

Book: A Physician's Guide to Financial Statements

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Book Review

During the training process of physicians whether at medical schools or at residency programs, the topics of practice management and financial statements are seldom discussed. Courses on such and similar topics are almost non-existent in most medical schools and it is left to the practicing physician to seek information on his/her own on these subjects. Of course this course of action is never complete nor comprehensive due to the increasing demand put on the physician's time as he/she start the practice of "real world" medicine. Therefore, in most instances, the physician is usually left with limited options of how to learn this new and somewhat difficult subject and how to apply it to their everyday practice. Added to all of that, the limited information that is available which is customized to the physician's needs and expectations. Most of the information available whether on hard copy or electronic are usually designed for the general populace and seldom has the physician as their main audience or customer. Thus, the terminology too difficult to comprehend and issues discussed are often irrelevant to a physician's way of life or practice. This reality leads the physician to either seek professional help from a CPA or "dig" into the books that are published on the subject. Of course, either of these options are rewarding to the practicing physician who tends to accept only data that is available, credible and has an element of ownership. This last characteristic suggests that in most instances, physicians change behavior or take advice only if they feel that the information given to them is self identified and credible and they have some involvement in accessing it themselves.

Therefore, it is delightful to see a book that is concise, user friendly and full of valuable and relevant information geared towards the physician as the customer. The book chapters are exactly what a physician would want to know about and read regarding financial management. No frills, no redundancies.

This book is written by three qualified individuals; two university professors of accounting who are joined by a practicing surgeon. They designed the book with ten chapters that include such topics as financial statement for medical practice, terms of the

field, analysis of statements, statements of operations and cash flow, as well as chapters on CPT documentation, and medical practice valuation.

Reading through the book, one would see a number of real life examples arranged in tables, charts and figures. The examples are very useful to the understanding of the concepts discussed and they are all relevant and applicable. Several financial statements are also included and each is adequately described in the text with arrows pointing to each term or section. Chapter eight for example, is on analyzing financial statements has a wonderful figure that has the formulae and the descriptions for all of the relevant ratios and measures such as liquidity ratio, current ratio and the like. The chapter goes on to identify the common ratios used and shows how to calculate each ratio and how to interpret them. Additionally, each chapter is designed to start with a “take away” objective and ends with a “Wrap-Up and Looking Forward” segment that summarizes what was discussed/presented in the chapter and how the next chapter relates to the one before it.

This book is both beneficial and easy to follow. It has just the amount of information that a busy physician would need to read and know for the running of his/her practice smoothly. This book should be on the recommended list of books for all practicing physicians and for all of those professors that teach them how to practice.

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