Evaluating and Implementing New Service in an ASC

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RAMAPO VALLEY SURGICAL CENTER
Ramsey, New Jersey

Identify high profit/ high growth specialties

- Which specialties fit best with the ASC in its market
- Which specialties are not prevalent or have commanding presence in outpatient surgery in the market area
- Are there a selective group of doctors that can provide consistent & quality services

Identify "holes" in the market

- Can the ASC be #1 or #2 in the market if the service selected is implemented
- Can market sustain this service
- What type of financial structure & management arrangements are needed to support this specialty
- What % ownership do the new doctors need in the ASC to change alliance to your ASC

Identify key doctors on which to build program

- How many doctors in this specialty in the area
- Can you find doctors that can offer great outpatient services in this specialty
- Have leader doctor(s) at the center now reach out as physician leaders to those doctors to speak about the concept and initial evaluation of interest.
- Once identified have manager begin formal internal review

Direct Involvement By Physicians and Management

Build Pro Formas for the new service

- Which CPT codes will doctors use
- What is the estimated number of cases per CPT the doctors will do
- What is the disposable, drug, staff costs per case
- What new equipment and instruments are needed to provide the new service
- What is the cost of that equipment and those instruments
- Physical facility issues– O.R. space needed, Pre and post op spaces needed, block time available at which hours to accommodate the new service
- Are second shifts or Saturday morning needed to provide the service.
- Is 23 hour space needed with renovations to provide the new service

Reimbursement & Profitability Issues

- What is the reimbursement from each contract for each CPT code to be used
- What is the total cost per case including labor for each CPT code by new doctors to assure service can be provided by each new doctor profitably
- What is the pricing strategy for each CPT code. Can you get EOBs from local hospital related to the reimbursement at the hospital from the doctors doing those cases from their patients to validate the fees to be charged and make sure the reimbursement is at the community area level

Identify and Develop Referral Sources

- The existing referral physician referral sources of the new doctors
- Workers comp payers
- Workers comp RNs/case RNs
- Attorneys—P.I, Lien
- Vendors who have to gain from ASC buying their equipment, implants and supplies
- Direct contracts with industries

Ramapo Valley Surgical Center Unique Philosophy

- CREED – unique to RVSC "physicians and nurses, working together, will provide the highest quality ambulatory surgical care in a compassionate, comfortable environment, placing our patients needs first."
- States the expectations of each and every physician partner in terms of commitment to the ASC.
- Select specialists of same quality, but diverse specialties that can add to the center's reputation

Active MD Involvement

- We are the 'THEY'
- Hands on approach
- Able to make and implement decisions rapidly
- Eliminate Red Tape/Bureaucracy that we have grown accustomed to at hospital
- Guidance from our Consultant Partners
- Open Lines of Communication among doctors and the executive board

COMMUNICATE

New Service Lines

- Started with Ortho/pain/pod/optho
- As environment/reimbursement changed:
- Add ENT
- Add General Surgery/Dental
- Create profitable self pay set up for Plastics
- Expand existing services
- New associates of existing partners
- All of above with known high quality docs

Hurdles

- Some docs just don't 'get it'
- Need to play nice in sandbox
- Scheduling flexibility
- Efficient surgeon
- No waste
- Retina – good try, no fly!

Hurdles

- On NY/NJ border- license issues
- Profitable – thus High Buy-In
- Need to stress ROI
- Many docs are financially unsophisticated
- I'd rather have 100% 0f '0' !
- Don't need that doc!

ADVICE

- Stay lean
- Be agile
- Do your research
- Go with quality – people and concepts
- Communicate with all involved

ENJOY!