even if you're solo, you own a multi-hundred thousand-dollar a year business. Secure that business. It's your obligation. It's your requirement. And you owe it to yourself. You owe it to your community. You owe it to your staff. You owe it to your patients.

So, when it comes to owning a business, you have been given all the clues you need to perhaps think about doing things differently in 2021. Am I making sense so far or am I on the same lunacy track that I was on last time?

Dr. Una: No, no, no because what I'm hearing is, you know, many people did very well. And then, also, that 2020 was a warning. So, not even that it was terrible. It was just a warning. It was an education. It showed us what we were missing, what we weren't doing well, the things we were taking for

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granted, like not having the emergency fund and thinking, “I can get away with it.” This was just a warning.

And what I was telling people at the end of the year, there was this whole thing of, “I can’t wait for 2020 to go away. I’m done with it. I’m ready for 2021.” And I’m like, “I don’t know why you’re ready for 2021 because as far as I can tell, it’s going to look like 2020. It may be worse...”

Chip: Nothing really changes on January first...

Dr. Una: Nothing magical happens when we go from December 31st to January first. Like, the problems that made 2020 what it was, they still exist. So, this leads me to, since that was an education, you know, like December of 2019, we could not have predicted 2020. It was, we could not have predicted it. But by December 2020, we could kind of predict 2021.

Chip: We have a much better idea of what’s going to happen.

Dr. Una: A much better idea. So, what would you tell private practice owners that they should be doing in 2021 to help them thrive? Because we’ve practiced. Now, we can do it like we mean it.

Chip: The first thing I would tell people is, stop trying to get back to normal. Stop trying to go back to the way things were. That ship has sailed. We will never – the pandemic has been the most revolutionary moment in the history of modern medicine. There is a dividing line that starts on March 13th 2020, before COVID. Everything we do for the rest of our lives, you and I, in our business, is going to be pre- and post-COVID because everything that you and I are used to doing – that is the last one, I think...

Dr. Una: We’re having an aviation class here too. Two for the price of one.

Chip: We have these billion-dollar F35s, the airport’s like a mile from here. Oh no, there’s one more. And they just run these things night and day,

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protecting us from ourselves, I think. So, trying to get back to the way things were is a mistake. So, that's the first thing I would tell you.

Dr. Una: And it's such a waste of energy. It's such a waste.

Chip: Absolutely, and clearly, going back to the way things were, it should be clear to you now, it wasn't even that great because you weren't practicing your best medicine. You weren't practicing your best business acumen. You were just sort of coasting.

Now, I realize, a lot of people are like, "No, I wasn't coasting. I was working 80 hours a week." But you were coasting by working 80 hours a week. This is really important. You were ignoring the work you had to do and doing the work that you were comfortable doing.

Dr. Una: Okay, I'm writing that down. That is so good. You're ignoring the work you were supposed to do and doing the work you are...

Chip: We all do that. I would rather sometimes play with spreadsheets for two or three hours than make a call to someone I don't want to make. And every doctor I know is like, when things get tough, they're like, the tough go into exam rooms. Which is not the worst thing that happens because at least when you go into an exam room, you're generating revenue. But when you have a pandemic and there are no patients...

Dr. Una: Yes, there's no exam room to escape in...

Chip: Why were doctors so anxious? Because they couldn't hide. That's a fact.

Dr. Una: That is so good. Okay, so number one, stop trying to get back to normal...

Chip: They have a new normal. So, the second thing I want those of you who own medical practices to think about is an expression that my father used to say all the time. He attributed it to Branch Rickey, who was the

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general manager for the LA Dodgers. He was the guy who drafted Jackie Robinson. But it was not Branch Rickey. It was Louis Pasteur, famous scientist, who had an expression that said, “Chance favors the prepared mind.” Which is another way of saying those who prepare for the future are more likely to succeed. I mean, that’s a silly way to paraphrase it.

So, a good example, or a better way to think about it, is I want everyone watching right now to think about people in their lives who seem to be perpetually lucky. Is it in fact that they are perpetually lucky and simply just the benefit of some sort of privilege or whatever the case may be? In some cases, maybe a little bit yes. Alright. But in a lot of cases, it’s because those people have been working really hard in the background to be prepared.

So, Dr. Una, are you lucky? Do you get up every morning and you throw off the sheets and say, “I wonder what blessing is going to be dropped on me today?” Or do you get out of bed in the morning and say, “Alright, I’ve got to go kick some ass because the only way for me to get ahead is if my feet are moving.” Which is it?

Dr. Una: Action, action, action, action, action. Someone said, “I believe in luck. And the harder I work, the more of it I experience.”

Chip: Exactly, that’s a perfect paraphrase of, “Chance favors the prepared mind.” And so, the difference between – I’m going to tell you a funny story in a second, but the difference between the practices who succeeded in 2020 and those who did not, it’s not universal but it’s largely those who got out of bed in the morning and said, “I’m going to do something about it,” and those who said, “I’m going to wait to see if this problem goes away.” That is the primary difference.

The people who pivoted, the people who embraced change, the people who maybe had a minute of whining and a minute of self-doubt and complaint but then turned around and said, “Alright, we’ve got a job to do,”

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those people succeeded. The people who are still emailing me asking me what I will now call 2019 questions, those people I fear for.

And so, in 2020 – I'm going to tell you a great... well, I don't know if it's a great story, but I'll tell you a little story in a second. But in 2021, the single most important thing I think a business owner can do – this is on a practical basis, not an emotional or strategic one. But the single most important thing you can do tactically is plan your cashflow.

So, if you do not have – every month, you should be looking at your cash flow. And for pediatricians specifically, I'm saying figure out what your expenses are going to be. How many people do you need working there? Have you spoken to your landlord about your rent? And in particular, what are you doing about your vaccines? That's 25% of your revenue goes in and out – unless you live in a universal state – with vaccines. How are you managing the cash flow?

There have already been two price increases announced. So, you've got to look at your business. You've got to look and figure out what your cashflow needs are going to be because I think – and Paul Vanchiere agrees with me on this. He and I have talked about it a little bit...

Dr. Una: Yeah, I've heard him talk about it a lot.

Chip: So, we actually think 2020 was more emotional and dramatic, this huge plummet. But it turned out, in the end, it was okay. 2021 is going to be the problem because none of you are going to have the sickness in volume. You already know this. You do not have the sickness in volume that you get every year.

This isn't just a bad flu season from a business perspective, not a clinical perspective. This is not just a bad flu season. This is a non-existent flu season. So, plan your cash. Figure out what's going to happen. As it relates to, "Chance favors the prepared mind," I will give you an acute example.

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One of my kids is a freshman in college right now. And last year as a senior, he took AP calculus. I know it will be surprising for you to learn that one of my kids is a nerd, alright?

Dr. Una: It's so surprising. I'm shocked. I can't imagine how that happened.

Chip: Don't know. So, he was taking AP calculus and his teacher is – and I'm going to give his name because my wife and I think he's just amazing. His name is Mr. Amoah. He's from Ghana. He would come to the high school – this is just a public high school in Vermont – comes to the high school in a suit every day.

And he sits the kids down. He is known, I think, as the toughest teacher in the school. So, COVID hits and the school system, or the high school, would send out a message saying, "There will be no homework today because of X and Y and Z." And two minutes later, Mr. Amoah would send out a message, "Here is a 90-minute calculus homework thing." And my kid would complain about it. He would be like, "Oh I can't stand it..."

So, when you take an AP class also, there's no final exam. That's the rule. When you take an AP class, your AP test is your final exam. Not for Mr. Amoah. All the seniors who take AP classes, they take their AP classes and they were done. Mr. Amoah is like, "Oh no, you're also going to take an AP calculus exam from me." My kid was livid because this was in the middle of COVID. His senior year is ruined.

So, what happens? He goes to college freshman year. He takes the math class that's supposed to split the kids. So, it's the filter math class, just like the filter organic bio class. If you can't get through this class, you can't be a math major, you can't do this.

And he calls me up and I was talking to him on the phone, he's like, "Oh yeah, you won't believe it. The professor was saying that one of the topics today they're just going to gloss over a little bit. It's in the curriculum. But it takes too long to explain it to the college kids, they don't really get it." He's

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like, “We did it for three weeks with Amoah. I totally knew everything.” So, I said, “What do you think I’m going to say next?” Oh, never mind...

I was like, “Do you understand?” Mr. Amoah, who had to work so hard to come to this country, he had to reapply to be allowed in the country, he worked so hard to get here. And what does he see? He sees the United States educational system slow down and everyone says, “Well, we’re going to try help these kids get through.” He says, “We’re going to floor it.” Just when everyone else pauses, that is the time to floor it.

He said, “I am not afraid to make these kids learn AP calculus right now. I am not afraid to make them not only maintain their standards, but exceed the standards.” I was like, here’s a guy who totally gets it. And he’s a new American. I actually don’t know if he’s a citizen right now. But let’s pretend he is. Or he wants to be an American. He is the lesson we need to learn.

To me, it was so inspirational. And my kid hated it. But I was like, “Do you understand? You are surrounded by all these prep school kids who struggled with this topic because this new American came to you and made you learn and work...”

Dr. Una: When nobody else was.

Chip: Exactly. And so everybody listening to this, the overwhelming majority of pediatricians right now – and I am sure that a huge majority... and if it’s not the majority... you know what? I bet it is the majority. But if it’s not, it’s certainly way outside the bounds of distribution. I’m going to suspect that most of your fans are female. I bet 90% of your fans are female...

Dr. Una: They are.

Chip: And I’m going to bet that more than 50% of your fans are people of color. Alright. It’s certainly a larger portion than exists in the medical community normally.

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Dr. Una: Yes.

Chip: Alright, and by people of color, I'm throwing a really broad net, like everything. So, what I'm trying to address here is a lot of the people who listen to you know what it's like to be playing life on difficult mode. They have one or two or three or four extra layers that they have to work through, than I do certainly. Right now, this is your time. You've been working the last – I mean, how old are you? You're 33, right? So you're if you're 33 years on this planet...

Dr. Una: I'll take it...

Chip: Have you ever had an easy day? Have you ever had an automatic day?

Dr. Una: Nope.

Chip: So, that's why I know, every time I talk to you, I don't have to explain what it means to find the other gear. Right now is the time. You know, there are a lot of people still out there who I have to explain, like, guess what, you now know what it's like to have an extra layer of challenge. And I will say, that's why I see right now, in peds, this to me was a huge revelation that I started understanding in 2019 and really embraced in 2020.

The demographics in primary care has really changed. And what you see are so many people who historically have been shut out of high-end professions such as medicine looking and saying, "Hey, being a pediatrician, if you're a type-A white male, you don't usually become a pediatrician." And trust me, I know hundreds of them, so I'm not saying it doesn't happen or didn't happen.

But you go become orthopedic surgeons. It's a competition. They want to make the most money and to be the biggest swinger in the hospital. You know what I'm talking about. Those guys go off to become the most badass people they can become. It leaves space in these other portions. And that

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space is being filled by women and it's being filled by people of color who are all just as badass, but realizing, "I like playing with kids. I like helping families grow and develop."

And the work you're doing is so important. That's why I will say this. We talked about chance favoring the prepared mind, or I like your phrase, "Boy. I like luck and the more I work, the more I get of it." I will say, I am really lucky. This was no preparation on my part. But working for pediatricians has been one of the sort of luckiest things that has ever happened to me because I'm supporting people whose work is so important. I get covered by that a little bit, you know what I mean?

I don't ever have to slow down and say – you know, it's not like I'm working for Big Tobacco, where I'm like, "Maybe I shouldn't do this work." Maybe I'm just – it's not like I'm working for... pick something that's neutral. It's not like I'm working for a videogame company...

Dr. Una: Yeah, or BestBuy.

Chip: Or BestBuy. Those are neutral things. I'm actually working for – and don't get me wrong. BestBuy, vital business. Videogames, vital in a cultural social distraction way. I actually do believe that. But what pediatricians are doing, I mean, come on.

So, I'm very lucky. I'm very, very lucky. I could just as easily ended up working for, I don't know, anesthesiologists and I would be a very different person. Not that anesthesiologists are bad people. I know plenty of them. Anyway, those are the things. Chance favors the prepared mind. Prepare your cash flow. And for the rest of you, the final thing I would say – this is going to be my life in 2021...

Dr. Una: Let me tell you something you'll find interesting before you go to that. So, first of all, of the people listening, pretty please with 17 cherries on top, I know the average physician doesn't necessarily think in terms of cash flow. And sometimes, we feel guilty when we, quote unquote focus on the

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money. But the truth of the matter is, what Chip just said is the difference between life and death for your private practice.

And a good practice is a practice that helps a lot of people and makes a lot of money. That's just the way it works. Because if you don't make money, like you saw in 2020, you have to close your doors. So, you're no longer serving your patients. You're no longer serving your staff by keeping them employed. It is your responsibility as a great physician to focus on the money. So, go for it.

Chip: The discipline to be good clinically is also related to the discipline of running a good business. You know this because you have our dashboard. We have a dashboard. And I think about this last time. And in our dashboard, we grade people. We give you a score. If you want to antagonize a doctor, give them a grade. And give them a grade that isn't an A because it freaks them out. And it's the best.

Dr. Una: I'm like, "Why is it not an A?"

Chip: Exactly. And so, the correlation of PCC clients, I've measured it, there is very, very high correlation between the practices with great clinical response and the practices with great business acumen. Those two things go hand in hand. It's very rare that they get separated.

Dr. Una: I love it. The other thing I wanted to tell you – and this has nothing to do with this episode – is thinking about it now, I never verified this. But when I did my elementary school in Nigeria and I went to one of the top schools, and all the teachers were from Ghana. And they were from Ghana because they're the best teachers – I was told. I never verified it – because they are paid based on the performance of their students.

So, they have a certain level of ownership of the wins of their students that you just don't see anywhere else. So, when you said your son's teacher is from Ghana, I thought that was pretty cool. I'll just let you know. Anyway, back to pediatrics.

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Chip: Yeah, we love Mr. Amoah. And we barely know him. We went to the parent teacher conference and my wife and I are like, “Oh, this is what we’ve always wanted for our kids. Someone who took it so seriously.” Anyway, what I was going to say was, I was going to give advice to the people struggling thinking about the money. Because I do run into this all the time.

You know what I do for a living. So, I’m the guy who shows up and starts talking about the money and all the pediatricians look down and feel embarrassed. Here’s what I have to explain to you. When you are an independent practice, you have to bifurcate your brain. You have to split it in half because there are two people inside of you right now. And people don’t do this.

They mix the doctor and the businessperson. They get them conflated. They try to make clinical decisions with the businessperson and business decisions with the clinical person. Don’t do that.

The person in the exam room is the doctor. And when you’re talking to your patients and when you’re out among your staff, you’ve got your doctor hat on. You need to take that doctor hat and put it down and then put your businessperson hat on and make those decisions. You are two different people.

You went to medical school and trained one side of your persona, the medical side, and didn’t train the business side. And what Dr. Una is doing for you is training that other side. And so, you just have to keep them separate.

And one of the best ways – let me give you a measure or a benchmark you can use to determine whether you have split your personalities properly. Here it is.

When you pay yourself as the owner of your practice, do you pay yourself as a doctor and then have a separate profit or margin that you pay yourself

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as the owner, or do you just lump all the money together in the middle? If you do not distinguish the work that you do as a clinician from the work that you do as an owner, you're not there yet.

And when you're solo, maybe it doesn't matter that much. But when you own the business with a couple of partners or you have people working for you, when you have your business hat on – so you put your business hat on and say, “Okay, I own so and so pediatrics. I'm a pediatrician there. I've got two nurse practitioners, an employed doctor.” You should think about the doctor you are and treat that person as a separate entity, “That's Dr. Una. She sees 20 patients a day. I need to pay her \$210,000 for that. That's how much she earns for that.”

Now, I might actually generate more money than that, but that money is money I need to pay for vaccines and pay for my staff and pay for my rent. And when a pandemic hits, I need to have that money in the bank account so I can pay Dr. Una that money even if she's not seeing patients. So, if you do not distinguish between the work you do as a clinician and the work you do as a business owner, you have not fully evolved yet. And my clients who know that distinction are very, but subtly different.

Dr. Una: I love that. That's all of EntreMD right there. And I had to learn to do that because I didn't...

Chip: It's not natural.

Dr. Una: It's not natural at all. And I stopped addressing myself as the pediatrician, started addressing myself as the CEO of Ivy League Pediatrics. I did all those things to mentally rewire myself, like there's you the CEO and there's you the pediatrician and you are different and you spent over a decade developing the pediatrician side of you, but that CEO side of you, you must develop it. You must embrace it. You can't fight it. You can't sweep it under the rug and pretend it doesn't exist. You've got to own it. I love that. I love all of it.

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Chip: So, here's an analogy you can use with people. So, Dr. Una, do you own your own house? Do you live in the house that you own?

Dr. Una: Yes.

Chip: Okay, can you imagine living in that house and having some of the fixtures go bad and maybe some of the main appliances, the refrigerator breaks? Alright, so you own the house, so you're sitting in the house that you own. Who is responsible for that refrigerator? You are.

If you were renting a house and the refrigerator broke, you would call the landlord. You would call the person who owns that business. You would call the CEO of that house. So, when you don't act like the owner of your own house, you are behaving like a renter in your own house and you have an absentee landlord. And that's how you wake up three years later and you're like, "Wow, my roof has been leaking. I hate that guy." Well, that guy is you. So, be the landlord of your own home.

Dr. Una: Own it. I love it.

Chip: And in 2021 – I will say something. You mentioned the cashflow conversation is not comfortable with people. On the COVID website, which I'll try to reference – you can put links up, right?

Dr. Una: I'll put the link for it.

Chip: So, on the COVID website, Paul Vanchiere has placed a free spreadsheet that just walks you through. It should take you 10 minutes, five minutes. This is not painful. You don't have to have a difficult discussion with anyone. You might have to go into QuickBooks or ask your accountant. But you can go into the spreadsheet, fill in a couple of numbers, and it will tell you, "I've got enough cash for the next three months, or I don't." And it's free. Go download it. Every practice should be using it right now. It's that simple.

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Again, it is painless. It is free. It doesn't require any special knowledge.

Dr. Una: Can't beat that.

Chip: Can't beat that. The last thing I was going to say, I told you I had three things we need to worry about in 2021. The last one, and I don't think this message has changed for me in 20 years. This is such a softball down-the-middle for you. We are going to become the masters of messaging and patient engagement. And we are going to get patients in who need to be seen.

The fact of the matter is there are still millions of children in the United States who have not had their well visits. There are millions of children who are overweight. There are millions of children who are not managing their asthma right now and there are many millions of children who are anxious and depressed and need your guidance.

And there are pediatricians out there who say, "I don't really do that work." The time that you can sit down with a mom and just explain to her that what she is seeing in her household is normal and that here are some resources she can use to guide the family. You're not going to change a family's life overnight. You are going to incrementally make small changes in these families' lives and save some of them. That is what we have to do in 2021.

Dr. Una: So, we can't wait for them to just come?

Chip: No, it's weird. I know you got through med school and everyone said that everything was free and easy after that...

Dr. Una: Hang the shingle and they will come.

Chip: Right, the thing is, you are competing with a huge amount of internet nonsense. Not a huge amount of internet nonsense. An insane amount of internet nonsense. You are competing now with the pharmacists to give vaccines. You are competing with the pharmacies and the Walmarts of the

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world to do the low-hanging fruit like a sore throat or pink-eye or whatever. All of that stuff, in our lifetimes, is going to go away from pediatricians.

But you still are the only people who can see those kids for well visits. You're the only people who understand child development. Is there in fact a more important clinical knowledge base in human society than the understanding of child development? And the answer is no. Because all of us who are adults, our ships have sailed. All the evidence says there's very little that you can do for someone my age to actually change them.

Some people change. Some people change for the better. Some people change for the worse. The overwhelming majority of us, our health is defined by our social determinants and a few interventions that you have as children.

So, if we want to worry about human society in 2030 and 2050 and 2090, it begins with our understanding of child development. And so, the only – you guys have the most valuable clinical acumen, I think, to human society. So, that said, your families don't understand that. They're being told such insane nonsense by their friends and online and by Facebook. You have to actually market. It's a dirty word. I mean...

Dr. Una: Such a dirty word. This is a clean podcast, you can't use cuss words here.

Chip: That's right, marketing, promotion, you know, selling, what you're selling is their health. What you're selling is – you're not selling them... if you and I were doing a podcast or a video like this, where we were actually selling a product, "If you buy a bottle of this, you just become part of my network," we're not doing anything like that. We are just explaining to families who don't know, "Hey, let me explain to you because I'm trained on this, let me explain to you what you should expect out of your child over the next six months to a year. This is what normal looks like. This is what abnormal looks like. I've checked a couple physical measures. I've done a

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little bit of testing. I would worry or concentrate about these things. I wouldn't worry and concentrate on those things." That's what you're doing.

And you know this. Your best-engaged families, regardless of their clinical circumstances, are in fact the easiest ones for you to work with. You can have the families who have incredibly dire clinical circumstances, but because they're engaged with you and the communication is two-way, it's not hard work because they trust you and it's the bidirectional interface. They actually...

Dr. Una: Says the nerd...

Chip: Yeah, says the nerd. You are having a conversation with them. Whereas the people who are like, "I don't need that M-CHAT or I don't need those immunizations..." I mean, the people who say, "I don't need immunizations," like... You're dealing with someone who says, "I believe in magic and I don't believe in science." And so, those are the people you struggle with.

And what everyone here should be doing – so, when Dr. Una and I say marketing and sales, I know a lot of people are like, "I don't want to." Let me put it in a context that will make it a little bit easier for people to consume. In 2021, you want to do your best to attract the patients who are best for you.

I'll be very acute. Let's say that in your practice you cannot handle another non-vaccinator. You don't have enough room in your schedule. You don't have enough room in your heart and your fatigue is too strong. You can't handle another person coming in and looking you in the eye and saying, "I'm not going to take those vaccines because Bill Gates is trying to inject a chip into us," when he doesn't. You can't handle it because it's not fair to your unvaccinated patients in your waiting room because they're unvaccinated because their immunodeficient or they're not yet of a certain age.

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Who gets affected by people who don't get measles shots? Kids under one because they haven't been vaccinated. So, let's say you can't handle that. So, why not – here's a baby step. Why not just make it known on your website and on your Facebook page that you require vaccinations in your practice?

Now, I know a lot of people do this already, but too many don't. So, what I just described to you, I'm projecting massively. This may not be your example, but think about this, or consider other options or versions of this. If you do not take non-vaccinators, why not simply just tell everybody, "I don't take non-vaccinators?" That's marketing. You just marketed. You just sold. How hard was that? And what you did is saved yourself time, you saved yourself emotional damage, you saved your staff time. And to be honest, you saved that patient and that family some time because you didn't waste their time.

No one is harmed, except an unfortunate family who didn't have the blessing of your guidance. But they will find it somewhere, I hope. Now, I just used the vaccine part. That's a fairly controversial thing.

Well, if you believe that teenage depression is an issue – and I don't know who doesn't but let's say there's a physician out there who doesn't. But if you believe that teenage depression is an issue and you believe in science and science indicates that the teen depression screening tool has clinical evidence showing that you can identify children with depression using this tool, why are you not using it?

Because there are a bunch of your listeners right now who do not use it. If you're not using it, I'm going to ask you why. But if you are using it, why would you not tell all of your families, this is what I do during these visits? Because one of the biggest reasons that people don't use it is, "Well the parents complain about having to pay for this \$10 thing because their insurance doesn't cover it."

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Like, do you believe in it or not? Do you believe that this \$10 fee, which is what they pay for some stupid Grande at Starbucks, if they believe that that \$10 screening opportunity might not save their child's life, or certainly improve it, I mean, you should just tell people, "Then you're not a good match for my practice." And what you did right there is you sold and you marketed and did all those dirty things, and all you were doing were telling people the truth about who you are and what you find important.

When we say sales and marketing, you hear Google SEO and I'm going to have to go and do some Facebook ads. If that freaks you out, don't worry about that part. Don't do that part. Step into the part that just says, "I'm going to tell people what kind of doctor I am." So, that's my guidance there. And now, you've just got the lunatic. He came out an hour into it.

Dr. Una: No, we didn't. But it's true. And sometimes, when people are like, you know, they get scared of it or whatever. I'm like, "You're a doctor. Depending on your specialty, you do spinal taps. You do heart surgery. You put babies to sleep." You know what I mean? "You do central lines. You do really hard things. You do things that are so special that there are so many TV shows on them. People just want to watch shows on the ER. Look at what you do."

Chip: No one watches a TV show about marketing.

Dr. Una: Right, you do that. You learn to do that. So, the marketing piece, I am telling you, I've worked with people who are like, I don't even think I can own a practice. And in a pandemic, because they were willing to embrace marketing. They're willing to embrace learning something that's different and doing something that's quote unquote uncomfortable, they started with waiting lists.

Without a big base, starting off as brand-new entrepreneurs can start with a waiting list, what can you do? You already have a practice. You already

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have patients that love you. You already have reviews. Like, if you could embrace that, what would your practice look like?

Chip: And it's not hard.

Dr. Una: It's not hard. In 2021, the option of not embracing marketing does not exist. And the sooner we tell ourselves that, the better it will be for us.

Chip: And marketing should not be a dirty word. It should be the pathway to follow to communicate with your patients to help them improve their lives. I mean, if you don't believe in what you're doing, then you're right, marketing can be difficult. But if you believe that you as a pediatrician actually can improve the lives of your patients, you're obligated to market. You have to tell them because right now, they are facing so much nonsense...

Dr. Una: Yes, and you're the savior.

Chip: You are the voice of reason and science. That's absolutely true. Marketing wasn't as important 20 years ago. But it's important now because your patients get so many messages and the thing that you are, quote unquote selling is the one thing that's actually proven by science and common sense to be good for them. I couldn't agree more. You absolutely have to have – you know what? You and I should invent a term besides marketing, just because I don't know what to call it.

Dr. Una: Maybe we desensitize doctors? Maybe we do that.

Chip: Your point that doctors do things routinely that have far greater consequences and are far more difficult to learn...

Dr. Una: That are life or death. If you go and do some marketing thing and it doesn't work, nobody's dying, you know what I'm saying?

Chip: Nobody's dying because they clicked the wrong button on Facebook, like, "Oh, my credit card just got charged \$10 by accident."

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Dr. Una: No, we're great at doing hard things. Chip, this was so good. So, your top three things, stop trying to get back to normal. People, please stop trying to get back to normal. The second is chance favors the prepared mind. And I mean, I think listening to this podcast episode is actually one of the best ways to prepare your mind. And I think this is one of the things that you probably want to come back to and listen and listen again. Because there's so much gold here. And the third, we're going to have to become the master of messaging and patient engagement.

And these are simple. Not easy, but they're simple. The problem with simple things is that they're easy to do, they're easy not to do. So, my challenge for everyone listening is – he didn't give seven tips. He didn't give 200 tips. He didn't give complicated stuff. He gave three things. But these are three things that, if you do them, you can come out on the other side of 2021 saying, "Oh my goodness, it was amazing." You can have that experience. So, Chip, thank you so much for doing this. I really appreciate it. Do you have one final word we can go with, some quotable quote to just take with us? I mean, you gave so much good stuff. I'm going to squeeze to see if I can get one more thing out of you.

Chip: You know, the thing is, I can never do things on demand, but I can do it when I'm talking, which is a really, really bad character trait. I will say this. I'm choosing from a couple of things I want your listeners to walk off with.

If you're listening to this right now, you are interested in improving yourself. People whose heads are in the sand, people who have given up, they do not listen to Dr. Una. So, I don't have to necessarily say something inspirational. I'm not going to say something that suddenly turns on the lightbulb, "Oh my gosh, I've listened to 40 of Una's events or things and I didn't get it until episode..." that's not true. That's not going to happen.

What I will say is this instead. The fact that you haven't given up, the fact that you're still trying, the fact that you're still interested in improving, and most importantly the fact that you are still helping patients in our

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community, I am just going to say thank you. Thank you for not quitting. Thank you for not giving in. Thank you for taking care of kids and for those of you who are not just pediatricians, thank you for taking care of adults and people like me.

I really mean it. I think what you're doing is vital to American society. And I think that 2021 is going to be an economic disaster. Probably 2022. And you are the cornerstone of keeping our building together, absolutely. So, thank you. You already know everything you need to do. Stop listening to me right now and go do one little thing. That's it. Thank you.

Dr. Una: I love it.

Chip: And this was fun. I always enjoy this. This is too easy.

Dr. Una: I love it. This was so good. Thank you so much for that. So, guys, you've got it. So, get off this podcast episode. Share the podcast episode. And go do it. Go do it and plan to thrive. You've been given the roadmap. Go for it. We're rooting for you. And I can't wait to get on the other side of 2021 and share your success stories.

Chip: Thank you.

Dr. Una: Alright, so I'll see you guys on the very next episode of *The EntreMD Podcast*.

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