THE SOLO PHYSICIAN-OWNED ASC BUSINESS MODEL

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### SOME TOPICS TO BE COVERED

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<th>Question</th>
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<td>Is ASC ownership worthwhile?</td>
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<td>Does it work for solo practice?</td>
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<td>What specialties are likely to be successful?</td>
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<td>Does it make financial sense?</td>
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<td>How to get credentialed</td>
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<td>What are the staffing needs?</td>
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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
• **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?
ASCs must be credentialed 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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