3 Core Orthopedic and Practice Group Initiatives

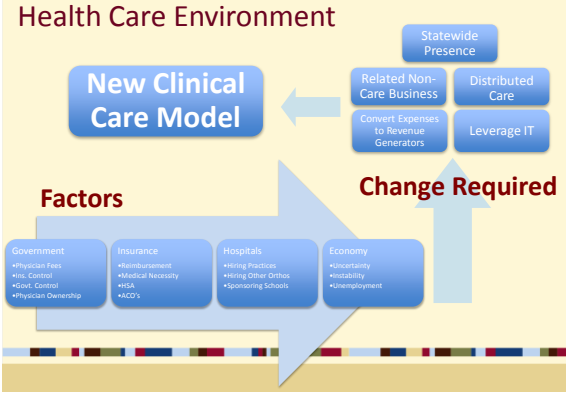
Becker's 18th Annual Ambulatory Surgery Centers Conference
Oct. 29, 2011
10:35 – 11:15

ORTHOINDY® Bone, Joint, Spine & Muscle Care
IOH® Indiana Orthopaedic Hospital

Initiatives

- Current Climate
- About OI/IOH/OE
- Hospitals and Ancillaries
- Practice Initiatives
- Service Line Management Agreements
- Becoming LEANer

Health Care Environment



About OI/IOH/OE

OrthoIndy

- 75 Physicians
  - 54 Surgeons
  - 7 Physiatrists
  - 14 Anesthesiologists
- 49 Years in Practice!!!

About OI/IOH/OE (Cont'd)

Indiana Orthopaedic Hospital

- Opened in March, 2005
- Managed by OI until Dec, 2010
- Managed by OE since Jan, 2011
- Three Locations
  - North: 10 OR's, 2 Minor Rooms, 38 Beds
  - West: 2 OR's, 1 Minor Room
  - South: 4 OR's, 2 Minor Rooms

About OI/IOH/OE (Cont'd)

OrthoIndy Enterprises

- Opened in May, 2010
- Physicians Hold Tremendous Knowledge
- Designed to Leverage:
  - Physician Knowledge
  - Management Knowledge
  - Clinical Pathways/Best Practices Knowledge
- Manage Service Lines at FMV

About OI/IOH/OE (Cont'd)

OrthoIndy Enterprises (Cont'd)

•Formed to capitalize on clinical/operational knowledge

•Now manages three locations:

- SVI, OI, IOH

•Designed to Protect Independent Practice of Medicine as Long as Possible:

- Other Like Minded Groups
- Plug into Local Hospital ACO's

Hospitals and Ancillaries

- PT and Imaging are huge
  - One stop shopping has been critical to our success
  - Insurers are beginning to direct care based on cost
  - Becoming a volume/profit exercise
- Workman's Compensation
  - Most hospitals and groups avoid
  - High Maintenance
  - High Return

Hospitals and Ancillaries (Cont'd)

- Employer Direct
  - Leverage Workman's Comp Relationships
  - Approach Self-Insured's About Ortho Carve-Out
- Hospital Partnerships
  - Now Receiving Calls Almost Monthly
  - Environmental Assessments
  - Service Line Consulting
  - Readiness Assessments

Hospitals and Ancillaries (Cont'd)

- Package Pricing
  - We can do this because we own the practice and the hospital.
  - Otherwise would need an acute care partner.
  - With or Without ACO's we believe market is heading this way due to the economy.
  - Self Insured school trusts and others are looking for an alternative to the high cost at other area facilities (i.e. – CMS Bundled Payment Initiative).

Service Line Management Agreements

- Target Audience
  - Large/Urban Tertiary Facilities
    - Service Line Management
    - Trauma Program Development
  - Community Hospitals
- Complete Service Line Management
  - Floor
  - OR
  - Patient Satisfaction

Service Line Management Agreements (Cont'd)

- Fee Structure
  - Minimum 12 Month's with Set Fee
  - Longer Term, Higher Fixed Component
  - 5 Year Term:
    - 80% Fixed
    - 20% Variable
  - Medical Directorships
  - Physician Involvement
  - Hospital Leadership Involvement

Service Line Management Agreements (Cont'd)

- OR Room Turnover Time
- On-Time OR Starts
- SCIP Core Measures
- Post Op Infection Rate
- Patient Falls Rate
- HCAHPS

Practice Initiatives

- Focus on Regional Markets
  - Local Market is over-served 30%-50%
  - Success is in moving to suburbs and beyond
  - Focus on referral patterns
- Income Guarantees
  - Income guarantees are difficult
  - Physician leasing is a good option
- Walk In Clinics are huge
  - Alternative to ER = HUGE patient satisfier
  - Access to patient before they get to primary care

Practice Initiatives (Cont'd)

- Other Initiatives
  - Neutriceuticals
  - In-office Pharmacy Dispensing
    - Work Comp
    - Cash and Carry
    - Employee Maintenance Med's
  - Urine Drug Screening

Other Opportunities

OrthoIndy Enterprises

- Services include:
  - Consulting/Service Line Management
  - MSO Type Services
  - Clinical Integration
- Other Opportunities
  - Invest in Related but Non-Core Businesses

Becoming LEANER

- Why focus on LEAN?
- What benefits to we expect to reap?
- Is LEAN even for healthcare?

Becoming LEANER

- Keys to Success:
  - Executive Leadership Sponsorship
  - Board Involvement
  - Key Physician Involvement
  - Key Staff Involvement
- Core Processes Reviewed
  - Scheduling/Call Handling
  - Imaging (Exam Room PC's)

Becoming LEANER

- Approach:
  - Executive Sponsor
  - Invested Staff/Physicians
  - Work Done by the Group
  - Executive Sponsor Monitor's/Report's Progress
- "Clean Sheet of Paper"
- No Stone Unturned
- "Parking Lot" for Other Issues

Scheduling/Call Handling

- Problem:
  - Calls not being routed properly
  - Multiple call transfers
  - Individualized physician support
  - Too many calls being abandoned
  - Patients and referring physicians dissatisfied with process
- Measures of Success:
  - Fewer abandoned calls
  - Fewer call transfers
  - Better patient and referring physician satisfaction

Scheduling/Call Handling

- Process:
  - Direct observation of call handling process
  - Debunked the "black hole" myth
  - Obtained reliable call handling data
  - Identified underperforming call groups
    - 8 of 11 call groups are performing below the benchmark
  - Sought key physician and key staff input on process
- Expected Result:
  - Move some staff to switchboard positions
  - Likely reduction of 10% of the staff after changes made

Scheduling/Call Handling

- Next Steps:
  - Divided improvement opportunities into 5 categories:
    - Roles and Accountabilities
    - Technology Tools
    - Physician Standards
    - Main Menus
    - Call Handling
  - Assigned staff to propose solutions in each of these areas
  - Better team involvement in outcome
  - Cannot use the "it was not my idea" excuse.
- Creating Employee Talent Pool

Imaging Workflow

- Concerned about overhead and cost of PC's in the exam rooms.
- Want to balance cost with patient flow.
- Evaluate three options:
  - Computers in Exam Rooms
  - Computers at Dictation Stations
  - Physicians Use Existing Laptops
- Balancing physician/patient convenience and cost.
- Involving physician and staff.

Questions??

Thank You!!!