

OFFICE ENDOSCOPY: A CHICAGO BASED SUCCESS STORY

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TYPICAL GI PRACTICE

- **PROFESSIONAL FEES DRIVEN BY 2 FACTORS**
 - **VOLUME OF PROCEDURES, VISITS AND HOSPITAL CONSULTS**
 - **MIX OF PAYERS THAT COVER YOUR PATIENTS – MEDICARE, BCBS, OTHER COMMERCIALS, MEDICAID**
- **PREVAILING TRENDS**
 - **DECLINING PROFESSIONAL FEES DUE TO CUTS IN MEDICARE RATES**
 - **OTHER PAYERS FOLLOW MEDICARE IN REDUCING FEES**
 - **MORE COMPETITION FROM BIG HEALTH SYSTEMS – REDUCED PCP REFERRALS**

PATHS TO REVENUE GROWTH

- **EARN REVENUE FROM AN ENDOSCOPY CENTER, SUBJECT TO**
 - **INVESTMENT IN EXISTING CENTER – BUY-IN AT FAIR MARKET VALUE – DETERMINE ROI**
 - **RECRUIT PARTNERS & START YOUR OWN CENTER**
 - **C.O.N. ISSUES DEPENDING ON YOUR STATE REGS**
- **JOIN MEGA GI GROUP, SUBJECT TO**
 - **COST TO PURCHASE SHARES**
 - **OVERHEAD COSTS TO RUN MEGA GROUP VS. INCREASED REVENUE POTENTIAL**
 - **COMPATIBILITY OF PARTNER GROUPS? – QUALITY, MANAGEMENT STYLE, ETC.**

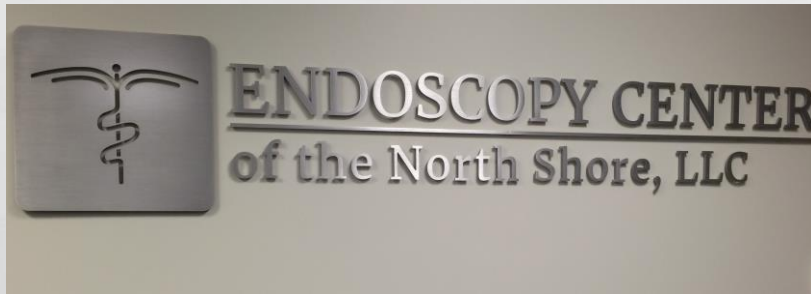
INVEST IN YOURSELF!

- **ROCKETT HEALTHCARE MANAGES OFFICE ENDOSCOPY STARTUP PROJECTS**
 - **PERFORM FINANCIAL FEASIBILITY – VOLUME, PAYER MIX, TRENDS**
 - **COORDINATE WITH ARCHITECTS & CONTRACTORS**
 - **EQUIPMENT PROPOSALS FROM MULTIPLE VENDORS**
 - **ACCREDITATION SUPPORT – TJC, AAAASF, AAAHC, OR IMQ**
 - **PAYER NEGOTIATIONS AND EVALUATE PROPOSALS FROM GI BILLING VENDORS**
 - **SET UP PATH LAB REVENUE SHARE AND ANESTHESIA EXPENSE SHARE**
- **ENHANCED PRO FEES FROM OFFICE BASED PROCEDURES – FROM ALL PAYERS**

GI OFFICES ENJOYING REVENUE GROWTH



COMPREHENSIVE
GASTROINTESTINAL HEALTH



OFFICE ENDO SOLUTION

- **NEGOTIATED ARRANGEMENTS FOR ADDITIONAL REVENUE STREAMS**
 - **PATHOLOGY – GO PATH LABORATORIES**
 - **EARN YOUR SHARE OF THE PATHOLOGY REVENUE STREAM**
 - **GI TRAINED PATHOLOGISTS PROVIDE ENHANCED STAINS & INTERPRETATIONS**
 - **ANESTHESIA – MOBILE ANESTHESIOLOGISTS**
 - **ENHANCE REVENUE + REDUCE OPERATING EXPENSES**
 - **INCREASE PATIENT FLOW**
 - **LEVERAGE MOBILE'S NURSES, MEDS, SUPPLIES, AND EQUIPMENT TO DECREASE FACILITY OVERHEAD**
 - **INFUSION – SHARE IN NET INCOME**
 - **WEIGHT LOSS – GASTRIC BALLOON PROCEDURES**
 - **COLON PREP PRODUCT FOR YOUR PATIENTS**

NEW GI MULTI REVENUE STREAM MODEL



PRO FORMA – 3 GI'S IN ILLINOIS

	Year 1	Year 2	Year 3
Revenue - Enhanced with In-Office Procedures			
In-Hospital Professional Fees	\$209,727	\$247,411	\$259,505
In-Office Procedures	\$1,281,145	\$1,634,406	\$1,714,669
Adjustment for double procedures	(\$149,087)	(\$188,182)	(\$197,417)
Colonscopy Prep Kits	\$78,588	\$82,584	\$86,580
Anesthesiology (net of double procedures)	\$0	\$0	\$0
Pathology	\$131,850	\$138,150	\$144,900
Total Revenue	\$1,552,223	\$1,914,369	\$2,008,237
Estimated Increase in REVENUE	\$797,204 106%	\$1,023,690 115%	\$1,074,018 115%
Incremental Expenses			
In-Office Endoscopy suites & Staff	\$375,870	\$409,458	\$414,416
Anesthesiology	\$0	\$0	\$0
Pathology	\$112,453	\$117,088	\$122,465
RHCS Management Fee	\$70,000	\$15,000	\$1,750
Total Incremental Expenses	\$558,323	\$541,546	\$538,631
Estimated Increase in PROFIT	\$238,881	\$482,144	\$535,387

NEXT STEPS?

- **DETERMINE PROCEDURE VOLUME BY CPT AND ASSESS PAYER MIX FOR YOUR PRACTICE**
 - **PREPARE FINANCIAL PROJECTIONS TO DETERMINE FEASIBILITY**
 - **PREPARE TIMELINE FOR PROJECT, NEW REVENUE STREAMS TO PURSUE & ROI**
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- **ARE YOU READY TO INCREASE YOUR REVENUE?**

TIME IS RIGHT TO REMAIN INDEPENDENT & GROW YOUR REVENUE

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