



Case Study

Rethinking Our Business: Orthopedists and Neurosurgeons team to organize and provide musculoskeletal care

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Stated Conflict of Interest

**Parkway Surgery Center
Parkway Neuroscience & Spine Institute**

- Owners/Investors
- Partner with Blue Chip Surgical

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Risk of Thinking Too Narrowly

- Movie distributor Blockbuster thought it was in business of renting movies – not delivering entertainment media like Netflix
- 1890s railway executives thought they were in train business, should have viewed their business as transportation
- Apple once viewed their business as computers, now the business is consumer devices
- Nike started in the sneaker business, now Nike is helping create lifestyles for those who are athletic and active

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Risk of Narrow Thinking in Healthcare

- Cardio thoracic / vascular surgeons lost business to cardiologists who embraced MIS
- General surgeons "lost" the colon to GI
- Spine surgeons focused only on inpatient spine surgeries risk losing business – we must view our business more broadly

What business do we think we're in?
What business do we want to be in?

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My Business

- **5 Years Ago**
 - Hospital based brain & spine surgeries
- **Today – after retooling our business**
 - Created, organized and manage a comprehensive spine care delivery system
 - Imaging, PT, pain management, Chiropractors, Surgeons under one roof (1-800-SPINE)
- **Tomorrow:**
 - Must keep evolving
 - Identifying opportunities
 - My group will be physicians in the business of keeping muscles, bones and joints (including spines) healthy and fixing them when they're broken by surgical & non-surgical means

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Physicians, who are today only focused on the practice of medicine also must refocus on the business of health care

- What Business Are You In Today?
- What Business Will You Be in Tomorrow?
- Who Are the Right Partners for You?
- Where Do You See Opportunity?
- Where Do You See Risk?

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Market Forcing Integration

- J&J's DePuy acquisition of Synthes – device, equipment and implant makers are consolidating and recognize shift toward integrated care (Ortho + Neuro ... bone, joint and muscle)
- Government, regulators & payers driving bundled payments for integrated care
- Demographics:
 - Patients: larger population, older, heavier, more active = more cases
 - MDs: scarcity of neuros and orthos = productivity gains are requirement

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Musculoskeletal Centers of Excellence a one way forward

- Orthos & neuros should own and manage the "entire clinical pathway"
- COEs are not just branding
- Better packaging & integration of care:
 - Urgent care
 - Imaging
 - Physical therapy & rehab
 - Orthopedists, Neurosurgeons, Physiatrists, ER
 - Chiropractors, Acupuncturists
 - Recovery Care Center / SNF

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Musculoskeletal COEs – one model

- Associations along "geographical corridors"
- Access more patients across broader geographical base
- Hub-and-spoke referral networks
- Embrace non-surgical care and outpatient pain management – 82% of all spine care (Healthcare Advisory Board)

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What to Do Now

- Understand market – we are in it whether we want to be or not
- Organize and advocate – orthos, neuros, physiatrists, chiropractors, therapists, etc.
- Experiment, innovate, integrate

Bottom Line: We can hang together or hang apart.

Stay tuned – if invited to return next year, I will brief you on our progress as we find out way

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Questions and Discussion



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