

Moving Retina to the ASC: Is it Right For You?

This can be a rewarding scenario, but look before you leap.

BY JAMES VANDER, MD



James Vander, MD, manages one of the largest and most successful practices in the country. In this article he outlines the advantages of owning an ambulatory surgery center (ASC) but balances his recommendations with cautionary tones. Although ASC ownership provides the potential for improved patient care, lifestyle, and profitability, it is not a panacea. Dr. Vander cautions that certain practices (and perhaps physicians) may not be well-suited to the ASC. In sum, Dr. Vander provides a well-balanced, well-thought-out and well-researched assessment of retina surgery in the ASC.

-Pravin U. Dugel, MD

Rapidly developing technology, advances in pharmacotherapy, and economic uncertainty are among the principal reasons why the heads of retina specialists and their practice administrators seem to be spinning at an ever-increasing rate. Although the introduction of highly effective biologic agents has transformed the lives of many patients for the better, it has also transformed the way in which we practice our profession. More than ever, ours is an office-based practice with an enormous volume of patients seen on a daily basis. This increased volume requires extra space to practice and extra staff to handle patient flow. Additionally, more administrative support is necessary to ensure that these expensive drugs are efficiently supplied, handled, and reimbursed. As our cash flow in and out increases, so does our anxiety. Compounding our distress is the seemingly inevitable march of political and economic forces conspiring to make us do more with less. How can the retina specialist respond to this rapidly changing world?

One potential avenue worth exploring, for a variety of reasons, is moving your surgery to an ambulatory surgery center (ASC). The past decade has seen a substantial shift in the volume of retina surgery performed in the traditional hospital setting. A majority of respondents in the

most recent American Society of Retinal Specialists survey indicated that they do at least some of their surgery in an ASC. Making this shift, however, can be a difficult decision. Let us consider the issues related to such a move.

EFFICIENCY CONSIDERATIONS

One important advantage of performing surgery in an ASC is the likely improvement in efficiency it can offer. It is a rare hospital-based OR that can compete with a typical ASC in the efficiency arena. The ability to bring patients to the OR with a minimum of logistical obstacles can be quite remarkable. In a well-run ASC, the surgeon will barely have enough time to say hello to the last patient's family before the next patient is in the room, ready to go. For a high volume surgeon, reducing turnover times can mean gaining 1 or 2 extra hours for other activities. If the ASC is close to your office, you can devote this extra time to urgent outpatient visits after surgery and still make it home in time for dinner.

Furthermore, ASCs tend to be more focused in their scope than a typical general hospital. As a result, one can expect consistent performance from a staff highly experienced in a particular field. Of course, an experienced ophthalmic OR nurse still must learn the details of managing a retina case, but this tends to be easier

than jumping from abdominal surgery or neurosurgery to a vitrectomy. The efficiency of the staff in an ASC results in increased patient satisfaction and can also help to grow your practice through word of mouth.

BUSINESS CONSIDERATIONS

A critical factor to be considered in shifting your surgery to an ASC is the relationship that you, the surgeon, will have with the ASC. An existing ASC may be interested in having a surgeon bring retina cases, and thus increased volume, to the center but may not be offering an equity position in the ASC. This does not mean that such a move is not worthwhile. In addition to the likely improvement in efficiency and high patient acceptance noted previously, bringing cases to an ASC owned by others may be a method of developing new sources of referrals. Aligning incentives is an extremely effective strategy when trying to build a practice. There is always the possibility that the owners will recognize the considerable value brought to the center and that, as a result, an equity position will be made available.

If the retina specialist is given the opportunity to invest in an existing center, it is likely that position will be as a small minority owner. This can produce a nice revenue stream in addition to the benefits already discussed. A new or a small center expanding to accommodate new retina surgeons may represent an opportunity to make a more substantial investment.

The option with the greatest potential reward, but also risk, would be to establish a new center, either single practice or in partnership with other physician-owners. Developing and managing a center is a challenging and time-consuming endeavor not to be undertaken without careful evaluation and guidance from those who have been there before. There are valuable resources available for this purpose, although wading through the array of consultants and attorneys professing expertise in this area can be intimidating. A good starting point is to contact the Outpatient Ophthalmic Surgery Society (www.ooss.org) and seek out colleagues who can give you the advice you need.

When you are considering making this move, an appraisal of the economics specific to the center and your practice must be made. A largely elective, relatively predictable caseload works beautifully in an ASC. In contrast, a practice with a large volume of trauma, urgent retinal detachments, and complicated proliferative vitreoretinopathy tends to be less suitable for the ASC. It is possible to perform these cases in an ASC, but if the mix of cases leans heavily in this direction you may become frustrated in the ASC setting, and, vice versa, the owners of the ASC may become frustrated with you.

FINANCIAL CONSIDERATIONS

ASCs are typically reimbursed less than hospitals for a comparable procedure. If a surgeon is heavily dependent on expensive disposable instruments and supplies (perfluorocarbon liquid and silicone oil are good examples), it is difficult to sustain profitability for the ASC.

The most important variable in the financial equation is also likely to be the most unpredictable: the potentially overwhelming effects that external forces may have on the viability of physician-owned ASCs. The financial commitment needed to establish an ASC is enormous. The price tag for investing in an existing ASC can also be quite large. Forecasting reimbursement trends is a difficult business, and the pro forma drawn up at the start of a project may be irrelevant if 18 months later reimbursements are slashed. Related to this is the extensive lobbying and political jockeying occurring throughout the country around the subject of ASCs.

Much of this pressure comes from the hospital industry, which is enormously influential in regional and state politics. Hospitals are the largest employers in 80% of counties in this country, and they wield tremendous political clout. In most cases, hospitals perceive physician-owned ASCs as a threat and work to enact regulations and legislation to oppose them. Creative partnering with an existing hospital system may be a possibility in your community that is worth investigating. The potential income may not be as substantial, but avoiding a conflict and gaining potential negotiating clout with a powerful local institution has secondary value that outweighs a lesser equity position.

SUMMARY

Now is an excellent time for a retina specialist to appraise or reappraise the value of moving toward an ASC for the practice as well as the value of the investment. Consideration of a variety of factors must be made before diving in. For many of us, this is a plunge well worth taking. Do, however, look before you leap. ■

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