

# THE SOLO PHYSICIAN-OWNED ASC BUSINESS MODEL

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## SOME TOPICS TO BE COVERED

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Is ASC ownership worthwhile?

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Does it work for solo practice?

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What specialties are likely to be successful?

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Does it make financial sense?

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How to get credentialed

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What are the staffing needs?

# IS ASC OWNERSHIP WORTHWHILE?

- ADVANTAGES OF OWNING YOUR OWN ASC
  - MAXIMIZING THE PATIENT EXPERIENCE
  - ONE CENTER FOR CARE
  - LOWER COSTS (HOPD)
  - PATIENT CONVENIENCE
  - CONTROL OF THE PRACTICE AND PATIENT OUTCOMES
  - PHILOSOPHY OF INDEPENDENCE

# DECISIONS, DECISIONS...

- DOES IT MAKE FINANCIAL SENSE TO BUILD AN ASC?
  - RUN A PROFORMA
  - LOOK AT LOCAL REGULATORY REQUIREMENTS (CERTIFICATE OF NEED)
  - PAY ATTENTION TO THE LOCAL MARKET. WILL COMPETING HEALTHCARE ENTITIES BE SUPPORTIVE?
  - REAL ESTATE COSTS: BUILD NEW OR PURCHASE AN EXISTING CENTER



# SPECIALTIES

- PROCEDURAL-BASED SPECIALTIES
- PROCEDURES THAT CAN BE COMPLETED IN LOW COST SETTINGS
- MINIMAL PATIENT RISK
- INSURANCE PAYMENTS ARE VIABLE

# SO YOU DECIDE IT'S RIGHT FOR YOU. NOW WHAT?

- FINDING A LOCATION OR REAL ESTATE
- HOW TO SELECT A CONTRACTOR:
  - MAKE SURE YOU INTERVIEW SEVERAL
  - ASK FOR PREVIOUS TYPES OF ASCs BUILT
  - MAKE SURE THEY UNDERSTAND LIFE SAFETY CODE
  - MEET WITH THE CONTRACTOR AND TEAM EARLY AND OFTEN

# CONTRACTOR/CONSTRUCTION

- HAVE THE CONTRACTOR REVIEW THE CREDENTIALING CHECKLIST AND MAKE SURE THEY FOLLOW IT
- CONSULTANTS
  - WORTH IT?
  - WHAT ARE YOU ACTUALLY GAINING FROM A CONSULTANT?
  - DO THEY HAVE PRIOR SUCCESS?
  - HAVE YOU ASKED PREVIOUS CLIENTS ABOUT THEIR ABILITY TO SUCCEED?

# CONSTRUCTION DECISIONS

- COSTS: WHAT SHOULD IT COST VS. WHAT IT ACTUALLY COSTS
- SPACE AND SIZE DETERMINATIONS, LAYOUT, ORs, PRE & POST OP AREAS, RECOVERY
- WHAT IS REQUIRED IN YOUR STATE (BREAK ROOM, STAFF TRAINING ROOM, LOCKER ROOM, BATHROOMS, LIFE SAFETY, AIR FLOW)?
- HOW LONG SHOULD IT TAKE TO COMPLETE THE CONTRACT?



## WHILE YOU ARE BUILDING THE CENTER...

- START TO THINK ABOUT STAFFING
- WHAT TYPE OF STAFF DO YOU NEED?
  - ADMINISTRATOR: WHERE DO YOU FIND ONE AND WHAT SKILLS DO THEY NEED?
  - HOW MANY RNs DO YOU NEED?
  - HOW MUCH SUPPORT STAFF DO YOU NEED?

# NEXT, INSURANCE...

- INSURANCE CREDENTIALING
  - REVIEW YOUR CONTRACTS
  - GROUPER CODES
  - ANALYZE YOUR CPT CODES COMPARED TO GROUPER RATES
  - MEDICARE AND MEDICAID ARE PUBLISHED
  - IN-NETWORK VS. OUT-OF-NETWORK – WHAT THE DIFFERENCE IS FOR YOU AND YOUR PATIENTS

# INSURANCE CONTRACTS

- ARE THEY NEGOTIABLE?
- WHAT LEVERAGE DO YOU HAVE AS A SOLO PRACTITIONER?
- DOES A JOINT VENTURE WITH A LOCAL HOSPITAL OR A LARGE ASC GROUP MAKE SENSE?
  - MAINTAIN A POSITIVE RELATIONSHIP WITH THE HOSPITAL (TRANSFER AGREEMENTS)

# MORE INSURANCE

- INSURANCE COMPANY OFFERS LOW RATES. NOW WHAT?
- INSURANCE NETWORK IS CLOSED. OPTIONS?
- SHOULD YOU TAKE MEDICAID?
- IF YOU GET LOW OFFERS FROM INSURANCE, SHOULD YOU JUST ACCEPT IT?



# CREDENTIALING

- ASCs MUST BE CREDENTIALLED THROUGH ONE OF THREE COMMON PATHWAYS TO GET DEEMED STATUS WITH MEDICARE
  - AAAHC
  - HFAP
  - JCAHO

# CREDENTIALING

- HOW TO PREPARE FOR SITE VISIT
- DO CONSULTANTS HELP?
- DO MOCK INSPECTIONS HELP? IF SO, HOW TO ARRANGE ONE?
- PUBLISHED ONLINE RESOURCES AND CHECK LISTS
- MANY, MANY ONLINE RESOURCES AND COMPANIES CAN HELP

# WHAT HAPPENS AT SITE VISIT?

- AAAHC EXAMPLE
  - 10 CASES
  - APPLY, THEN GIVE THE HOURS YOU WORK
  - THEY COME UNANNOUNCED
  - WALK AROUND THE PHYSICAL SITE. GO OVER THE POLICY AND PROCEDURE MANUALS.
  - OBSERVE A CASE

# POLICY AND PROCEDURE MANUALS

- PUBLISHED ONLINE CHECKLIST
  - INFECTION CONTROL, EMPLOYEE MANAGEMENT, CREDENTIALING MEETING, PHYSICIAN OVERSIGHT COMMITTEE, QUALITY CONTROL ARE SOME EXAMPLES OF MEETINGS AND COMMITTEES
  - MAKE SURE YOU FOLLOW YOUR POLICIES!



# CREDENTIALING PITFALLS TO AVOID

- ONLY ANSWER THE QUESTION THEY ASK
- MAKE SURE YOU FOLLOW THE PROCEDURES YOU HAVE WRITTEN
- MAKE SURE ALL YOUR STAFF HAS BEEN TRAINED AND EVERYONE FOLLOWS THE SAME RULES
- STERILE PROCESSING
- TERMINAL CLEANING
- PHARMACEUTICAL STORAGE

# MORE PITFALLS

- 3 HOUR FIREWALL
- SEPARATE WAITING ROOM
- 1 HOUR TIME SEPARATION BETWEEN OFFICES
- DISTINCT OFFICE SUITES FOR ASC vs. OFFICE



# OTHER CONSIDERATIONS

- **PHARMACEUTICALS**
  - LEGAL REQUIREMENTS
  - STAFF PHARMACIST?
- **WHERE TO COST EFFECTIVELY BUY SUPPLIES**

# EMR

- EMR – HOW TO CHOOSE?
- WHAT TYPES OF FEATURES DO I NEED?
  - INVENTORY TRACKING, OR TRACKING MAY NOT BE NEEDED
  - DO I NEED AN ASC SOFTWARE VS. REGULAR EMR – ORDER ENTRY, ADMISSION AND DC PAPERWORK, CALLBACKS



# ANESTHESIA

- WHAT TYPES/LEVEL OF ANESTHESIA IS NEEDED?
- SHOULD ANESTHESIOLOGIST BE HIRED?
- MD/DO vs. CRNA
- SUBCONTRACT THE SERVICE OUT?
- HOW DOES BILLING WORK FOR THE ANESTHESIA SIDE?  
SEPARATE CORPORATION FOR ANESTHESIA MAY BE NEEDED.

# BILLING AND CODING

- INTERNAL VS. OUTSOURCED BILLING
- ADVANTAGES/DISADVANTAGES FOR SOLO PRACTITIONER
- PAPERWORK REQUIRED?
  - H/P, CHART NOTES, OP NOTES, INFORMED CONSENT, VITALS, ANESTHESIA RECORD



# BANKING FOR THE SOLO PHYSICIAN ASC

- TRY TO MAXIMIZE EFTs
- CONSIDER A LOCKBOX FOR PAYMENTS TO BE SENT
- HAVE STAFF YOU TRUST HANDLE THE INCOMING MAIL
- HIRE AN AUDITOR TO TRACK PAYMENTS
- BILLING COMPANIES CAN ADD A LAYER OF OVERSIGHT
- ALWAYS BE ENGAGED IN THE PROCESS
- KEEP YOUR EYES ON THE MONEY

# GROWTH CONSIDERATIONS

SHOULD YOU TAKE ON A PARTNER?

SHOULD YOU ALLOW OTHERS TO WORK  
IN YOUR ASC?

# FINAL THOUGHTS

- REFLECTIONS
  - LOOKING BACK, WOULD I DO IT AGAIN?
- WHAT ADVICE DO I HAVE FOR PEOPLE CONSIDERING AN ASC?
- SOMETIMES YOU HAVE TO MAKE YOUR OWN LUCK.



THANK YOU  
FOR YOUR TIME.

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