

CHAPTER 4

Office Set-Up: Equipment and Supplies

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INTRODUCTION

If you are starting a new allergy practice, ordering supplies can be overwhelming, expensive and time-consuming. This chapter provides a checklist of what is needed in terms of both medical and office supplies. Remember that every allergy practice is different, and you should define your needs before ordering anything. Start with a budget for capital expenditures, and consult with your accountant about the tax implications of purchasing equipment vs. leasing. Determine your need for disposable supplies based on your expected patient volume. This analysis should be completed in your initial business plan, especially when calculating projected expenses. You also need to think about your new office layout, and plan to purchase items that can be used when and if you grow your practice. Your office needs will be very different than a paper chart

office if you are planning to implement an electronic healthcare record (EHR) system immediately. The best way to start is to delegate the responsibility of purchasing medical and office supplies to those employees who know what is needed, if you have available and knowledgeable staff. Your spouse or family members may be able to help with the initial plan if you are starting a solo practice. Utilize all of your relationships with friends, colleagues, mentors and professional contacts who have started a practice within the past five years. Allow yourself at least 4-6 months for the start-up ordering process. Plan on adequate and appropriate storage for items if your office space is not readily available at the time of delivery.

ORDERING SUPPLIES FOR A NEW ALLERGY PRACTICE

Before purchasing any supplies, investigate obtaining a credit card or American Express Business Account card that offers bonus points for larger purchases. You may be able to fund the cost of attending your first AAAAI Annual Meeting with the points you have earned from your initial practice purchases. Credit card companies also often offer additional warranties on products and can be valuable resources for dealing with problem vendors.

Discuss a line of credit with your local bank, in addition to a business checking account. You may want to secure an equipment loan for purchasing more expensive items such as computers, servers or furniture, or you may consider contracting with a leasing company to instead lease these initial items depending on tax considerations. This planning should include your accountant, practice/finance manager and possibly your attorney to ensure that

you gain any available favorable tax exemptions and do not violate state business laws. If at all possible, try to obtain an unsecured business loan that does not list your personal assets as collateral or hold you personally responsible for the business loan.

When setting up your new practice, the first step is to determine if you are going to be an “electronic office” versus “paper” as this will make a major difference in the office space layout, as well as the purchases required to be the most efficient. In this chapter (see Office and Medical Supplies Checklists) there are separate lists for electronic and paper offices.

If choosing to be an electronic office, you will need to research and select an EHR vendor. There are many available options; some of the items to identify when researching are:

- Is it a fully integrated system between practice management and EHR?
- How customizable is it to meet your specific needs?
- What interfaces are integrated with the system, such as vital signs, pulmonary function testing, EKGs?
- Has it been certified to meet meaningful use requirements?

For a more complete discussion about EHR selection and implementation, please refer to Chapter 10.

Always start with the office necessities and order more as you go along. You may want to purchase office equipment for only one to two exam rooms initially, and then purchase additional items as your practice grows and you have additional revenue. For

example, even if you plan to perform rhinoscopy in your new practice, you may consider deferring the purchase of a rhinoscope until you have seen the demand and need for this piece of equipment, and have had the time to investigate the average reimbursement for this procedure.

Consider how you are going to pay for office purchases, and leverage any affiliations you might have such as MGMA or other groups, for they generally are contracted with specific GPOs and other discount partners that offer better purchasing options than open market for items such as:

- General office supplies
- Office furniture
- Medical supplies
- Medical equipment
- Magazine subscription services
- Cell phone contracts

Following are some strategies for ordering supplies:

- Order in bulk when discounts are available, especially for supplies that will be used often, such as syringes, spirometer mouthpieces, an otoscope speculum, skin test devices and copy paper. Don't order bulk items that have a short expiration date. Make a detailed budget (in Microsoft Excel) and don't deviate unless you can save significant money by going with a different item.
- Shop around to get a general idea of vendors' prices and always get price quotes in writing. (If a business will not put quotes in writing, do not deal with that company.) Try to obtain more than one quote for comparison.

- Educate yourself about companies by researching on the Internet, via the Better Business Bureau, and by consulting local medical societies. Talk to other practitioners in your area. Get at least two quotes for major items.
- Once supplies are purchased, always compare the quoted price with the actual billed amount.
- Use demo models if possible; many companies will let you use their equipment to try it before you buy. Ask if they have used or older model equipment for sale at steeply discounted prices. Negotiate prices and tell competing companies about the other bids (if possible). This approach offers leverage in getting the best prices, and also allows you to compare the services that come with the bids. (The lowest bid is not always the best choice if the service is poor.)
- Consider the quality of the products. Some items might be purchased more cost-effectively if the higher-quality, more-expensive item is purchased.
- Consider shopping at discount club stores (e.g., Costco and Sam’s Club) and joining buying groups through medical societies or hospital physician organizations.
- Shopping at reputable Internet vendors also might prove cost-effective. Investigate Amazon and other similar sites, especially if offering free shipping.
- Always factor in sales tax and shipping when comparing prices. Some states without sales tax have a “use” tax that you eventually will have to pay (e.g., Nevada).
- Ask about discounted prices during conferences, even if you are not planning to purchase immediately. Some vendors may offer their specially discounted prices for 6-12 months if they know that you are serious about purchasing their item. Get this discounted price in writing, if possible.
- Look at auction sites for new and used office furniture, and consider web sites like overstock.com.
- Consider looking at other non-medical suppliers such as the food industry for supplies like garbage cans, cleaning supplies and even extract refrigerators.
- Always inquire about methods of payment and whether there are any additional charges for credit card purchases or purchase orders. Also inquire about re-stocking fees if you have to return an item. Inquire about “new fellow/graduate” prices or packages offered by some companies to assist you with setting up your office, especially with extract suppliers.

Designating employees to purchase supplies — for instance, appointing a business manager and a clinical supervisor (for medical supplies) — will free your time to see more patients. However, it’s important to provide fiscal oversight to ensure that budgets are met and prices are regularly evaluated. Offer your staff an incentive for finding the same product at a lower price. Routinely compare your budget with your actual cost for items.

COMPUTERS, SERVERS, SCANNERS AND PRINTERS

Carefully plan your information technology needs for immediate purchase and then over the next 3-5 years. Purchasing your computers through a national manufacturer or wholesaler (e.g., Dell) offers advantages for setup, compatibility, service contracts, and warranties. Even if you are knowledgeable about computers, it is best to not try to serve as your own information technology consultant, as your time is best utilized seeing patients and generating revenue for the practice. A good resource for IT professionals familiar with medical practice IT needs might be your local independent physician group. Use IT professionals to help design your network, storage, domain and firewall, and maintain the equipment.

Discuss recommended computer requirement with the EHR vendor, and make certain that all peripheral devices are also compatible (i.e., spirometer, printers, barcode scanners, document scanners and fax equipment). Do not purchase the “minimum required” equipment. Plan for an average server and workstation life of only 3-5 years maximum.

When purchasing computer equipment, it is highly recommended that you purchase the offered extended hardware service contracts with on-site 24-hour service. Recognize that losing a mission-critical server will render your practice “closed” until replaced/repared, and that this can cost your practice \$5,000 or more per day in lost revenue.

Investigate the consumable cost of toner and drums, along with recommended service duty, of all printers before comparing cost. Do not use inexpensive

“personal” printers for high volume applications unless you are prepared to replace the hardware routinely. Following is a list of companies that will be helpful in ordering your supplies. Remember to also check local listings for companies in your area that can provide needed products and services.

ALLERGY EXTRACT, ANTIGEN AND TEST SUPPLIERS

- “Jubilant” HS Allergy Laboratories, Inc.
www.allergylabs.com
(800) 654-3971
- ALK Abelló
www.alk-abello.com
(800) 325-7354
- Antigen Labs
www.antigenlab.com
(800) 821-7013
- Baxter
www.baxter.com
(800) 422-9837
- Greer
www.greerlabs.com
(800) 378-3906
- IgG America
www.iggamerica.com
(877) 674-9700
- Nelco Laboratories
(800) 541-0790
- True Test - Allerderm
www.truestest.com
(800) 878-3837

OFFICE AND MEDICAL SUPPLIES CHECKLIST - ELECTRONIC OFFICE

Office Furniture	
	Chairs
	Desks
	Exam tables
Reception/ Waiting Room Area	
	Artwork
	Books and toys for children
	Chairs
	End tables
	Magazines and magazine holders
	Table lamps
	Camera monitoring system
Office Equipment	
	Calculator
	Copier/Printer/Fax machine
	Computers
	Fire extinguisher
	Postage machine
	Refrigerator
	Document and card scanner
	Small label printer - appointment cards
Receptionist Supplies	
	Business cards
	Tape and tape dispenser
	Clipboards
	Copy paper
	Locked change box
	Manila envelopes
	Drawer organizers
	Paperclips
	Pens
	Petty cash box
	Return address stamp
	Rubber bands
	Scissors
	Staplers and staples
	Wastebaskets
	Shred bins - scanned documents
	Computer software for employee time tracking
	Clock
	Office and Medical Supplies

Forms to be Designed	
	Letterhead
	Registration form
	HIPAA consent
	Health questionnaire
	Financial policy
	Allergy testing sheet
	Informed consent for immunotherapy
Subscription/Resource Items	
	CPT coding book
	ICD-9 /ICD-10 Code book
	Compliance manual
	OSHA policy book and forms
	Employee manual
	Procedure manual
	Quality assurance manual
	HIPAA policy manual
	Magazine subscription service
	Outside IT protocol
Employee Lunchroom	
	Coffee maker, coffee, tea, creamer and sugar
	Microwave oven
	Refrigerator
	Table/chairs
	Utensils, cups, plates and glasses
Restroom	
	Paper towels / dispenser
	Plumber's helper/plunger
	Soap / soap dispenser
	Toilet paper
	Trash can
	Feminine hygiene items
	Urine sample instructions and supplies
Supplies for Mixing Antigen	
	Antigen
	Empty color-coded vials
	Vials with diluent
	Labels for vials

OFFICE AND MEDICAL SUPPLIES CHECKLIST - ELECTRONIC OFFICE

Exam Room - Basics	
	Anatomic models /charts
	Alcohol wipes
	Aneroid sphygmomanometer
	Coat hook
	Wall mirror
	Cotton balls
	Drapes/gowns
	Exam table / table paper
	Emesis basins
	Facial tissues
	Flashlight
	Gloves
	Ice bag
	Medicine cups
	Otoscope and ophthalmoscope
	Paper towels/dispenser
	Pillows
	Rolling stool/chair
	Side chair
	Stethoscope
	Specimen containers
	Nasal speculum
	Sharps disposal container
	Tape measure/allergy ruler
	Tongue depressors
	Waste disposal container - general and infectious
	aundry hamper
	Corkboard for information/notifications
	Computer workstation (visit documentation / viewing of X-ray images)
Allergy Injection Room	
	Refrigerator for storage of patient vials
	Computer w/IT tracking software
	Sharps disposal container
	Cotton balls/skin tape
	Gloves
	Immunotherapy syringes
	Clock

Lab	
	Adult Doppler machine
	Air compressor and nebulizer
	Audiometer
	Antigen serum for testing
	Bandages
	ECG machine
	Irrigation system (for eyes and ears)
	Microscope
	Nasal smear swabs
	Oxygen tank
	Patch test material
	Refrigerator for antigen storage
	Rhinoscope
	Spirometer
	Scale
	Thermometer
	Tympanometer
	Wheelchair (one for the entire practice)
	Vision screener
Emergency/Systemic Cart	
	Ammonia capsules
	Ambu bag
	Angiocatheters or butterfly needles
	Diphenhydramine (injectable and oral)
	Injectable epinephrine
	Steroids (injectable and oral)
	Inhaled B-agonists (for nebulizer and MDI)
	AED (defibrillator)
	Syringes
	Tourniquets
General Medical Supplies - Other	
	Antigen trays
	Antigen vials
	Antiseptic
	Glass slides and holders
Safety syringes	
	1cc syringes
	2cc syringes
	5cc syringes
	10cc syringes
	27 gauge needles
	25 gauge needles
	22 gauge needles
	20 gauge needles
	18 gauge needles
	Vaccines

OFFICE AND MEDICAL SUPPLIES CHECKLIST - PAPER OFFICE

Office Furniture
Chairs
Desks
Exam tables
Reception/ Waiting Room Area
Artwork
Books and toys for children
Chairs
End tables
Magazines and magazine holders
Table lamps
Camera monitoring system
Office Equipment
Calculator
Copier/Printer/Fax machine
Computers
Fire extinguisher
Postage machine
Refrigerator
Document and card scanner
Small label printer - appointment cards
Receptionist Supplies
Business cards
Tape and tape dispenser
Clipboards
Copy paper
Locked change box
Manila envelopes
Drawer organizers
Paperclips
Pens
Petty cash box
Return address stamp
Rubber bands
Scissors
Staplers and staples
Wastebaskets
Shred bins - scanned documents
Computer software for employee time tracking
Clock
Office and Medical Supplies

Forms to be Designed
Letterhead
Registration form
HIPAA consent
Health questionnaire
Financial policy
Allergy testing sheet
Informed consent for immunotherapy
Subscription/Resource Items
CPT coding book
ICD-9 /ICD-10 Code book
Compliance manual
OSHA policy book and forms
Employee manual
Procedure manual
Quality assurance manual
HIPAA policy manual
Magazine subscription service
Outside IT protocol
Employee Lunchroom
Coffee maker, coffee, tea, creamer and sugar
Microwave oven
Refrigerator
Table/chairs
Utensils, cups, plates and glasses
Restroom
Paper towels / dispenser
Plumber's helper/plunger
Soap / soap dispenser
Toilet paper
Trash can
Feminine hygiene items
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	Rolling stool/chair
	Side chair
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	Vaccines

ALLERGY OFFICE LAYOUT AND LEASING

Although this chapter has several suggestions, the specific layout and setup of the office depend on the wishes of the individual allergist. There is no required minimum or maximum amount of space needed by an individual practitioner, but a reasonable estimate is to allow between 1,200 and 2,500 square feet of space per physician for an efficient and safe practice.

Task efficiency and safety, and the need to comply with federally mandated guidelines regarding patient confidentiality (**HIPAA regulations**) and occupational safety (**OSHA regulations**), have to be considered when designing a floor plan for an allergist's office. The layout also must allow for convenient and efficient patient access and egress, as well as optional private physician access.

Consider the following recommendations when designing the office layout:

- The **waiting area** needs to be relatively larger than equivalent areas for other medical specialties because of the frequent and large volume of allergy immunotherapy patients. This area also has to be observable to allow monitoring for possible systemic reactions following immunotherapy administration. You might consider installing a wireless camera system with monitors located at both the front reception desk and the nurse's phone area; these are fairly inexpensive and can prove to be very effective in the monitoring of patients waiting following their immunotherapy injections. Consider having a separate waiting room for allergy immunotherapy, if your layout permits.
- A **laboratory/shot room** space with convenient access to the waiting room is essential to allow for staff efficiency in providing immunotherapy. This space also should have convenient access to your emergency treatment room.
- An **immunotherapy preparation** space should be planned to allow for a sterile, safe environment where patient vials can be prepared with a minimum of distraction. Check with local and federal laws to verify if you need a flow hood for mixing.
- The **receptionist space** for staff should allow them to efficiently greet and sign in patients and ensure accurate information-gathering for billing purposes. This area also can be used to check out patients and collect fees.
- **Patient exam rooms** should allow discreet access and be segregated from other areas to maximize patient confidentiality. These rooms should be contiguous with each other to increase the efficiency of the physician provider. Multiple exam rooms allow testing of some patients while others are being examined and interviewed.
- The **storage area for patient records (or computer terminals)** must be secluded and must meet HIPAA guidelines.
- The **physician office or consultation room** should provide privacy for physician/patient communication and for physician phone calls and dictation.
- The **business office area** should be a separate space to allow for business management operations, bookkeeping and billing activities.

- The **employee lounge area** allows physicians and employees to meet and eat their meals.
- Consider having separate **restrooms** for staff and patients. Common-area restrooms may suffice for patients, but not staff.

As with any other situation that involves real estate, location is the primary variable that should be considered when choosing a site for an allergist's office. Access to main traffic arteries, availability of adequate parking facilities and access to other medical facilities (e.g., phlebotomy stations, radiology offices and emergency treatment facilities/hospitals) needs to be considered when choosing a site. Also take into account where your primary care referrers are situated. Before buying or leasing any space, it is recommended that you visit the location every day of the week at different times of the day. This allows you to view the site (without your realtor) to assess parking, traffic patterns and other potential problems with the prospective location. Consider additional overflow parking in surrounding parking lots during peak immunotherapy office visit times, such as 3-6 p.m.

The decision whether to lease space or buy is determined by economic factors and availability. Buying an office building (or condominium) requires more initial capital investment but may cost less in the long run, because the physician builds equity in the facility, and thus long-term costs may be reduced. However, owning a space also can be problematic; for example, if the physician outgrows the office space.

When negotiating lease agreements, all fees that can be assessed to a lessee should be clear. These charges can include:

- Rent (usually calculated as an annual charge per square foot of space)
- Common area maintenance charges, which pay for the upkeep of the common areas of the office building (e.g., cleaning and utility costs for the hallways and parking areas), as well as taxes on the building
- Office space maintenance and upkeep (including heating and air-conditioning expenses)
- Utility expenses

Seek legal advice before you sign any lease agreement, as the lease is a binding contract between the parties involved.

LEASE NEGOTIATION STRATEGIES

Many people view negotiating as a competitive activity, in which the goal is to “win,” or take advantage of the individual or entity with whom one is negotiating. Unfortunately, this attitude leads to mistrust and dissatisfaction, and it frequently hampers successful negotiation. It is often more productive to proceed with the attitude that successful negotiation results in benefits for both parties. When the physician and the landlord agree to a fair and reasonable fee for the use of the office space, the landlord is ensured that the lessee will reliably pay the rent and fees, and the lessee will be ensured the use of safe, attractive and efficient office space. It is important to maintain a good working relationship with your landlord and his or her maintenance support staff.