

## Top Challenges & Opportunities for Spine in 2011: Healthcare Reform, Accountable Care Organizations, Outpatient Growth & More *December 15, 2010*

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## Five Biggest Challenges

- 🔍 Health Care Reform
- 🔍 Declining Reimbursement
- 🔍 How to Decrease Overhead
- 🔍 Staff Retention
- 🔍 Increasing Efficiencies

## Five Biggest Opportunities

- 🔍 New Trends
- 🔍 Minimally Invasive Spine Procedures
- 🔍 Education Advancement
- 🔍 Electronic Technology
- 🔍 Growth of Outpatient Care

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# A New Day for Health Care In America





## Affordable Care Act

- 🔍 Comprehensive healthcare reform law enacted March 2010
- 🔍 Two Parts:
  - 🔍 The patient protection and Affordable Care Act (3/23)
  - 🔍 Healthcare and Education Reconciliation Act (3/30)

***“Affordable Care Act”***

## Affordable Care Act

- 🔍 Health Insurance Reform
  - 🔍 Hold Insurance companies more accountable
  - 🔍 Lower healthcare costs
  - 🔍 Guarantee more healthcare choices
  - 🔍 Enhance the quality of care

## Affordable Care Act

- ❏ Small business tax credit to provide health insurance coverage, 2014
- ❏ Represent the largest middle class tax cut in history
- ❏ Increase health insurance coverage to the 32 million currently uninsured
- ❏ Set up a new competitive private health insurance market

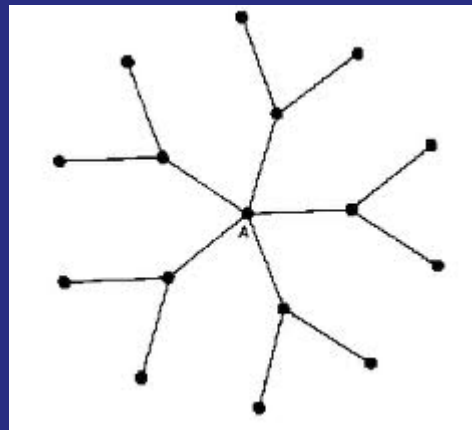


## What Are The 18 Immediate Effects

- Amend to pre-existing conditions
- Small business tax credit
- Senior drug rebate
- Young adult extended coverage
- No lifetime insurance cap
- Adult with pre-existing cov.
- Preventative care options
- End of Recissions
- Tranparency of Insurancy Co
- Appeals Process
- Indoor tanning service co
- Enhance fraud abuse checks
- Medicare expansion rural areas
- Deductions for BC /BS
- Nutritional content disclosure
- Improved coverage for early retirees
- Improve consumer info on web
- Encourage investment in new therapies

## The Effect Of Reform On ASC

- 🔍 Increase growth of outpatient services
- 🔍 Closer to center of care delivery
- 🔍 Become a center for multidisciplinary services



## The Effect of Reform on ASC

- 🔍 Movement toward outcomes oriented reimbursement
- 🔍 focus - coordinated care – outcomes
- 🔍 Potential for the shift towards outpatient oriented delivery systems

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## Revenue Cycle Management

- 🔍 Maintain physician compensation level
- 🔍 Maintain ASC profitability
- 🔍 Improve collections process from:
  - 🔍 self pay, high deductible plans
- 🔍 Improve contract negotiation with ins. Companies
- 🔍 Recruit new MDs

## Physician Compensation

- 🔍 Increasing number of patients
- 🔍 Declining / standardization of reimbursements
- 🔍 Understanding of the competitive landscape
- 🔍 Decision making

*What is the best strategic plan to sustain profitability*



## ASC Profitability

- 🔍 Decrease overhead
- 🔍 Retain staff
- 🔍 Expand profitable service lines
- 🔍 Market specialized services



***Revenue must exceed operational costs***

## ASC Profitability

- 🔍 Increase expenses / constrained reimbursement
- 🔍 Improve productivity without substantially increasing cost

*Non-physician Providers*

## Improve Collections

### *From Patient to Payment*

1. Eligibility
2. Claim Status
3. Reimbursement
4. Billing
5. Payment



## Improve Contract Negotiation

- 🔍 Knowledge of current contract
- 🔍 Understanding the competitive landscape
- 🔍 Associated cost vs. payment for services
- 🔍 Group vs. Private practice



## Recruitment of New Physicians

- ☞ Maintain attraction
- ☞ Updated business plan
- ☞ Numbers don't lie
- ☞ Marketing must be ongoing
- ☞ Staying ahead of the curve





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- 🔍 Increasing Efficiencies





## Decreasing Overhead

- Streamline tasks
- Transfer to electronic
- Paperless system
- Optimize office
- OR space



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- 🔍 Increasing Efficiencies

## Staff Retention

- 🔍 Turnover can be a facilities largest expense
  - 🔍 *Up to 50% of a candidate's annual salary (mgma.com)*
- 🔍 Programs focused on:
  - 🔍 Retention
  - 🔍 Continued education
  - 🔍 Internal promotion

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- 🔍 **Increasing Efficiencies**

## Increasing Efficiencies

- 🔍 Conversion to Electronic Health Records
- 🔍 Electronic Insurance submissions
- 🔍 Standardization of practice
  - 🔍 OR preference sheets
  - 🔍 Intake forms
  - 🔍 Discharge instructions



## Five Biggest Opportunities

- 🔍 **New Trends**
- 🔍 Minimally Invasive Spine Procedures
- 🔍 Education Advancement
- 🔍 Electronic Technology
- 🔍 Growth of Outpatient Care



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## Minimally Invasive Techniques

- 🔍 Increase in bone biologics
- 🔍 Less complex surgery
- 🔍 Greater emphasis on interventional procedures
- 🔍 More spine procedures being done outpatient

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- 🔍 Electronic Technology
- 🔍 Growth of Outpatient Care

## Educational Advancement

- ❏ In the shadow of a nursing shortage – The American Nurses Association will look towards specialized training / certification
- ❏ For physicians and advanced practice nurses alike education level may soon impact insurance reimbursement
- ❏ The Academy of Nurse Executives recently created the first Nurse Manager Certification (AONE, 2010)

## Educational Advancement

- ❑ ASC's can promote their employee retention through offering educational opportunities and reimbursement
- ❑ Increase staff commitment, loyalty, drive success
- ❑ Improve quality patient care

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## Electronic Technology

- ❑ EMR / EHR system
  - ❑ 5+ years – Hosp owned ASC 25.7
  - ❑ 5+ years – Ind multi spec 18.3
    - » ([www.mgma.com](http://www.mgma.com))
- ❑ Electronic claims submission
- ❑ Virtual medical offices

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- 🔍 Electronic Technology
- 🔍 **Growth of Outpatient Care**

## Growth of Outpatient Care

- ❑ Ambulatory Surgery Center's grew 38% from 2003-2008
- ❑ Bureau of Labor and Statistics predict ASC to outpace hospital growth by 45.4%
- ❑ Greater opportunities for MD, RN, NP, PA, Medical Assistants

## Growth Of Outpatient Care

- ❑ Healthcare reform will further accelerate the growth of ASC
- ❑ Increase need for integrated care



## Customer Service



*The Best Waiting Rooms Do Exactly The  
Opposite of What They Are Named For*

## Customer Service

- 🔍 Patients are Consumers
- 🔍 Increased access to care = More choices
- 🔍 Premier service
- 🔍 Stand out from the competition



## Crucial Steps

- 🔍 Service line capabilities
- 🔍 Service delivery
- 🔍 Market share
- 🔍 Physician alignment
- 🔍 Management and infrastructure



## Conclusion

- 🔍 Healthcare reform is upon us
- 🔍 ASC's must be prepared
- 🔍 Understanding of:
  - 🔍 Competitive landscape
  - 🔍 Culture / vision
  - 🔍 Strategic Plan



# Questions



# Thank You

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