

Published in Anesthesiology News
September 2009

OPPORTUNITIES KNOCKING IN MARKET FLUX

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The economy may not be in the state of complete disrepair that it was a few months ago—“green shoots” and all that—but it’s far from recovered.

Billing services continue to forecast at least a 20% decline in physician collections.

The health care market has not been spared this general state of flux. Earlier states of flux resulted in Medicare, seen in shortsighted terms by many physicians of the mid-1960s as a new source of funding but which became a drag on reimbursement, a target to which other carriers and managed care payers aspire.

Prior market flux in the health care market also saw physicians abdicate responsibility in the face of managed care which, doing the negative impact of Medicare one better, reduced both physician incomes *and* physician control over the practice of medicine and the destiny of health care.

What's an anesthesia group to do? I suspect that the majority will "benchmark" to the leaders in retrenching and will do absolutely nothing other than cut costs, lie low and pray for better days. Picture a tortoise—not in the sense of the tortoise and the hare, for this tortoise isn't moving—just sitting there, head, arms and legs pulled into its shell.

Others will seek a panacea in employment of anesthesiologists by hospitals. But there is no real security for anesthesiologists in employment by hospitals; its downside protection is illusory and its cap on upside profitability is absolute. Instead, it's another long slide to less control and, ultimately, far less income. Again picture the tortoise—this time in a cage.

There has never been an advantage in lowering expectations in terms of income and control though exclusive contract provisions. After all, someone else's expectations will always be lower. That's exactly why groups that want to succeed should be doing the opposite: Now is the time to become aggressive, in terms of both your group's internal operations and its external relationships.

As in any crisis, there is opportunity. But in today's economic climate, too many groups are running so scared they can't see the openings.

Consider the following specific examples of the actions that groups must take in order to thrive:

- Devote time and effort to building the group's brand in respect of the facilities it serves, the surgeons it works with and the patients it cares for. What can you do to make your group indispensable and irreplaceable? Work on providing a unique experience, one that other groups will never even think to duplicate—and if they could think of it, not know how to do it. Groups that want to shape their own destiny have the opportunity to own these relationships. The "benchmarkers" will simply ignore them.

- Develop internal resources. Ensure that your group is tightly structured to keep its weakest members from splintering under pressure. In turbulent times, individuals are often too concerned about their own survival to be focused on the group's "thrival." Do what it takes to coach your physicians to support the group's initiatives. If they cannot or will not, you need to make the tough decision about whether to let them pull you down the drain.
- Focus on alternative income sources. Just because everyone knows that anesthesiologists make their money perioperatively does not mean that there are no alternative means of supplementing your group's income. For example, provide medico-administrative services outside the scope of your present hospital arrangement, license your group's intellectual property to others outside of your market, or launch a medical management service arm to provide your expertise to third parties.
- Above all, take the time and make the effort to position your group for your next exclusive contract. Done properly, the time to start on the renewal is as soon as the ink is dry on the current contract. Using contracting as the focus pulls your group along in the many areas that not only support a stronger relationship with the hospital but which make the group's operations that much more improved.

Others are participating in the recession. If you want to thrive, just determine to opt out of it.

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