# Practices Combine Forces, Improve Outreach, Service

Mid Atlantic Retina nearly doubled its number of surgeons at the beginning of this year.

### BY JAMES F. VANDER, MD

ur Philadelphia-area retina subspecialty practice, Mid Atlantic Retina, recently underwent a major expansion, almost doubling in size. In 2008, we had 10 surgeons and seven locations.

On January 1 of this year we brought onboard nine surgeons who were formerly part of two multisubspecialty practices.

The 19 surgeons now serve the greater Philadelphia community at 12 locations in Pennsylvania, New Jersey and Delaware.

This undertaking, which took the better part of a year to bring to fruition, makes the practice stronger and also improves the coordination of the research and training programs being conducted at Wills Eye Institute in Philadelphia. We believe this "growth spurt" will allow us to continue to provide high-quality care as before, while improving other aspects of our practice.

#### **COMBINING FORCES**

The nine Wills surgeons who joined Mid Atlantic Retina this year had decided for various reasons that they wanted to pull away from their multisubspecialty practices and work in a single-subspecialty retina practice. Fortunately, as they were coming to this realization, leases were coming up for renewal, so the timing was good and provided the flexibility to enable their move. We had talked many times over the past 20 years about the possibility of joining forces, but the stars had previously not aligned the way they did about 18 months ago when this process was set in motion.

Realizing that this might be a once-in-a-career opportunity to both increase the size of Mid Atlantic Retina and make the retina service at Wills more unified, we decided to go for it. Even though we had been competitors in private practice in the community, we had all been long-time colleagues, working closely in a cooperative way at Wills. Clearly, there are inefficiencies in being competitors in one venue and colleagues and coopera-

tive professionals in another. It makes much more sense to be cooperative across the board.

The combination of our practices brings a number of advantages. We now have broader geographic coverage. We have better coverage for vacations, meeting attendance, and the like. With more locations, there are more possibilities to bring in new associates and get them busy as quickly as possible. And the Wills training and research programs are much easier to run with all of us on the same page.

In addition, the expansion has brought an increase in resources and economy of scale, in that large costs are now shared across a larger group. If we need outside support in some professional matter, whether it be information technology, legal, accounting, or consulting assistance, we have more pockets to dig into. Decisions no longer have to be driven so much by the denominator of the number of doctors.

For some expenses there is no advantage of scale. For instance, for health care benefits and liability insurance, when you double the number of doctors you double the cost. But in many areas the increased numbers help to improve economy and efficiency.

This change was conceived with long-term goals in mind and was set in motion well before the full brunt of the current economic downturn was felt. However, fortunately, the increase in resources has made us better positioned to withstand economic changes such as the current deep recession.

#### **NOT A MERGER**

While we have combined forces with surgeons from other practices, the transaction was not a merger. The other surgeons joined Mid Atlantic Retina. This made the process easier in a number of ways: Rather than starting from scratch in a lot of areas, we were able to retain structures and associations that were already in place. We maintained our billing numbers, our 401(k) plan, our



Figure 1. Seated, left to right: Joseph I. Maguire, MD; David H. Fischer, MD; Gary C. Brown, MD, MBA; Jay L. Federman, MD; Lov K. Sarin, MD; William E. Benson, MD; Alfred C. Lucier, MD; William Tasman, MD

Standing, left to right: Richard S. Kaiser, MD; James F. Vander, MD; Mitchell S. Fineman, MD; Arunan Sivalingam, MD; Carl D. Regillo, MD; Sunir J. Garg, MD; Marc J. Spirn, MD; J. Arch McNamara, MD; Jason Hsu, MD; Allen C. Ho, MD; Carl H. Park, MD

relationships with insurance companies and vendors.

The more senior surgeons are now employees of the practice, and the more junior surgeons are buying into the partnership. We attempted to calculate what each surgeon brought to the practice in terms of tangible assets, as well as their abilities and professional efforts, and to compensate them appropriately.

Everyone in the practice is also an active faculty member at Wills, involved in the training and research programs to varying degrees. No one is an employee of Wills; they are all employees of our practice.

As before the transition, our outreach into the community is through our satellite offices for the most part. That is where the bulk of the patient volume is seen.

There was no need to consolidate redundant satellite offices in the transition. However, the surgeons who left the two multisubspecialty practices needed a facility to go to. Their former practices were located near each other geographically, so they have now combined into one location.

For most of our patients, other than the fact that there are now more names on the letterhead, there should be no indication that anything is different. That is what we were aiming for: maintaining the same high level of patient care we were already providing while improving other aspects of the practice. The great majority of our patients will see the same doctor at the same location as before. As mentioned, the other two practices were at the ends of

leases, so their patients were going to face a transition of some type whether those surgeons joined us or not.

All of our offices are networked together, and the practice management software is fully integrated at every location. We have not yet implemented electronic medical records. My hope is that with the incentives that are now in place or soon will be as a result of health care reform efforts, there will be an improvement in the software so that we can finally find a program that is a good fit for us. We have not yet seen it.

#### **LESSONS LEARNED**

We have learned many lessons in the past year in the process of combining practices and nearly doubling the size of our practice. One is to be patient and not expect everything to go smoothly. Also, it is important to be respectful of things people had in their old practices that mattered to them. Different practices have different cultures. We tried not to impose our culture on those joining our practice. Recognize the differences, be respectful, and try to accommodate those differences wherever possible.

Of course that cannot be done in all cases. Mid Atlantic Retina implemented a strictly regimented policy and approach to handling ranibizumab (Lucentis, Genentech, Inc.) in our practice after some early losses due to managing the drug less than perfectly. (See

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#### **BUSINESS OF RETINA FEATURE STORY**

"Managing the New Logistics of Retinal Therapy,"
November 2008.) The other two practices had not. When the new surgeons came onboard, we laid out the rules and said, "If you want to use Lucentis in this practice and have the practice cover it, these are the rules. If you don't follow the rules, and if we don't get compensated for a vial of Lucentis as a result, it comes out of your pocket." That may be harsh, but people pay attention to it. That was one example in which we could not be flexible and accommodate other styles of working, but that was the rare exception.

The whole process of combining took most of 2008. We spent approximately 6 months on strategic planning, trying to work out how the process would take place. At that point, with roughly 6 months to go until January 1, we created a timetable with deadlines for certain criteria to be met, certain milestones to be accomplished. Once the timetable was set, we met the deadlines as needed, and the process was complete on January 1. Setting realistic but rigid deadlines forced us to move ahead and avoid the temptation of potentially problematic delays.

Six months into the new arrangement, most of the bugs are worked out. Some loose ends are still being tied up. In addition to combining the private practices as of January, we also decided to unify our efforts at Wills beginning in April, on the heels of the first process, so there were other goals to be accomplished there. We have come a long way.

We believe this new combination of forces strengthens our practice for the future and readies us to face whatever changes may come from the current health care reform debate. A bigger entity such as ours can speak with a uniform voice to support issues that are relevant for our practice. At least so far, bigger seems to be better in terms of responding to market forces and economic variability. We look forward to facing the challenges of the future with a stronger, more unified team of colleagues in private and academic practice.

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