

I Want Your Practice!!

(and I am taking it, with help from your CEO and surgeons...)

By Keith Chamberlin, M.D., MBA

I know, I know, the above is a bold statement that does not apply to your particular anesthesiology group at your particular practice. Sorry. Read on: The following is an accurate, true-to-life phone call between the national sales director of a national anesthesia company and your hospital's CEO or CMO.

"Hi, Mr. CEO. I am Dr. So-and-So, from Anesthesiology Blah-blah-blah, the leading national provider of professional anesthesiology services in the United States. I am calling to make sure you are completely satisfied with your anesthesiology providers.

"Oh good, I am glad you are. So many CEOs whom we call are *not* satisfied. They do not have anesthesiology groups that will not only *save* money for their hospitals, but even *make* money for their hospitals. We know how hard a job you have, with less than a 4 percent margin, and most anesthesia groups do nothing to help contribute to that. Oftentimes we are called when hospitals are reviewing the groups that they supplement and stipend, and are asked how we can help. You are one of the few—what? What do I mean by anesthesia helping *make* money for the hospital?

"Well, pardon me, but I assumed that if you were happy with your group, then they must help substantially with the new value-based purchasing (VBP) and do everything possible to avoid taking a stipend from your facility. We know the financial difficulties facing hospitals everywhere (through our local California and national experience) and do everything we can to assist you in maximizing your deserved collections from the government and private payers. In addition, we really do not want a stipend if we can avoid one legally (Medicare anti-kickback, etc.) and still recruit and retain high-quality providers. We are able to reduce substantially any stipend via excellent management of the expensive and rare resources available to you.

"I'm sorry? How do we do that? Frankly, we place medical directors with substantially advanced management experience in operating room (OR) management roles. We require our OR medical director to have a management degree or to undergo our own unique management training. This course assists them with group management in an adverse economic environment, and gives them the skills to manage and evaluate group performance for both quality and financial success. *All of our medical directors* have these skills or degrees—I am concerned that yours do not.

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"If I may, I would like to send you a copy of our quarterly financial analyses that we use to judge how we are doing in terms of hospital financial performance, as well as group performance, because we know that without a financially successful hospital we cannot have a financially successful group. The hospital should never pay any money to anyone to make up for sloppy management and poor collection procedures, and you deserve to see reports that reflect excellence in these processes, which is routine for us.

"A lot goes into a successful group, as you know. Pardon—such as? Well, of course quality is number one, but we define quality way beyond sitting on a stool giving anesthetic gases. Often anesthesia professionals forget their professional roles by arriving late wearing shorts or blue jeans, and leaving early and having minimal contact with patients outside the OR. We require our professional anesthesia employees to contact patients via phone preop if they are outpatients, or see them in the hospital if they are inpatients, and also make personal or telephone postop rounds. This shows up quite distinctly in our patient satisfaction survey, which is both Internet- and postal-based. We are able to get extremely rapid feedback, and we deal with any patient dissatisfaction virtually immediately. Naturally, we are active members of the American Society of Anesthesiologists' Anesthesia Quality Institute, so we can compare ourselves to other groups on a local, state and national basis. In addition, this preop excellence prevents day-of-surgery case cancellations, and we report that monthly to you. This is a huge money saver for the hospital, and huge in increasing patient satisfaction.

"Surgeon satisfaction is equally important to us, and we have a dedicated surgeon quality survey, done every quarter, as I am sure your group does. Oh? Well, we would be happy to send you our reports and quality dashboard for demonstration purposes.

"We realize that the department of anesthesiology is the lynchpin for most hospital procedures, both in and out of the OR, and we sit on all committees that could potentially involve us, looking for efficiencies and cost savings, after we make certain that perfect quality is achieved. In fact we require committee participation on hospital committees such as quality assurance, pharmacy and therapeutics (where we have been able to discover over \$50,000 per year in savings by having the anesthesia provider prepare and administer the preop antibiotics instead of the pharmacy), OR management, trauma, and medical executive. We also have our MBA directors (or management-trained directors) sit on the hospital finance committee because we recognize (as do you) that the OR is the source of greatest profit and expense of all departments. In addition, our members sit on many boards of the local IPA and physician groups and, in fact, one of our members is the chairman of the task force for the newly developing accountable care organization in her community. We believe that as

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a department, we are *your partner in business*, and that the hospital is a partner in the community, and we support both concepts fully.

“So please let me send you some information—what, excuse me? Of course I can explain further.

“Many CEOs and hospital boards look at anesthesiology groups—unlike surgeons—as having no cash value, because we do not bring patients to the hospital (excluding pain patients). The truth is that nothing is further from that truth. A well-run, professionally managed anesthesiology department can be responsible for *avoiding the loss of hundreds of thousands of dollars*, and can frankly encourage current and new surgeons to bring new business to our facility—through excellent management of OR time, on-time starts, permission for late and weekend cases, and in general, a smiling, cooperative face encouraging new surgical business whenever possible, as well as reducing unnecessary waste and expense.

“Look at VPB. The core is accountability and attention to core measures. Anesthesia has a direct impact on 33 percent of the Fiscal Year 2013 Process of Care measures (prophylactic antibiotic measures, beta blockade in the periop period, cardiac surgery patients with 6 a.m. postop operative serum glucose, and surgery patients who receive appropriate venous thromboembolism prophylaxis within 24 hours). Hospitals are going to have substantial monies (starting with \$850 million) withheld from DRG payments, but can recoup those funds and more by meeting quality and patient satisfaction measures. We are dedicated to ensuring full compliance and detailed reporting so our facilities can earn back more than they contributed.

“Patient experience of care is one of the three legs of the Institute of Medicine and Center for Medicare and Medicaid Services philosophies, and we agree. Thus we have a short but informative patient satisfaction survey that we report to you quarterly. (We review it daily, as it is Internet-based.) We know this is also part of the ...

“I’m sorry, sir, what was that? Surgeon satisfaction? Great question. We know no anesthesiology change is possible without surgeon support, which is why we strive to hire the current *qualified* anesthesiology staff at some percentage of their current earnings. We know surgeon satisfaction in terms of service and availability is critical, and we also survey the surgical and operative staff for levels of satisfaction.

“We are able to operate more cost-efficiently by using both board-certified anesthesiologists and highly trained CRNAs under the close supervision of

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those physicians. We place a high priority on the care team model, placing patient safety and quality care above all else.

“For us, professional leadership, professional management, close and cordial relationships with your payers, excellent responsiveness to your surgical staff (no arguments in the OR or the scheduling office), superb dashboard reporting of OR efficiencies, and active involvement in hospital committees and functions are the only way a serious anesthesiology service can make your job easier, help the hospital to function at its highest level, and respond instantly to our rapidly changing environment.

“May I send you some sample dashboard reports, testimonials, and some blinded financial projections? Excuse me, a presentation to your board of directors? Of course...”

If you think that I fabricated the above, then think again. Virtually all the information was taken from current white papers by national companies.

So what is to be done? Here is yet another checklist you will find very useful. Understand that there are two components here—acting like a “doctor” and being a business partner with the hospital. *Aligned incentives* is a key phrase—you and the hospital are operating a business together—that underlies all your actions. Understand that, and the rest will fall into place. Specifically:

1. Become indispensable. Half of anesthesia is turning dials in the OR, the other half is the medical-school-educated physician who contributes to the overall medical care of the patient. Show what you can do that others cannot.
2. Develop an excellent relationship and communication with your CEO and CMO. Nothing works as well as having friends in high places; getting early warning that something is amiss in your group and giving you time to fix it is invaluable.
3. Collect data. It is no longer good enough to just be clinically good enough. You must measure it, collect it, dashboard it, and show it to your hospital, payers and the government.
4. Act professional. Show up for work as the professional that you are. Dress like you want to be treated.
5. Act like a physician. Call patients the night before their procedure, and find a way to talk with them postop, even if it is by phone. Patients love this, and it counts!

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6. Become a member of the CSA and the ASA. And ask them for assistance if you get into trouble. We have excellent resources that can both rescue a group and get it prepared for negotiations—you do *not* have to be alone!
7. Become involved in your hospital's key activities. At a minimum, secure appointments on the following committees:
 - OR management
 - quality improvement
 - Surgical Care Improvement Project (SCIP)
 - pharmacy and therapeutics
 - emergency/trauma
 - critical care

If you have someone with some experience or knowledge, try for finance board committees and hospital board committees (quality, etc.) Take the lead when there is a problem.
8. Find a way to save the hospital money, and tell them you are doing it. Use the concept of VPB and your group's commitment to that concept.
9. Send a member of your group to the ASA's Certificate in Business Administration Course. This demonstrates your commitment to better organization, enhanced communication, and more efficient resource utilization.
10. Inform the hospital about all that you do now that saves money—continuous peripheral nerve blocks, pain consults, and other clinical activities that allow patients to discharge earlier and improve the patient's experience of care.
11. Develop a satisfaction survey for patients and surgeons and share it with the hospital, including action taken to improve any deficiencies (they will discover these anyway, so you might as well as be the first to mention them).
12. Be perfect on quality metrics—antibiotics, temperature control, beta blockade—and communicate to the hospital administration how well you are doing!
13. If you receive a stipend, make sure you have an *outside* consultant, hired by you, to do the math and analysis of what the hospital wants, what it needs, and what it can afford. Let the facility know you are aware of your responsibilities and obligations.

In summary, the threat is very real, and it's happening in your backyard. You can stop it. Get involved, get off the stools, get on the committees, and support your societies.