



The Evolving Landscape of Cardiovascular Practice Management

Patrick White
October 16, 2010

What is Your Opinion?

This is an amazing time to be involved in practice management. The opportunities are endless and my expertise is needed now more than ever!

Or

What on earth was I thinking when I chose this career?

Supply and Demand

- **Baby Boomers are of CVD age**
- **Patients are better educated and more demanding**
- **We are managing more chronic disease**
- **More cardiologists are retiring than we have Fellows to replace them**
- **Use of MLPs may have an effect**

Supply and Demand

BUT

- **Economic hard times has resulted in less demand**
 - Higher deductibles and co-pays
 - More uninsured
 - Less money for healthcare
- **AUC may have a negative impact**
- **Decision Support software may have a positive or negative impact**

National Trends

- **Integration**
- **Healthcare Reform**
- **Increased Regulation**
- **Pay for Performance/Quality**
- **Focus on IT**
- **New Revenue Sources**
- **Process Efficiency**
- **Governance and Management**

Integration

- **Drivers**
 - Economics, Economics, Economics
- **Trends**

AT WHAT STAGE OF INTEGRATION IS YOUR GROUP IN?	NUMBER OF RESPONSES	PERCENTAGE	CHANGE FROM SPRING 2010 SURVEY
Full Integration	28	21.1%	▲ from 14.3%
Considering Integration	80	60.2%	▲ from 45.5%
Currently Not Considering	22	16.5%	▼ from 27.3%
Will Never Consider	3	2.3%	▼ from 5.2%

Integration

- **Models**
 - Stock Sale
 - Asset Sale or Lease
 - Professional Service Agreements (Virtual Integration)
 - Cardiovascular Service Line Mgt.
 - Pay for Call
 - Pay for Regional Office Coverage

Integration

• Preliminary Outcomes

HOW HAS YOUR PHYSICIANS' INCOME CHANGED POST-DEAL?	NUMBER OF RESPONSES	PERCENTAGE
Increased	23	95.8%
Flat	1	4.2%
Decreased	0	0

▲ All but one practice saw an increase in their physician income and no survey respondents saw a decrease.

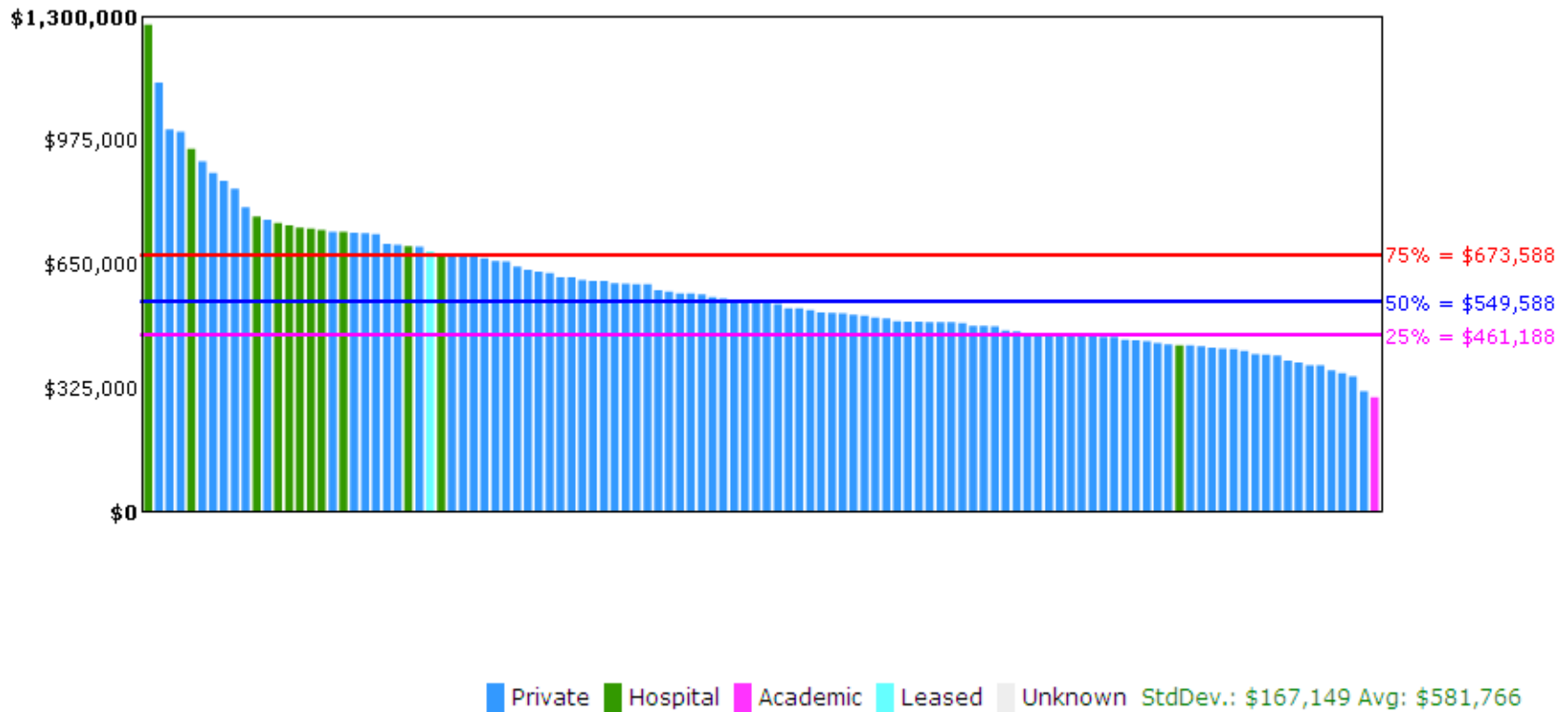
For those 95.8% who saw an increase in physician income, below is a table that shows the breakdown of the percentage of increase.

INCREASE IN PHYSICIAN COMPENSATION	NUMBER OF RESPONSES	PERCENTAGE
<10%	3	13.6%
10-20%	4	18.29%
21-30%	8	36.4%
>31%	7	31.8%

Integration

- **Preliminary Outcomes**

2009 - Physician Salary & Benefits per Calculated Cardiologist for All Practices



Integration

- **Keys to Success**
 - Reporting Relationships
 - Governance
 - CVSL Management
 - Practice Readiness for Valuation
 - Physician and Administrative Leadership
- **Risks**
 - Loss of physicians, management and staff
 - PBB will go away

Healthcare Reform

- **PPACA**
- **Accountable Care Organizations**
- **Patient Centered Medical Homes**
- **Payment Reform**

Legislation/Regulation

- RBMs
- Stark In-Office Ancillary Exception under fire
- MedPAC → Independent Payment Advisory Board (IPAB)
- Fee Schedule Reductions
- SGR
- Equipment Utilization
- Procedure Code Bundling

Pay for Performance/Quality

- **PQRI**
- **eRx**
- **Registries**
- **Report Cards**
- **Real Time Medical Data**
- **ICD-10**

Focus on IT

- **Electronic Health Records**
- **Decision Support Software**
- **Patient Portals**
- **Interoperability**
- **Meaningful Use**

New Revenue Sources

- **Sleep Labs**
- **PET**
- **Vein Therapy**
- **CVSL Management**
- **Pay for Call**
- **Pay for Regional Office Coverage**

Process Efficiency

- **Lean Six Sigma**

Increasing Revenue

- **Increase market share**
 - New Patients drive the business
 - Referring Physician Marketing
 - Remember what a Referring Physician is looking for: Ability, Affability, and **Availability**
 - And let's not forget Referring Physician Communication
 - Manage No-Shows
 - Monitor your performance

New Patients are the Driver

1-1-0230 New Patient Office Visits & Consults

Year

2009

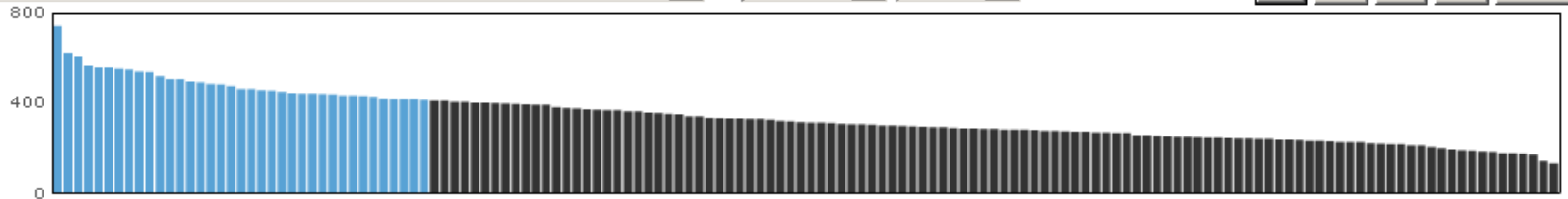
Q4

Q3

Q2

Q1

Reset



1-1-0600 Office Nuclear

Year

2009

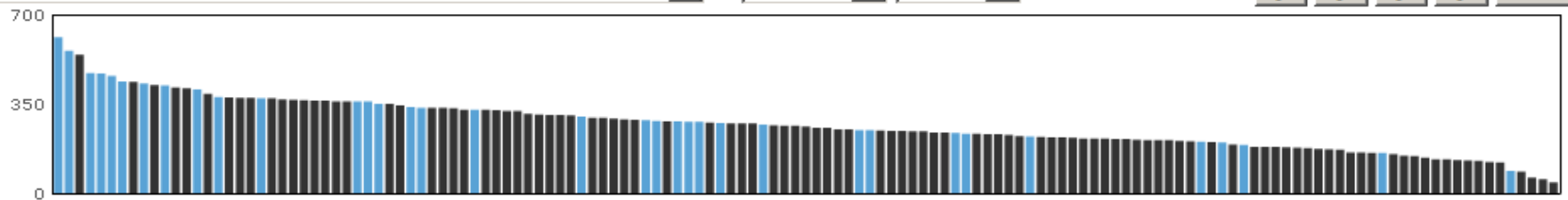
Q4

Q3

Q2

Q1

Reset



1-1-0700 Office Echos

Year

2009

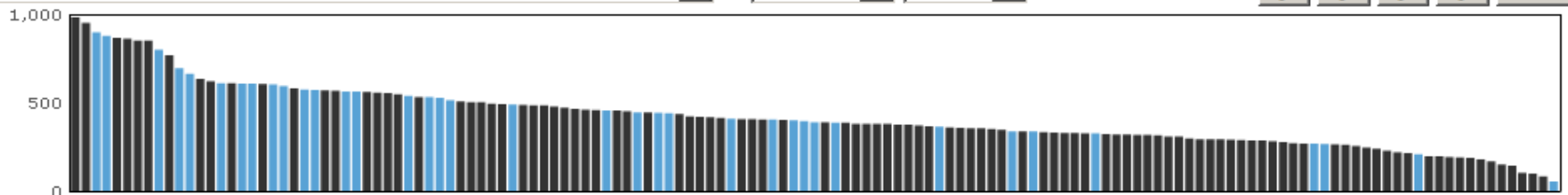
Q4

Q3

Q2

Q1

Reset



2-1-1000 Physician Salary & Benefits

Year

2009

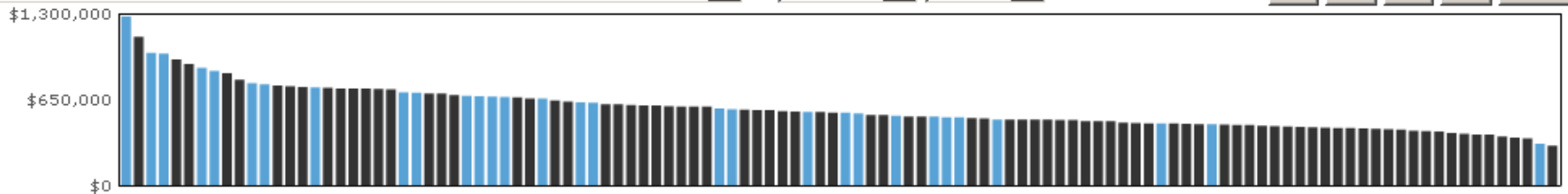
Q4

Q3

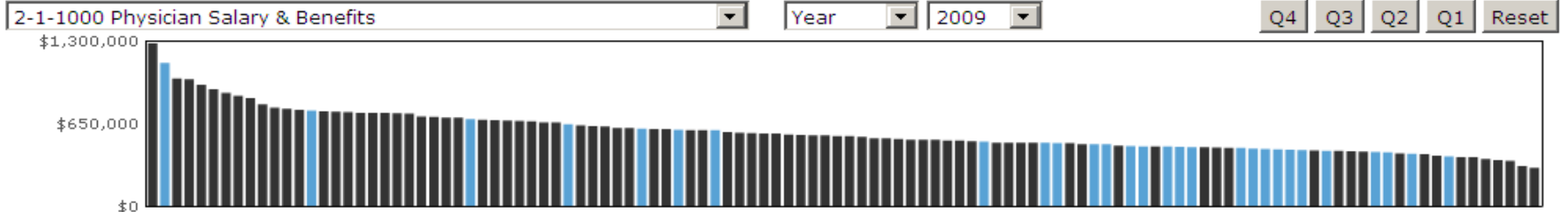
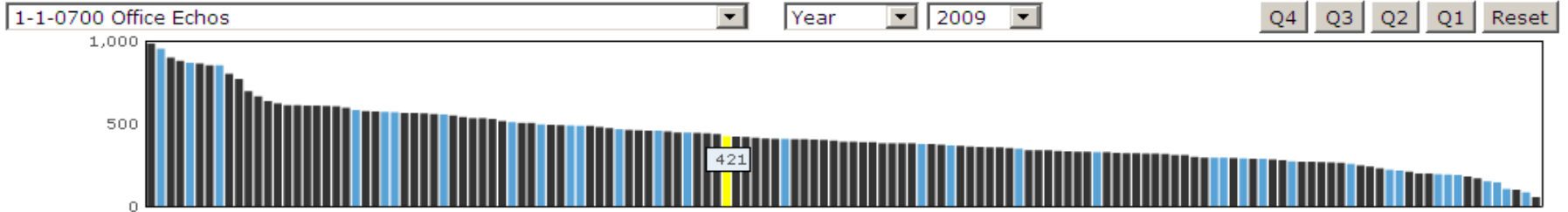
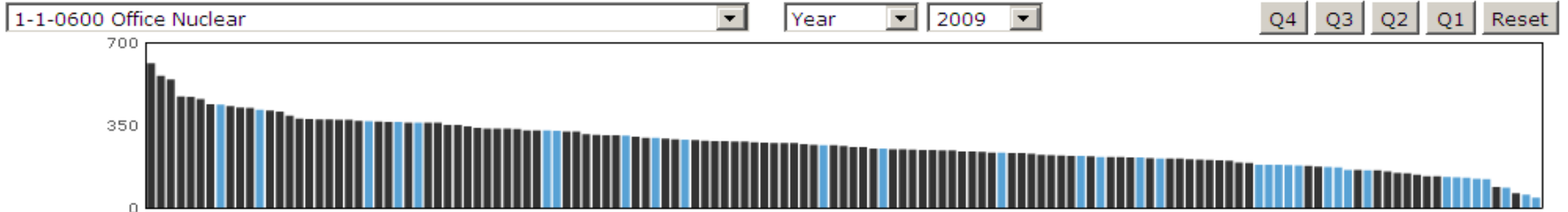
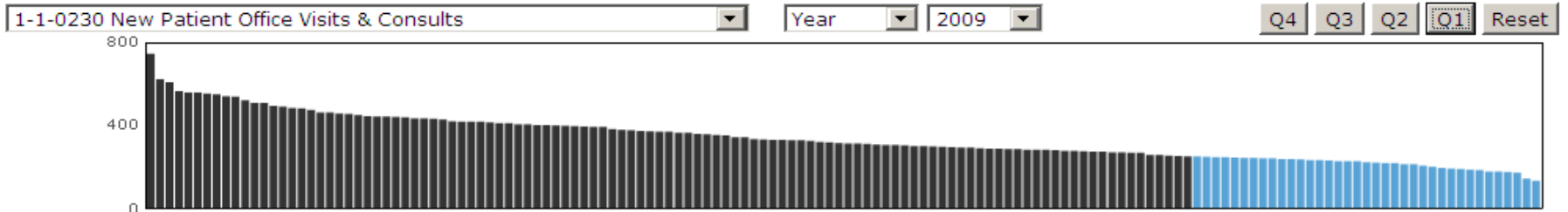
Q2

Q1

Reset



New Patients are the Driver

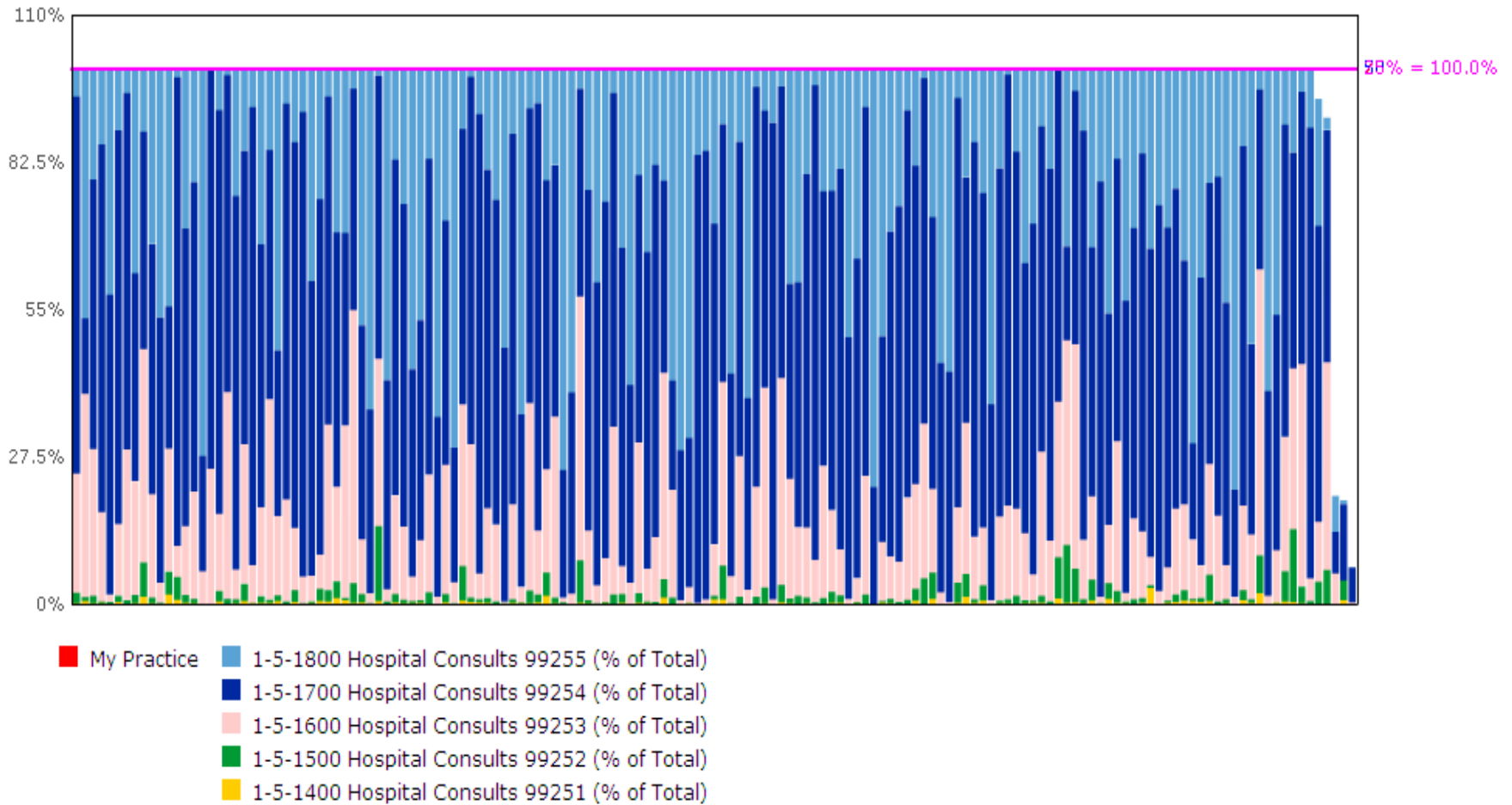


Increasing Revenue

- **Improve coding**
 - E&M
 - EP
 - PV

E&M Coding

2009 - Hospital Consults 99255 (% of Total) for All Practices



Increasing Revenue

- **Improve revenue cycle management**
 - 95% of your revenue comes via your Billing Department
 - Accuracy of insurance information
 - Collection of Co-pays and deductibles at POS
 - Missing Charges
 - Adjustments for low payments and rejections
 - A/R aging

Increasing Revenue

- **Get Involved in Advocacy**
 - Attend fly-ins
 - Communicate with your legislators on important issues
 - Invite your legislators to your office
 - Host a fundraiser
 - Contribute to a PAC

Reducing Expenses

A wise man once said, “You will never save yourself into prosperity.”

However, you need to manage your overhead wisely!

Reducing Expenses

- **Staffing accounts for approximately 60% of your total expenses**
- **Efficiency is the key**
 - Utilization of staff
 - Overtime management
 - Improve workflow and eliminate unnecessary work
 - Reduce variability in office scheduling
 - Utilize IT

Reducing Expenses

- **Other Expenses**
 - Competitive Bidding for Supplies and Services
 - Health Insurance Options
 - Competing regional offices

The Evolving Landscape of Cardiovascular Practice Management

Questions?