Which Out-of-Hospital Model Is Right for My Practice?

Two specialists discuss their journeys in starting their practices, deciding on an OBL versus an ASC, and lessons learned.

With Donald S. (Buck) Cross, MD, MHCDS, FACC, and James Antezana, MD

The office-based lab (OBL) and ambulatory surgery center (ASC) models for outpatient care have evolved substantially over the last decade and a half. Patients are demanding more personalized and flexible health care, and physicians are striving for greater control over their care decisions and equipment procurement. Payors are sanctioning a steady but inexorable migration of procedures away from hospital settings and into OBLs and ASCs.

We had the opportunity to speak with two esteemed physicians who started their practices at the beginning of this evolution. Each will discuss their respective journeys, including model selection and the factors that impacted their decisions, their value proposition, patient impact, and lessons learned.

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What impacted your decision to open a lab in the outpatient setting?

Dr. Cross: At Waco Cardiology Associates, we have a thriving OBL/ASC with 12 physicians. Almost 15 years ago, several like-minded colleagues got together and started talking about adopting this nascent "out-of-hospital" model, within our specialty. We began with an OBL and transitioned to a hybrid model. We saw it as an opportunity to give our patients a better experience while enabling greater physician discretion in how and where we care for our patients, which devices we purchase, increased efficiencies, and an improved quality of life for our staff.

Dr. Antezana: I started practicing medicine in 2011, doing both general and vascular surgery at the local hospital. I was on call every weekend and needed to get more control over my schedule and patient care. So, 2 years later I started my OBL, South Charlotte General and Vascular Surgery. I can elect to sit with my patients, develop a rapport, and understand them wholly, not just as a vascular patient. Additional factors may be at play such as endocrine, general medicine, blood pressure, or other problems that could be impacting the patient's general health and the situation they're coming to see me for. In addition, I can accommodate those patients that need to go to the cath lab without delay.

How did you go about getting started?

Dr. Cross: We entered a joint venture with a cardiac management group called National Cardiovascular

Partners (NCP) to open our lab and have been partners ever since. NCP collaborates with physicians and helps them open an ASC, OBL, or hybrid practice. They will also run the business end (or parts thereof) as desired by their physician partners.

We first reviewed the caseloads of our doctors, specifically the last 2 to 3 years, to identify those cases that could have been accomplished in an OBL or ASC. We looked at the number of patients and what type procedures were done, whether peripheral, coronary, electrophysiology, and so forth. We collated the information into a proforma including reimbursements, material costs, devices, and equipment, and used it to guide our decision-making regarding the model type and size of the office setting.

Our NCP partner offered to take care of the logistics and business side of the ASC, and we agreed. We sat down together and told them the equipment we would need and jointly figured out how that would work. That's different than the hospitals, where they took control and made decisions based primarily on fiscal benefits. And sometimes, we ended up doing that as well, but in our model, we are part of that decision-making process.

Another key partner has been Philips, who has helped outfit our ASC with their OBL and ASC Solutions. They are a leader in a lot of the cardiology and radiology equipment that we use in our labs. They've worked hard over the years to provide products that fit our ASC.

Dr. Antezana: Once I decided to open an OBL, I knew I would need a bigger office. I partnered with an anesthesiologist/pain specialist colleague who already had a room that was set up for an OBL. My practice grew quickly, and 2 years later I needed more space. I decided to build out another office space with x-ray capabilities. This one was about 5 minutes from the hospital and my other office.

I continued to grow, such that dividing my time between two offices became inefficient. So, I decided to lease an additional 3,200 square feet upstairs in the first office building next to the hospital. I completed the build-out to accommodate for future growth. I kept the clinic downstairs and added a large waiting room and administrative offices. I built a cath lab with three recovery bays and ultrasound rooms upstairs.

The zenith of my endeavors is a beautiful 22,000–square foot building that meets all ASC standards, though we opted to remain an OBL and occupy 10,000 square feet on the second floor. The first floor is also a dream come true, in the form of a new Center of Vascular Excellence where referrals come in from local and interstate colleagues for our limb salvage expertise.

I'm excited to have been working out of this facility now for 2 years, and it's only getting better. It was an evolutionary process. The rules are dictated by not just the governing laws in the state, but also federal law. We were able to create our own protocols and policies. We consulted with certain entities to help with the build-out, but it was a lot of sweat equity getting everything done on our own. For an OBL, it's important that the physician has all the right credentials, certifications, licenses, etc, and that your facility follows all the OSHA and HIPAA regulations, which are unique and required for an outpatient facility to run safely.

What are the pros and cons of working with a partner organization or going it alone?

Dr. Cross: The major pro of a management group is that they know the business well. They know how to set it up and jump start it. They know if you have the right volume, patient mix, and experience, they will streamline your operations and back-office functions, contributing significantly to the bottom line. They come in and take care of the business, leaving the physicians to focus on what they do best—patient care. However, because they are providing these services and are a financial partner, they earn a piece of the pie. The only way to avoid that is to have physicians and clinical staff doing the business end, which is not something many clinicians want to do.

Dr. Antezana: Not everybody wants to have all the responsibility or take on all risk when starting an OBL. So, it's not for everyone. But if someone really has an entrepreneurial spirit and wants to run their own practice, I think they should do it. I did the research myself, including regulatory and build-out specifications, submitted certificates of need, and so forth. If you're successful and grow, you will likely need to get some professional help, including attorneys and accountants.

Dr. Cross, why did you choose an ASC model, and include cardiac care in your lab?

Dr. Cross: Because that's who we are. We're a group of cardiologists that saw this outpatient opportunity to take care of our patients in a different and better way. The cardiac ASC is a little different. It requires more overhead than just a regular ASC because of all the radiology equipment that's required. And, it's a different patient population. For us, the decision was driven by a regional need for greater access to cardiac procedures and by our cardiologist partners.

Dr. Antezana, why did you choose to go with an OBL model over an ASC?

Dr. Antezana: The initial phase of my OBL was driven by a certificate of need (CON) requirement for an ASC in our state. When I got to the point where I felt economically comfortable to make the investment and build out my facility, the CON was a bridge too far. Nonetheless, when I was building my OBL, I decided to make it ASC-certified so that it was ready when the time came, as I do believe ASCs will be the future. The good news is that CONs are going to be eliminated in our state and the doors will open up to individuals like myself who have not only strong medical and surgical skills, but also a good business mind and entrepreneurial spirit.

How will transitioning to an ASC impact your business?

Dr. Antezana: I think it's going to give me the ability to do more hybrid and cath lab procedures such as thrombolytics and mechanical thrombolysis. The ASC will facilitate helping more patients in our facility versus having to send them over to the hospital setting, allowing us to help more people with cardiovascular diseases. Looking into the future we will build the practice out even further, hiring more clinicians, implementing additional procedures, and upgrading our equipment. And as technology evolves, our quality of care continues to improve.

Tell us how the outpatient model has affected your patients:

Dr. Cross: We have accrued an abundance of data over the past 15 years that validates a high patient satisfaction rate. The quality of care is excellent, certainly equivalent to the hospitals, but patients have a much better experience without having to deal with the hospital bureaucracy and waiting. It's just a much easier process for them.

Dr. Antezana: The OBL offers many options for patients. Often, we're able to save legs until end of life, an option not always given in the hospital. It's not always the leg that takes their life, but something else like a heart attack or stroke. Even those events have been mitigated with some of the things that we implement during their relationship with us. Adding traditional anticoagulants with antiplatelet aggregates, or fine-tuning their cholesterol or diabetes management are but a few options. So, the combination of all these things helps improve the general health of patients, preventing not just PAD, but also a stroke or heart attack. Patients have choices with us.

What other factors should doctors consider before deciding which site-of-service model to choose?

Dr. Cross: One thing we haven't discussed is price. Constructing a new building and outfitting it with all the equipment required for an ASC can be a huge financial risk.

I believe having a partner helps alleviate some of that risk. With industry partners like Philips or NCP, who know how to do this and understand the challenges and pitfalls, you're going to get set up and running as quickly as possible.

Next, decide if you want a single or multiple specialty practice. Again, it should be a decision the physicians make, based on collective skills and market demands for volume predictions. If you think you can stay with a nucleus of cardiologists and have the volume, then do so. If not, start canvassing and see who might need some space in an ASC, would be a good "fit," and could help take you in a new but synergistic direction to expand access to care.

Nonetheless, you need to evaluate the type of procedures you are doing and what you will be reimbursed for under each model. It's convoluted and sometimes just not intuitive.

And so, if you're a cardiology group and you do a fair amount of peripheral vascular work, then you're going to need an OBL. Alternatively, if you are doing mostly cardiac procedures, then focus on the ASC. In any case, the trajectory is toward outpatient care. You will be well served to investigate your options and decide what is best for you, your partners and your patients. ■

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