

## INSIDE

**5 Big Factors in ASC M&A Activity Today** p. 19

**Price Transparency is Coming: What ASC Leaders Need to Know** p. 39

**12 Statistics on ASC Case Volume** p. 20

**ACOs 101 for ASC Administrators** p. 37

## INDEX

**ASC Turnarounds: Ideas to Improve Performance** p. 9

**Transactions & Valuation Issues** p. 19

**Executive Briefing: ASC Industry Transaction Trends** p. 29

**Coding, Billing & Collections** p. 37

**Accreditation & Patient Safety** p. 42

## BECKER'S

# ASC REVIEW

Practical Business, Legal and Clinical Guidance for Ambulatory Surgery Centers

June 2013 • Vol. 2013 No. 5

## 5 Improvements to Make Good ASCs Great

By Laura Miller

Chris Doyle, administrator, and Kristin Thompson of Riddle Surgical Center in Media, Pa., discuss five improvements that made their good surgery center great.

**1. Check on patient wait times.** Minimize patient wait times for happier physicians and patients, as well as a more efficient surgery center. Ms. Thompson and members of her team conduct waiting room rounds every day to see how long patients have been waiting and interact with family members to figure out how to make their experience better.

continued on page 9

## 35 Joint Venture ASC Administrators to Know

By Laura Miller

Here are 36 administrators and leaders of joint venture ambulatory surgery centers to know.

**Traci Albers** is administrator of North Ambulatory Surgery Center and High Pointe Surgery Center in Minnesota. She has more than 15 years of ASC and healthcare management experience, and has served as administrator at Surgical Management Professionals-affiliated ASCs since 2002. High Pointe Surgery Center is a physician-hospital joint venture.

**Jenny Bloebaum, RN, CNOR**, is administrator of Texas Orthopedics Surgery Center in Flower Mound, Texas, a joint venture among Texas Health Resources, Texas Orthopaedic Associates and Surgical Care Af-

continued on page 35

## 6 Ways ASCs Must Evolve to Meet Billing Challenges From Surgical Management Professionals CEO Mike Lipomi

Billing and coding operations at ambulatory surgery centers are rapidly changing. ASCs may need to evaluate and update certain practices to stay relevant, compliant and profitable.

Michael Lipomi is the president and chief executive officer of Surgical Management Professionals in Sioux Falls, S.D. He works with ASCs to improve their business operations.

Here are six ways ASC can improve their revenue cycle operations to flourish.

**1. Educate patients on financial responsibility.** Some facilities still choose not to discuss financial arrangements with patients prior to the

continued on page 14

### REGISTER TODAY!

**20th Annual Ambulatory Surgery Centers — Improving Profitability and Business and Legal Issues Conference**

**October 24-26, 2013 • Swissotel • Chicago**

Keynotes: David Feherly, CBS Golf Commentator and Best Selling Author, Rick Pitino, Head Men's Basketball Coach University of Louisville, Bob Woodward, Legendary Pulitzer Prize-Winning Journalist/Author and Associate Editor, The Washington Post, Bonnie Blair, Speed Skating Champion and Gold Medalist



Great business focused meeting for Ambulatory Surgery Centers  
132 plus speakers;  
87 plus sessions

For more information, call (800) 417-2035

## ACCESS

Dependable access to sterile compounded medications and preparations that are in short supply. Easy and reliable access to the critical medications you need.

With daily feeds from the FDA, we are constantly monitoring the availability of hundreds of medications. You'll get the information necessary to keep your surgical centers functioning, while meeting patient needs.

## COMPLIANCE

We provide peace-of-mind. You can rest assured that all of our sterile compounding pharmacies meet and maintain the highest standards of quality and sterility. We ensure that all pharmacies are in compliance regarding aspects including: licensure and regulations by the State Board of Pharmacy, meeting national standards of practice, using FDA-approved chemicals, and conforming to the Comprehensive Quality Control/Assurance Program.

# SURGICALMEDS

[www.SurgicalMeds.com](http://www.SurgicalMeds.com)

855-888-MEDS

## AFFORDABILITY

SurgicalMeds provides the lowest prices at the highest available quality by benchmarking market-price for hundreds of critical medications across the US, improving the supply chain between facilities and compounding pharmacies, and standardizing the packaging and unit size to minimize waste.

As a member, you are eligible for discounted rates, expedited delivery options, and easy reordering. To become a member, just fill out a Service Agreement and complete a quick qualification form.

# "ALWAYS BE READY FOR YOUR NEXT INSPECTION"

Tamar R. Glaser, RN and AAAASF Surveyor

## Integrated Patient Satisfaction Survey Tool



**My Tasks**

You can perform a task here. Click on the row with the status 'Pending' and it will take you to the respective form.

Show 5 entries Search:

Due Date	Title	Status	Description
12/11/2012	Hair Hugger	Pending	Please complete the task before the due date.
12/11/2012	Blanket Temperature	Pending	Please complete the task before the due date.
12/11/2012	OR Humidity 2	Waiting for approval	Please complete the task before the due date.
12/11/2012	OR Temperature 2	Pending	Please complete the task before the due date.
12/11/2012	Patient Nourishment Refrigerator Monitoring	Pending	Please complete the task before the due date.

Showing 1 to 5 of 5 entries First Previous Next Last

**Compliance Monitoring**

For a visual analysis of compliance monitoring, please select the log type from the dropdown: OR Temperature Log

**OR Temperature Log**

Zoom 1m 3m 6m YTD 1y All From: Sep 11, 2012 To: Dec 10, 2012

AccredAbility is a comprehensive accreditation tracking and reporting solution with policies, procedures, and regulatory updates.

- ✔ Designed to work with AAAASF, AAHC, Joint Commission and Medicare standards
- ✔ Choose your accrediting agency and AccredAbility automatically populates the required tasks at the specific intervals (daily, weekly, monthly, quarterly, etc.)
- ✔ Assign different tasks to different staff members
- ✔ Email notifications if a task is not completed on time
- ✔ You are always up-to-date with State and Federal regulations and Policies & Procedures
- ✔ Monthly subscription – no long term contract
- ✔ No more 3 ring binders, clipboards or missing information

Learn if you are eligible for a free trial of AccredAbility

[info@mmxhealthcare.com](mailto:info@mmxhealthcare.com)

877-578-4484



[www.mmxhealthcare.com](http://www.mmxhealthcare.com)

# BECKER'S ASC REVIEW

Practical Business, Legal and Clinical Guidance for Ambulatory Surgery Centers

## 20th Annual Ambulatory Surgery Centers Conference

# Improving Profitability and Business and Legal Issues

October 24-26, 2013 • Swissotel - Chicago, Illinois

132 great ASC Executives and Physicians and  
87 Sessions with Great Topics Focused on Key Issues for ASCs,  
State of the Industry, Cost Reduction and Benchmarking, and Key Specialties

Thank You to Our Corporate Sponsors



**David Feherty**

- Keynote - A Nasty Bit of Rough - David Feherty, CBS Golf Commentator and Best-Selling Author
- Keys to Keeping Surgery Centers Profitable Businesses - Robert Zasa, MSHHA, FACMPE, Managing Partner and Founder, ASD Management, Doug Golwas, Senior Vice President Medline Industries, Stephen Blake, Chief Executive Officer, Central Park ENT & Surgery Center, moderated by Barton C. Walker, Partner, McGuireWoods LLP
- ASCs, 10 Months and 10 Years Into the Future; Emerging Business Issues in ASCs - David J. Abraham, MD, The Reading Neck & Spine Center, Linda Ruterbories, RN, ANP, OSC Director, OA Center for Orthopedics, Bill Hazen, RN, CHT, Administrator, The Surgery Center at Pelham



**Rick Pitino**

- Success is a Choice - Rick Pitino, Head Men's Basketball Coach University of Louisville
- Anesthesia Issues; Shorten Your Length of Stay in PACU - G-A (Gary) Lawson-Boucher, MD, Lieutenant Commander, Medical Corp., United States Navy, ACSCSWF
- Analyzing the Health System Market - Who Needs to Sell? Why Joint Venture? Greg Koonsman, Senior Partner, VMG Health
- Key Thoughts on Keeping ASC Owners Engaged - Michael Patterson, President & CEO, Mississippi Valley Health, Darlene Johnson, RN, BSN, MSN, CASC, Healthcare Consultants International, Inc., Gary Richberg, RN, BSN, ALNC, CNR-A, CNR-C, CASC, Administrator, Pacific Rim Outpatient Surgery Center, moderated by Scott Becker, JD, CPA, Partner, McGuireWoods LLP

- The State of the ASC Industry - Andrew Hayek, President & CEO, Surgical Care Affiliates
- Which Specialties Are Still Great for ASCs? Which Ones Should ASCs Eliminate Today? Will Hospital Employment Kill ASCs? What ASC Problems are not Fixable? - David J. Abraham, MD, The Reading Neck & Spine Center, Lawrence E. Kosinski, MD, MBA, AGAF, FAGC, Elgin Gastroenterology, Timothy T. Davis, MD, DABNM, DABPMR, DABPM, Director of Interventional Pain and Electrodiagnostics, The Spine Institute, Center for Spinal Restoration, Fred Davis, MD, Clinical Assistant Professor, Michigan State University, College of Human Medicine, ProCare Research, ProCare Systems, moderated by Scott Becker, JD, CPA, Partner, McGuireWoods LLP



**Bob Woodward**

- ASCs 2013 and 2014 - Where Does the Industry Stand, Where are the Great Opportunities? Nap Gary, Chief Operating Officer, Regent Surgical Health, I. Naya Kehayes, MPH, Managing Principal and Chief Executive Officer, Eveia Health Consulting & Management, Richard N.W. Wohms, MD, JD, MBA, South Sound Neurology, PLLC, Scott Becker, JD, CPA, Partner, McGuireWoods LLP, moderated by Bob Woodward, Legendary Pulitzer Prize-Winning Journalist/Author and Associate Editor, The Washington Post

- Washington D.C., The Budgets, Healthcare, America - Bob Woodward, Legendary Pulitzer Prize-Winning Journalist/Author and Associate Editor The Washington Post

- Cost Reduction and Benchmarking - 10 Key Steps to Immediately Improve Profits - Robert Westergard, CPA, Chief Financial Officer, Susan Kizirian, Chief Operations Officer, and Ann Geier, RN, MS, CNOR, CASC, Senior Vice President of Operations, Ambulatory Surgical Centers of America

- Achieving Your Personal Best - Bonnie Blair, Speed Skating Champion and Gold Medalist

- ASC Association - Key Priorities for 2014 - Nap Gary, Chief Operating Officer, Regent Surgical Health, and William M. Prentice, JD, Chief Executive Officer, ASCA

- Does Your Infection Prevention Program Meet Survey Requirements? Marcia Patric, RN, MSN, CIC, Infection Prevention Consultant, AAAHC, and Marsha Wallander, RN, Associate Director of Accreditation Services, AAAHC



**Bonnie Blair**

- Key Thoughts on Medicare Inspections and Survey Readiness - Tracy Harbour, RN, BSN, Administrator, Surgery Center of Pinehurst, Marti Potter, Administrator, Jersey Shore Ambulatory Surgery Center, Marcy Sasso, CASC, Director of Compliance and Development, Facility Development & Management, LLC, moderated by Melissa Szabad, Partner, McGuireWoods LLP

- Opening a State of the Art ASC in Changing Times - Michael Redler, MD, The OSM Center

- Minimally Invasive Hysterectomy in an Outpatient Setting; Successes and Suggestions - Jon Nielsen, MD, North Memorial Ambulatory Surgery Center at Maple Grove

**For more information, call (800) 417-2035**

**If you would like to sponsor or exhibit at this event, please call (800) 417-2035**

**TO REGISTER, CALL 800-417-2035 • FAX 866-678-5755 • EMAIL [registration@beckershealthcare.com](mailto:registration@beckershealthcare.com)**

**Register online at <https://www.regonline.com/20thAnnualASC>**

# Are you and your partners looking to take some chips off the table?

The Bloom Organization is a leading M&A advisory firm for Ambulatory Surgery Centers. We strive to maximize value for our clients, finding the best partner for you based on your goals.

Since 1990 The Bloom Organization has been providing its clients with insights, analysis, honest communication and most importantly, results.

Corporate Partnership

Hospital Partnership

Market Joint Venture

M&A Advisory

 [www.bloomllc.com](http://www.bloomllc.com)  (732) 229.8400



Securities Products and Investment Banking Services are offered through BA Securities, LLC Member FINRA SIPC, located at Four Tower Bridge, 200 Barr Harbor Drive, Suite 400, W. Conshohocken, PA 19428. The Bloom Organization and BA Securities are not affiliated entities.

## BECKER'S **ASC**REVIEW

Practical Business, Legal and Clinical Guidance for Ambulatory Surgery Centers

### **Register Today for Becker's Upcoming Complimentary Webinars:**

#### **Reprocessing: The Winning Combination**

Sponsored by Medline

Tuesday, July 16, 2013 • 1:15 pm to 2:15 pm (CST)

#### **ASC Transactions**

Wednesday July 31st, 2013 • 1:15 pm to 2:15 pm (CST)

**Visit: [www.beckersasc.com](http://www.beckersasc.com) and click on the Webinars tab**

To register call 800-417-2035 or  
email [Lauren@beckershealthcare.com](mailto:Lauren@beckershealthcare.com)

# Webinars

# BECKER'S ASC REVIEW

Practical Business, Legal and Clinical Guidance for Ambulatory Surgery Centers

June 2013 Vol. 2013 No. 5

## EDITORIAL

Laura Miller

*Editor in Chief, Becker's ASC Review*

800-417-2035 / lmiller@beckershealthcare.com

Lindsey Dunn

*Editor in Chief, Becker's Hospital Review*

800-417-2035 / ldunn@beckershealthcare.com

Molly Gamble

*Editor*

800-417-2035 / mgamble@beckershealthcare.com

Helen Gregg

*Writer/Reporter*

800-417-2035 / hgregg@beckershealthcare.com

Bob Herman

*Editor*

800-417-2035 / bherman@beckershealthcare.com

Heather Linder

*Assistant Editor*

800-417-2035 / hlinder@beckershealthcare.com

Jim McLaughlin

*Writer/Reporter*

800-417-2035 / jmclaughlin@beckershealthcare.com

Carrie Pallardy

*Writer/Reporter*

800-417-2035 / cpallardy@beckershealthcare.com

Heather Punke

*Assistant Editor*

800-417-2035 / hpunke@beckershealthcare.com

Sabrina Rodak

*Associate Editor*

800-417-2035 / srodak@beckershealthcare.com

Anuja Vaidya

*Writer/Reporter*

800-417-2035 / avaidya@beckershealthcare.com

## SALES & PUBLISHING

Jessica Cole

*President & CEO*

800-417-2035 / Cell: 312-505-9387 /  
jcole@beckershealthcare.com

Lauren Groeper

*Assistant Account Manager*

800-417-2035 / Cell: 630-639-7595 /  
lgroeper@beckershealthcare.com

Maggie Wrona

*Assistant Account Manager*

800-417-2035 / Cell: 847-533-4118 /  
mwrona@beckershealthcare.com

Fola Dada

*Webmaster/Developer*

800-417-2035 /  
fdada@beckershealthcare.com

Cathy Brett

*Conference Manager*

800-417-2035 / Cell: 773-383-0618 /  
cbrett@beckershealthcare.com

Katie Atwood

*Director of Operations/Client Relations*

800-417-2035 / Cell: 219-746-2149 /  
katwood@beckershealthcare.com

Scott Becker

*Publisher*

800-417-2035 / sbecker@beckershealthcare.com

Becker's ASC Review is published by ASC Communications. All rights reserved. Reproduction in whole or in part of the contents without the express written permission is prohibited. For reprint or subscription requests, please contact (800) 417-2035 or e-mail sbecker@beckershealthcare.com.

For information regarding Becker's ASC Review, Becker's Hospital Review or Becker's Orthopedic & Spine Practice Review, please call (800) 417-2035.

## FEATURES

- 1 5 Improvements to Make Good ASCs Great
- 1 35 Joint Venture ASC Administrators to Know
- 1 6 Ways ASCs Must Evolve to Meet Billing Challenges From Surgical Management Professionals CEO Mike Lipomi
- 7 Publisher's Letter
- 8 5 Initiatives for a Better Patient & Physician ASC Experience

### ASC Turnarounds: Ideas to Improve Performance

- 10 7 ASC Leaders on the Impact of Healthcare Reform on Their Centers
- 11 Is Your A/R Costing You More Than You Realize?
- 11 12 Statistics on ASC Administrator Salaries
- 13 8 Steps to Maximize Compact Scheduling at ASCs
- 16 7 Steps for a Smoothly-Run Multispecialty ASC
- 17 30 ASCs With 20+ Years of History

### Transactions & Valuation Issues

- 19 5 Big Factors in ASC Merger & Acquisition Activity Today
- 20 12 Statistics on Surgery Center Case Volume
- 20 Survey: 69% Providers Expect Costs to Drive Outpatient Populations
- 21 20th Annual Ambulatory Surgery Centers Conference Brochure

### Executive Briefing: ASC Industry Transaction Trends

- 29 5 ASC Deal Terms Affecting Business Value
- 30 Perceived Value and Longevity for Surgical Specialties and CONs
- 32 Industry Trends for ASC Life Cycles and Transaction Activity

### Coding, Billing and Collections

- 37 ACOs 101 for ASC Administrators: Q&A With Stephen Rothenberg of Numerof & Associates
- 39 Price Transparency is Coming: 10 Things for ASC Leaders to Know

### Accreditation & Patient Safety

- 42 7 Steps for ASCs to Ensure Accreditation Survey Readiness
- 44 61 ASC Management & Development Company CEOs to Know
- 47 Advertising Index

## Publisher's Letter

This issue of *Becker's ASC Review* focuses on operational improvement, ASC financial issues and increasing profitability. Industry leaders and ASC administrators discuss how to manage change from healthcare reform, maximizing the bottom line and ASC valuation.

The issue includes three key lists: 35 ASC Joint Venture Administrators to Know, 30 ASCs With 20+ Years of History and 61 Management & Development Company CEOs to Know.

Please join us for the 20th Annual Ambulatory Surgery Centers Conference in Chicago on October 24 to 26 at the Swissotel. The conference features more than 130 surgery center CEOs, physicians and industry experts leading sessions on healthcare trends and improving your ASC's bottom line in these challenging, but opportunity-filled, times.

Featured sessions at the conference will cover cost reduction and benchmarking to immediately improve profits; key thoughts on keeping ASC owners engaged; which specialties are great for ASCs — and which should be eliminated — today; and the state of the ASC industry. Leading experts will cover where the ASC industry is headed and how to take advantage of the best opportunities for profitability going forward.

Keynote speakers at the conference include:

1. David Feherty, CBS Golf Commentator and bestselling author of six books, including most recently "The Power of Positive Idiocracy."

2. Rick Pitino, head men's basketball coach at the University of Louisville, the first coach in NCAA history to win a national championship at two different schools, and author of bestsellers such as "Success Is A Choice" and "Lead to Succeed."

3. Bob Woodward, a Pulitzer Prize-winning journalist and Associate Editor at The Washington Post, and author of 12 bestsellers.

4. Bonnie Blair, a speed skating champion and Olympic Gold Medalist who has been named one of the Century's Five Best Female Athletes by Sports Magazine.

Should you have any questions or comments, please contact me at [sbecker@beckershealthcare.com](mailto:sbecker@beckershealthcare.com) or Editor-in-chief Laura Miller at [lmiller@beckershealthcare.com](mailto:lmiller@beckershealthcare.com) or President and CEO Jessica Cole at [jcole@beckershealthcare.com](mailto:jcole@beckershealthcare.com).

Very truly yours,



Scott Becker, Publisher

## THE TURNAROUND EXPERTS®

PROFITS AND DISTRIBUTIONS TO  
PARTNERS IN AS FEW AS 90 DAYS

SUCCESS IN THE SURGERY CENTER INDUSTRY ISN'T CLAIMED. **IT'S EARNED.**

*When many ASC companies were being formed 10 years ago, ASCOA was already delivering outstanding care to patients and the industry's best profit margins to its center partners. For freestanding ASCs or Hospital JVs, see why ASCOA is called the Turnaround Experts.®*

**ASCOA**

ASCOA.COM | 866-98ASCOA  
AMBULATORY SURGICAL CENTERS of AMERICA™

# 5 Initiatives for a Better Patient & Physician ASC Experience

By Laura Miller

**K**aren Reiter, administrator at DISC Sports & Spine Center in Marina del Rey, Calif., discusses five initiatives her surgery center has taken on to improve the patient and physician experience at the ASC.

**1. Be efficient.** Efficiency is important at the surgery center, so start times and turnover times must be prompt. DISC has its patients ready to go by 7:10 a.m. for a 7:30 a.m. start time. “Start time” is when the surgeon makes the first incision, so the first anesthesiologist sees the patient in pre-op 20 prior to the start time, the surgeon signs at 7:15 and then they go straight into the room.

“In our original process, there was less organization and we had to run around to find the transport person or the OR nurse to make sure everything was ready, but now everyone has ownership of their own part of the process,” says Ms. Reiter. “In the morning we have the pre-OR meeting and decide on who is responsible for what steps in the process, the environmental services staff and instrument techs all help transport the patient. The process is explained upfront to the patient so they know if they want to go to the bathroom they must do so before anesthesia arrives.”

The surgery center staff members have this process internalized, but sometimes surgeons are late and delay start times. When surgeons are late, Ms. Reiter gently texts them about their missed start time, and she records their information in the late log.

“The late log is somewhere they don’t want to appear,” says Ms. Reiter. “We tell them when they are in the late log and they try not to be. Everyone has the goal that their jobs should be completed 15 minutes before the case start time and the handover should take place 15 minutes before the posted time.”

**2. Pursue patient-centered initiatives.** Patient satisfaction is important for all providers to build a positive reputation and certainly helps with a multitude of things; even negotiating reimbursement rates in the future. DISC has several patient-centered initiatives aimed at improving the ASC experience for the patient, such as distributing patient education material and a goodbye gift for all surgical patients that includes their dressing and hand sanitizer.

“The overnight patients get a big, high-quality blanket that has our logo in the middle,” says Ms. Reiter. “The blanket is on their bed when they come out of surgery and they can take those blankets home with them. The other thing patients love is the water bottles we give them. We wanted to help save the environment so we give them a reusable water bottle with our

logo filled with filtered water. It’s good marketing but doesn’t cost a lot and patients like to know they are doing something for the environment at the same time.”

Staff members make an effort to greet patients by their name, when possible, upon their arrival at the center. Everyone, from the front office staff to the nurses, is cheerful when interacting with patients.

**3. Allow family in the pre-op area.** DISC admits as many patients as they can into private rooms. If the patient approves, the facility allows family members to accompany them to the pre-op room. The family members help keep patients relaxed and are an asset when collecting an accurate history.

“I let the family come back for the admitting process because they want to feel part of the process,” says Ms. Reiter. “Patients really like that and it makes the ASC experience better. When the family members come into the room they get a very in-depth discharge education before surgery, which we repeat afterwards as well.”

When the patient leaves for surgery, a nurse always walks family members back to the waiting room and makes sure they know where to get coffee or breakfast while they wait. DISC encourages feedback on the patient experience and Ms. Reiter sends a “Thank You” note and \$5 coffee card to patients who suggest an update that is implemented at the center. She also sends personal messages to patients who have complaints about the center, thanking them for their feedback.

**4. Surgeon lunches.** When surgeons perform multiple cases at the facility over the lunch hour, DISC buys their lunch. DISC has a “two-case minimum” lunch special, which means if surgeons do back-to-back cases the staff buys them their lunch.

“We ask where they want lunch and make a special order for them,” says Ms. Reiter. “Adding a free lunch increased the case volume a little bit and makes surgeons feel good about performing multiple cases at the center.”

**5. Show appreciation for physicians.** Physicians and staff members will feel better about their time at the surgery center if administrators and other ASC leaders are appreciative of their efforts.

“I always seek out surgeons who are at the surgery center and thank them for bringing cases that day,” says Ms. Reiter. “Three surgeons have come to my office and said it really makes a difference. We also keep the ASC incredibly tidy, make sure physician bathrooms are tidy and make sure their scrubs are always in place. It takes a lot to be good, but it doesn’t take a lot more to be exceptional.”

Ms. Reiter also makes an effort to send personal birthday cards signed by the staff to the surgeons and mail it to their houses so the card is received on time. ■



Karen Reiter

**FDM**

Facility Development & Management, LLC

**YOU FOCUS ON YOUR PATIENTS  
WE FOCUS ON YOUR BUSINESS**

Development • Management • Consulting • Regulatory Compliance Experts

**Your Center In Our Hands**

Let our expertise guide you to success

Contact us

www.facdevmgt.com 845.770.1883



**5 Improvements to Make Good ASCs Great**  
(continued from page 1)



Chris Doyle, Kristin Thompson and the leadership team

“We are trying to see where patients are waiting for a long time,” says Mr. Doyle. “We want to shorten wait times wherever possible. Our long term goal is to add an electronic component to our rounding so we can track patients as they go through the surgical process.”

The patient trackers will also allow family members in the waiting room to track patients from the pre-op area to the operating room and then post-op recovery.

**2. Track ASC data and discuss issues with all partners.** Ambulatory surgery center administrators have several metrics to track monthly, weekly and daily to ensure the surgery center optimizes its resources. The most important metrics include financial reports, start times, turnover times, OR utilization and patient satisfaction.

“We hold meetings where Kristin prepares data on the quality of our center and part of the presentation includes OR start times in the morning as well as subsequent start times,” says Mr. Doyle. “Kristin will discuss with the committee if we notice a drop in on-time starts and we’ll figure out what went wrong. Sometimes the physicians aren’t starting their cases on time and other times patients aren’t arriving at the center early enough.”

Ms. Thompson compiles this data manually and investigates issues. She has also discussed the impact of late starts with the surgeons. “The surgeons are also more likely to come on time now that they realize how starting late impacts the center,” says Ms. Thompson.

**3. Outline patient instructions clearly.** Patients should have appropriate expectations about outpatient surgery and understand what will happen on the day of surgery before arriving at the ASC. Sometimes, verbal reminders about the logistics of an appointment aren’t enough and surgery centers may need to distribute written information as well.

“Patients tend to go to the hospital on the hospital campus instead of our building, even though we review it beforehand,” says Ms. Thompson. “We are planning to put together a folder for physician offices to hand out with drawn directions for the patients so they know exactly where they are going”

Also alert patients to what they should bring to their appointment and how long they are expected to stay in the recovery area. “We are also working on our phone system so when patients call after hours asking for directions or location information, our Business Office Manager Bernadette Scarduzio will get an email with the message,” says Mr. Doyle. “We can communicate the answers to patients quickly and effectively.”

**4. Set goals with staff members.** Leaders and staff members should have goals for the every-day operations at the center and understand who is accountable for meeting each goal. Ms. Thompson has leadership evaluation manager goals she is accountable for, and her staff members help her along the way.


“Kristin worked with staff members on AIDET, which is a brilliant tool to use in healthcare for improvement,” says Mr. Doyle. “This wasn’t used well when we started the surgical center but now we find that staff members understand Kristin is responsible for these goals and they want to help her.”

Many of the goals are related to efficiency at the center, such as room turnover times or on-time starts. “I have a team leader in the OR who oversees everything, and if she is not hands-on with the case she helps turnover the room,” says Ms. Thompson. “I will come out and help whenever we are needed to catch up. Our leadership is hands on, and we make a point to go above and beyond to make patients and their families comfortable.”

**5. Allow staff members to share in cost-savings.** There are several ways surgery center leaders can recognize staff members for excellence on the job. Some strategies include monetary awards while others require verbal recognition or extra time off.

“The owners of our surgical center permit Kristin and me to provide profit sharing to our staff members,” says Mr. Doyle. “We work together on how much each staff members gets, and it’s based on performance.”

Profit sharing allows staff members to benefit from their cost-saving efforts. “They see what we do makes a difference and it comes back to them,” says Ms. Thompson. “Now they are starting to think about how much things cost.” ■




## Revenue Cycle Results

### ASC Software Just Got Easy.

**SurgeOn™**

- Single or Multi-Specialty Applications
- Over 500 Automated Reports
- Top-Rated, US-Based,
- Customer Support Team



*Anne L. - Ambulatory Surgery Center in Melbourne, FL*  
"I LOVE the new software. It is so easy to use and has saved us a ton of time."

*Vivian F. - Ambulatory Surgery Center in Irving, TX*  
"The Experior system is great! Your support staff is second to none. Your response time and knowledge are outstanding."

1-800-595-2020 | [www.experior.com](http://www.experior.com)

The Nation's Leader in Medical Software Solutions Since 1978

# 7 ASC Leaders on the Impact of Healthcare Reform on Their Centers

By Carrie Pallardy

Here eight ambulatory surgery center administrators discuss healthcare reform and how it has affected their centers.



**Bruce Kupper, CEO of MEDARVA Healthcare, Stony Point Surgery Center (Richmond, Va.)**. At this time, Medarva at Stony Point Surgery Center is still in a wait-and-see mode when it comes to healthcare reform. There are a lot of unknowns that we are waiting on, but we are trying to be proactive in some areas. We want our ASC to continue to be seen as a good value, low cost, high quality, provider of outpatient surgery services, which fits into the health reform model. This way we are seen

as an essential part of a health insurance company's offerings. Under the current model of healthcare, surgeons are still generating revenue by seeing patients and operating or performing other procedures. Essentially, they are still on a productivity-based model for pay, so as their reimbursement is being cut, by Medicare, commercial insurances and potentially with healthcare reform, the way they make up their lost income is to be able to do more surgeries, more efficiently. ASCs should continue to emphasize the turnover times and patient through-put in comparison to an acute care hospital.



**Evalyn Cole, Spine Surgery Center of Eugene (Ore.)**. Meaningful use compliance is our largest concern. We thought we were compliant with the Quality Measures reporting requirements, but we were either misinformed or did not get complete information. So we had to apply for an "Extraordinary Circumstances Extension or Waiver," which we were granted and we were able to make required corrections. There are so many people and departments involved, with

CMS and other federal payors and each contact person interprets guidelines differently; so it is hard to get a final answer.



**Brooke A. Day, Administrator, Hastings (Neb.) Surgical Center**. Political awareness has become a growing concern. Surgery centers need to develop at minimum a five year plan; it could determine whether or not your business survives. Hastings Surgical Center has a strategic planning committee consisting of four physicians that seek to reach the goals of the surgery center. The center is focusing on preparing physicians for ICD-10 changes, facilitating communication with

providers and allowing providers to access the center's records electronically. ACOs may provide better coordinated care, but ASCs need to understand how their business will be affected. Two large ACOs have already formed in Nebraska, which is concerning for independent centers.



**Steve Corl, administrator, Mackinaw Surgery Center (Saginaw, Mich.)**. We have been changing all along. For reform, one of the most important things is making sure to know who will be running ACOs and aligning ourselves with these organizations. It has been a challenge educating organizations, such as ACOs, about ASCs, but Michigan Ambulatory Surgery Association and ASCA have both stepped forward to work on

this. Not many ACOs have formed in Michigan as of yet. We are holding off to see what happens with the new reforms. We have also had to take into consideration the transition to EHR. Our center will completely shift to EHR by July.



**Karen C. Howey, CEO, administrator, Macomb (Mich.) Township ASC**. We have begun to feel pressure to move towards an EHR system, but have yet to see much of an incentive. Our center is currently operating with paper records, which we are working on scanning into our system. We have to be aware of our current reimbursement rate and our existing budget does not allow for an entire shift to EHR. Our center is aware that challenges lay ahead in CMS compli-

ance and volume fluctuation due to physicians moving towards hospital employment. Our biggest concern is how we will be affected by the changing physician landscape. In regards to ICD-10 compliance, we feel very confident. Our management company, Nueterra, has a program in place to address this issue. It is an arduous process, but we are certain we are where we should be.



**Jeff Wigton, director of operations, Central Maine Orthopaedics (Auburn)**. One of the biggest changes we have faced is the transition to EHR. We met meaningful use last year, but we really had to change our whole model of care. Doing all of preoperative work in EHR required the addition of computers in every room and staffing changes. Our center learned to embrace the system and use it. Though we are still adapting to some aspects of EHR, it has not caused a problem from the standpoint of patient service. On the other hand, it has created a large work load on our end. There is a lot of data entry to be done. Right now we are just at the beginning of the ICD-10 process. We are waiting for our software vendors to show us how we will need to document. We understand what we will have to do, but we need the vehicle to do it. ICD-10 is more complex and time consuming than ICD-9 and we have had to add staff to handle the influx of work. Our center has had to undergo a great deal of restructuring.



**Leslie Cottrell, administrator, Baptist Physicians Surgery Center (Lexington, Ky.)**. Our ASC has addressed cost and efficiency for over 10 years. Procedure volume has fluctuated based on physician alignment and to counteract the effect, we have recruited new physicians, specialties and performed procedures previously done as inpatient. To meet ongoing healthcare challenges, patient care providers' education and involvement are essential in cost containment efforts and efficiency practices. Contract negotiations and inventory management monitoring is ongoing and continues to be crucial in maintaining high quality provider status in our area. Physician office communication has increased to achieve pre-approvals, specific requests and patient information prior to the scheduled date of surgery. We are currently phasing an EMR system into our facility to better serve our patients through the healthcare continuum. ■

# Is Your A/R Costing You More Than You Realize?

By Rob Morris, Vice President, Marketing and New Business Development at CareCredit

As more employers adopt insurance plans with higher deductibles as a way to better manage and save on employee healthcare cost, patients seeking surgical procedures are facing higher out-of-pocket costs, including increased co-pays and deductibles. Research shows that in the absence of financing options, as much as 32 percent of patients will ask the healthcare provider to act as a financing company by billing them.<sup>1</sup> Although billing patients and maintaining accounts receivable has been a widely used and accepted method of helping patients manage fees, it can cost your ambulatory surgical center more than you may realize. By taking a closer look at the costs and risks associated with billing and A/R and the other financing options out there, you may find that there is a better solution for both your patients and your center.

## The “real” cost of maintaining your A/R

Carrying accounts receivable can be your cash flow’s worst enemy. With increasing facility fees, more procedures considered elective and higher deductibles and co-pays, it’s expected that some patients will not have the funds available to pay for a procedure up-front. While extending credit to patients may seem like a simple way to help them get care, it can be very expensive to your ASC in terms of reduced cash flow.

Thanks to banks and credit card companies, the concept of paying over time and making monthly payments for large purchases has become a cultural staple of spending. However, unlike those lending institutions that charge interest for giving patients the opportunity to pay over time, your center makes no interest on any of the money sitting in A/R. Overhead costs including rent, payroll, supplies, and equipment continue to add up while you attempt to collect fees for completed procedures. Over time, this can result in a cash flow crunch where more money is tied up in A/R than is actually coming in to the center.

As your A/R grows, so does the cost required to maintain it. If one employee dedicates half of his or her time to collections, the cost to the practice can add up to over \$20,000 a year. In addition, as employees have to spend more time doing administrative and financial chores, the center’s level of customer service may become less proactive. Couple that with the fact that the average total cost of sending a statement to a patient is approximately \$8 to \$10 per account per-month (an average of 200 statements per-month per-center comes to a total cost of over \$21,000 a year) and it’s easy to see how it can all add up.<sup>2</sup>

When a patient does not respond to your billing requests by mail, additional time and effort must be spent to recover the funds you’re owed. Collections calls are unpleasant for most staff members and can even scar your patient relationship. Finally, if you’re unable to collect your fees, you have to deal with the reality of lost revenue and bad debt write-off.

## A better way to help more patients

Instead of billing patients and dealing with the risks and expense of accounts receivable, a better way to help patients manage costs is to add a third-party or outside patient financing program to your practice’s financial policy. Third-party patient financing is actually quite common in many healthcare fields including dentistry, ophthalmology, cosmetic surgery, audiology and even veterinary medicine. Using a third-party financing program is usually pretty simple. Patients apply for financing and if approved, can immediately access their credit to pay for treatment over time with convenient monthly payments. Because it’s easier to fit the cost of care into their monthly budget, more patients can move forward with care.

Because financial needs differ from patient to patient, you want to select a patient financing program that provides flexibility and meets the needs of today’s patient. Programs that provide special financing offers such as 12 months deferred interest — where the patient pays no interest charges as long as the balance is paid off by the end of the promotional period\* — are very attractive and popular with patients.

Also consider the initial costs to patients. Plans that feature no upfront costs, annual fees or prepayment penalties will always be more attractive than those that don’t. Programs that offer a simple and quick application process, immediate credit decisions and multiple processing options (internet or phone) make integrating third-party financing into your daily routine even easier.

Another thing to consider when choosing a program is when your practice will be paid. One of the biggest benefits of offering financing through a third-party is that you get paid for your services upfront which eliminates the need to bill the patient. But not all programs are the same and some can take as long as 14 days to as little as two days to pay the practice so be sure you understand the program’s policy. Also consider when the payment will be delivered. Some programs offer direct deposit into an authorized account while others simply mail a check to the practice, increasing the amount of time before payment is credited to your account. Ideally, the less time you have

to deal with documentation and paperwork to get compensated, the better.

While taking on internal billing and accounts receivable can seem like a simple solution from the onset, it can quickly become a costly distraction for your ASC. Adding a third-party financing program can make it possible for more patients to have the surgical procedure they want or need while easily managing self-pay portions and other out-of-pocket costs. Plus, by turning patient financing over to a third-party financing company, your center will have more time to focus on what matters most — providing optimal care for patients. ■

<sup>1</sup>Inquire Market Research Study 2010

<sup>2</sup>Deborah L. Walker, Sara M. Larch, Elizabeth W. Woodcock

*Physician Billing Process: Avoiding Potholes in the Road to Getting Paid*, Medical Group Management Association, 2004

\*Subject to credit approval.

## 12 Statistics on ASC Administrator Salaries

By Heather Linder

Here are 12 statistics on average ambulatory surgery center administrator salaries, according to *VMG Health’s 2011 Intellimarker survey*.

**Average administrator salary:** \$109,184

**Highest paid location:** West — \$114,109

**Lowest paid location:** Midwest — \$104,371

### By number of operating rooms:

One to two ORs — \$95,750

Three to four ORs — \$106,271

More than four ORs — \$109,286

### By case volume:

Fewer than 3,000 — \$101,850

3,000 to 5,999 — \$104,998

Greater than 5,999 — \$109,448

### By net revenue:

Fewer than \$4.5 million — \$100,942

\$4.5 million to \$6.9 million — \$105,040

Greater than \$6.9 million — \$113,100 ■

The case was completed **in less than 75 minutes—**  
**Why wait 90 days** to get paid?



**Receive** your facility fee—**now**  
with CareCredit® Patient Payment Plans

With CareCredit you can:

- Reduce Accounts Receivable and collection costs
- Receive payment in 2 business days and improve your cash flow
- Offer patients convenient, low monthly payment plans

To maintain a financially healthy center, you have to receive payment in a **timely manner**. That's why more and more ASCs are offering **CareCredit's convenient, low monthly payment plans**. A part of GE Capital, CareCredit is the nation's leading patient payment program. With CareCredit, you **increase cash flow with full payment in two business days**. And, your patients have the opportunity to pay over time with convenient, low monthly payments.

**Don't wait** for your facility fee—**get paid now** and increase your cash flow with CareCredit.

Call **800-300-3046** ext. 4519 for more information or to **get started today**.



**CareCredit**®  
Patient Payment Plans  
carecredit.com  
800-300-3046 ext. 4519

# 8 Steps to Maximize Compact Scheduling at ASCs

By Laura Miller

**M**any ambulatory surgery centers are familiar with compact scheduling — scheduling many cases in a row to avoid excessive downtime — but they may not be optimizing these tactics to fully reap the benefits of a busy surgery center and staff. Here are eight steps for ambulatory surgery centers to really impact their bottom line with compact scheduling from MedHQ CEO and EndoLabs Administrator Tom Jacobs and Summit Surgery Center at Saint Mary's Galena Administrator Lori Martin, RN.

**1. Allow physician control of block scheduling.** EndoLabs, a gastroenterology/endoscopy surgery center in Indiana, plans four blocks of time each day and allows physicians to control scheduling within their blocks.

“We tell physician schedulers that they can schedule patients within the blocks for their physicians,” says Mr. Jacobs. “The physicians essentially control their schedules. We want to group procedures closely together and compact the schedule as much as possible. Usually the physician schedulers know that, so if the physician has four cases, they schedule an hour or two-hour time block for those cases.”

The ASC may run into trouble if surgeons schedule cases for 8 a.m. to 10 a.m. and then again at 1:30 p.m. to 4:30 p.m., but nothing in between. The gap could lead to staff downtime and non-productivity.

**2. Benchmark for schedule optimization.** Pay attention to case statistics and employee payment to find the number of paid hours per case for your organization. Benchmark that number to find the threshold where you are most profitable.

“We have an easier time hitting the profitability benchmark if we have 15 cases scheduled per day,” says Mr. Jacobs. “There is a drop-off in profitability if we are over or under that number. We let everyone know that and try to coordinate appropriately.”

The ASC can still accommodate for special cases, but largely tries to schedule 15 or more cases per day. “Once we communicated with the schedulers and doctors about these benchmarks and the impact of a slower day versus a bigger day, they were in tune with us and wanted to help us make things as efficient as possible,” says Mr. Jacobs.

**3. Communicate gaps to other surgeons.** There should be constant communication between ASC schedulers and physician practice



**STEP INTO the GREEN**

*Feeling Boggled down with all the business details?*

*Why not step into the freedom of green with MedBridge? Going green for us means moving your practice into a less stressful, more profitable and efficient environment by letting MedBridge handle all of the business details. MedBridge has been freeing surgeons and specialists to focus their best time on healing patients for over 12 years. Want to know what GREEN feels like?*

Call 1-888-MEDBRIDGE

Development | Turnarounds | Advising | Billing

121 Gray Avenue Suite 200  
Santa Barbara, CA 93101  
1-888-MEDBRIDGE  
WWW.MEDBRIDGE.MD

schedulers, especially during vacation or meeting season. Ask practice schedulers to inform the ASC when the surgeon takes time off so you can give their time to other surgeons that week.

“We have to set up at the beginning of the day and take down at the end, so we want as many cases as possible in the middle,” says Mr. Jacobs. “We want to keep surgeons and patients happy as well, so we communicate with them about vacation time and make sure we can fill those gaps when necessary.”

**4. Consider where to save time during set-up and take-down.** Experience will make nurses and surgical techs more efficient with set-up and take-down every day, but there may be additional opportunity to speed the process by cutting unnecessary waste or steps.

“We used to take an hour at the beginning of the day to set up and we were able to cut that to 45 minutes, and that makes a significant difference in time saved for the entire year,” says Mr. Jacobs. “The impact of these overhead hours diminishes on a per case basis. We realized that the standard of coming in an hour ahead of time was too much and so we were able to cut that down, and that saved 195 hours per year.”

**5. Stay productive during downtime.** Sometimes downtime can't be avoided, but staff members can take on projects to fill that downtime with constructive initiatives. Staff members can work on patient call backs, quality improvement studies, patient control or other special projects to stay productive during the day.

“The people who work at ASCs enjoy the quicker pace environment and they'll usually have free

time to pursue these other projects,” says Mr. Jacobs. “The staff doesn't want to be idle; they want to be involved with everything going on at the center.”

**6. Cross-train staff members.** If your ASC maintains a lean staff, cross-train everyone to help with different functions at the center. This will minimize downtime and maximize efficiency to support patient volume growth in the future.

“The biggest, most beneficial thing you can do is cross-train,” says Ms. Martin. “When our receptionist has down time and doesn't have any more work with making charts, she posts bills and keeps our accounts payable in order. Our credentialing person is cross-trained to do reception. People have endless tasks that they can complete during their downtime.”

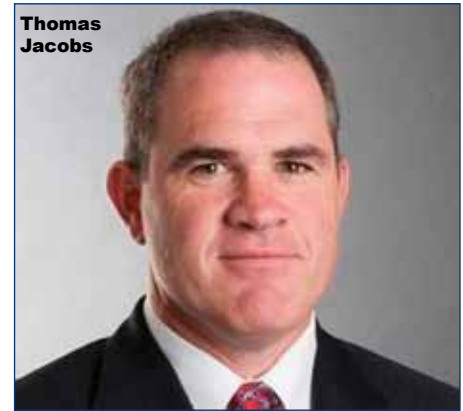
Ms. Martin says there isn't normally any non-productive time in the center, but if there is on a rare occasion, she'll send the employee home.

**7. Close down on slow days.** When surgery centers have one day that is consistently slow every week, consider closing down that day and working the clinical staff for four longer days per week. This saves on overhead and could compact the schedule even more.

“Some parts of the business, like the clinical aspect, you can flex to four days,” says Ms. Martin. “Other parts, like the business portion, must happen all five days.”

You can also implement this policy on a micro level by rearranging cases the week before for particularly slow days.

“We ask doctors on slow days to move their cases to a different day and sometimes we close



the center down with only a skeleton crew to collect money, answer calls and complete business office functions,” says Ms. Martin. “Sometimes it's better for staff to collect four-tens or four-nines that week then scattered hours for all five days.”

**8. Commit to low turnover times.** The culture at the ASC should promote low turnover times and staff members really need to buy-in to the process. Surgeons need quick turnovers so they can get back to their practices or the hospital, and efficiency could allow more cases into the ASC overall.

“We try to allow only a little time between cases to meet the surgeons' expectations,” says Ms. Martin. “Having staff motivated to do that is important. We make these expectations clear to the staff; they must be willing to participate in all aspects of success at the center. I hired two people without medical experience for reception and materials management, and they have done a really excellent job. They were motivated to succeed.” ■

## 6 Ways ASCs Must Evolve to Meet Billing Challenges From Surgical Management Professionals CEO Mike Lipomi (continued from page 1)

day of surgery. As a result, these ASCs may have a high number of accounts receivable days, largely driven by unfulfilled patient responsibility portions, especially in the first quarter of the year when patients have not yet met their deductibles. As deductibles and co-pays continue to increase, ASCs must devise new financial approaches, Mr. Lipomi says.

Centers need to display near the front office appropriate information to inform patients of policies for their payments. This can be done sensitively, without appearing too materialistic or demanding, he says.

“If a patient comes in to have a \$1,500 procedure, and they have a \$1,000 deductible, we want to know they are going to be responsible for that part of the bill,” Mr. Lipomi says. “Ask them how they are going to pay or what portion they can provide at the time of service. Work with them.”

Patients are up to 50 percent more likely to pay their portion of the bill if they are educated and asked to make payment arrangements prior to surgery.

While patient collection is not a new problem for ASCs, some co-pays and deductibles are significantly higher than they used to be, and insurance policies are becoming more convoluted.

“People often forget about their deductible,” he says. “They may have a 20 percent co-pay and think they will owe \$300 for a \$1,500 procedure, when really they will owe \$1,100 with the co-pay and deductible.”

**2. Only use implants or hardware with proper reimbursement.** Before adding procedures that require costly implants or hardware, surgery centers need to count the cost of implants against the cost of the procedure. They could be losing money on these procedures, Mr. Lipomi says.

A solution could be carving out implants in a managed care contract. However, some centers still won't be able to provide the same service a nearby hospital could perform at a much lower cost because of generic purchasing agreements. “It's critical that they find out the costs and make sure they know what they are doing,” he says. “It is a cautionary area.”

**3. Conduct regular coding audits.** SMP is performing more coding audits now than ever before, Mr. Lipomi says, largely because of the growing penalties for improperly coding or billing claims. While improv-

erly coding could result in a center losing out on due revenue, over billing is the more pressing problem in centers today.

Mr. Lipomi worked with a center that was unknowingly billing a bad code, which resulted in the ASC receiving about \$500 more per case than they were entitled. “We caught it fairly early on,” he says, “but they had to write about a \$50,000 check. If they hadn’t caught the problem for a year or two while incurring fees, then that could’ve been devastating.”

ASCs that over bill, or bill a bad code, could incur damaging penalties per case.

**4. Employ highly qualified personnel.** Since reforms and regulations are constantly rocking the healthcare system’s customary practices, ASCs need to employ coding and billing personnel who are committed to staying up-to-date with industry changes.

“How do you stay abreast with all of these changes?” Mr. Lipomi says. “You have to hire well-educated, highly-trained individuals that have a lot of time on their hands to track this. Going to the annual state association meeting just doesn’t cut it any longer. Things change so rapidly.”

Smaller centers or those struggling to keep up with changes should consider hiring a consultant or management company with a reputation for being knowledgeable about reforms. As the industry becomes more regulated and complicated, it’s not worth risking your business by shortcutting payroll staff, consulting or management, he says.

**5. Stay on top of accounts receivable.** Keeping accounts receivable days within a strict parameter could save an ASC from stunted cash flow.

Often, centers will be making money but have cash flow issues because claims are tied up in A/R for too many days. Adding personnel to the revenue cycle department or figuring out how to tackle claims more quickly can help A/R days drop dramatically, Mr. Lipomi says.



Mike Lipomi

**6. Get physicians involved in coding.**

Physicians need to get involved in the coding process to understand how to appropriately chart their patient encounters. Some physicians who were not trained to be fiscally conscious will balk at learning from coders, but gone are the days where missed codes do not impact an ASC’s bottom line, Mr. Lipomi says.

“Physicians in the office and surgery center must be charting the same codes,” he says. “If a physician is doing something and not noting it in the operative report, we can’t bill for it. It may be a procedure in addition to what they are coding that he or she does not chart.”

It’s critical for physicians to understand what they get paid for and what they do not. If a physician has two equal options for patient care, then the surgeon needs to know what the best option is for reimbursement.

“If you want to continue to provide service, then you are going to have to get enough reimbursement to pay for the services you are performing,” he says. “When there’s an option that is equal as far as care and better for reimbursement, they need to know that’s an option.” ■

**YOU CANNOT AFFORD TO LOSE MORE REVENUE!**  
 Call the Expert in Revenue Optimization

- Billing | Coding
- Coding Reviews
- Managed Care Contracting
- Revenue Cycle Audits
- Fee Schedule Analysis

**smp**  
 SURGICAL MANAGEMENT PROFESSIONALS

*Providing Custom Solutions*  
 Experts in Customized Revenue Optimization

www.smpsd.com | 605.444.8207 | info@smpsd.com

# 7 Steps for a Smoothly-Run Multispecialty ASC

By Carrie Pallardy

**A**rvind Movva, MD, CEO of Heartland Clinic Regional Surgicenter in Moline, Ill., shares seven tips to keep operations running smoothly at a busy, multispecialty ambulatory surgery center.

**1. Set expectations high.** The first step to running an efficient center is demanding your staff to exceed average expectations. “Your staff will be surprised when you push them, but they will quickly work towards meeting higher expectations,” says Dr. Movva. Address issues such as CMS “never events,” which still have the possibility of occurring, and always be prepared. The staff must constantly go over admitting and discharge protocols. Identify any employee error patterns that are occurring and address the issue immediately. Each member of an ASC’s staff needs to maximize his or her potential. “A physician can do 20 colonoscopies in a day, but he needs the staff to support this,” says Dr. Movva.

The better orchestrated your staff is, the more time physicians can spend with patients. The ideal situation allows surgeons to fluidly move from room to room, case to case. Staff members may express interest in rotating throughout the center, but this sacrifices efficiency. When staff members train and excel in one area that is what they should be doing.

“A center’s staff should do things over and over again until they have reached an expert level,” says Dr. Movva. At this point, a center will experience happier physicians, greater efficiency, improved quality of care and higher profits.

**2. Hire the right people for the right positions.** Motivated staff members will take responsibility for themselves and constantly work to be the best at what they do. They will review anything that goes wrong and fix it on their own. “If you begin with individuals who want to excel simply for the reward of being good at their jobs, everything else takes care of itself,” says Dr. Movva.

The key to efficiency is doing everything correct every time. When something goes wrong, stop and analyze it. “You need to put the right people in the right positions at the right time with the right tools,” says Dr. Movva. Beyond addressing errors, a center’s staff needs to be flexible to allow for the unexpected that can happen on a day to day basis.

ASCs should have a constant flow of activity; a stop-and-go system is counter to an efficient center. “Everything needs to be coordinated and at speed, like a pit crew on a race team,” says Dr. Movva. At his center, one of the pillars of efficiency is the administrator. She is a former endoscopy nurse, so she is involved in the administrative and clinical aspects of daily operations.

**3. Don’t be afraid of staff turnover.** Many centers grow concerned over staff turnover rates, but this can actually be a positive sign. “If your center is doing well, other ASCs, hospitals and private practices will try to recruit your staff,” says Dr. Movva.

Do not make the mistake of overpaying your staff just to avoid turnover. Bring in new people and train them to reach your center’s level of expectations. In the short term this may cost a center more, but in the long run it is less expensive than overpaying existing staff members.

“There is a certain amount of judgment involved. Someone may be valuable, but at a certain pay threshold, backfilling the position is a better long-

term decision,” says Dr. Movva. Identify staff members that have a poor attitude towards improvement. “You can always teach the motivated, but a highly skilled employee without motivation only leads to higher costs and poorer quality of work and overall staff morale. Everyone needs to be a team player,” he says.

**4. Hold all team members equally accountable.** A center should perform 360 degree employee reviews. Managers reviewing staff members should be subject to review themselves by those they supervise. “Just because you are a manager does not mean that you are infallible. Everyone needs to be held accountable at all times,” says Dr. Movva.

Every member of a center’s team needs to be geared towards improvement, and it’s important to determine who is causing the issue. High-ranking physicians driving case load should not be allowed to abuse their position, and staff members at each level should have respect for all team members.

**5. Meet as team frequently.** At Dr. Movva’s center, there are standing quarterly meetings and management meetings on a weekly basis, but if something goes wrong an impromptu meeting can be held immediately.

“If there is a system problem or employee problem, letting it go only makes it worse. A problem will multiply across more and more cases if it is left unaddressed,” says Dr. Movva. Staff members are welcome to informally meet with Dr. Movva on a daily basis.

“Meeting on only a quarterly basis will mean lost revenue and backtracking. You are wasting time and money,” he says. Making small, frequent course corrections is much easier to accomplish than implementing large changes three or four times a year.

**6. Ask your staff for feedback.** Listen to all staff members at each level. “All staff members need to have the feeling that they can speak up and suggest points of improvement,” says Dr. Movva. “Your staff is your eyes and ears. Administrators will not know the daily ins and outs.” Avoid the hierarchical staff structure; if your staff is afraid to speak up, administrators will not understand how to smooth out the small wrinkles that get in the way of a smoothly-run ASC.

“Staff members are encouraged to bring a problem and possible solution to the table,” says Dr. Movva. At his center staff members have equal opportunity to discuss relevant issues at monthly meetings and through emails and online message boards.

**7. Listen to your patients.** One of the keys to high patient satisfaction is communication. Keep a line of communication open between your staff and a patient’s family. Designate a staff member as a patient’s discharge connection and follow up with your patients.

“Listening to your patients is taking the pulse of your center,” says Dr. Movva. It is important to address any low scores on patient satisfaction surveys. The most constructive patient satisfaction surveys have low scores in only a few areas. These patients have taken time to fill out the survey; areas they point out may be something the center has never thought to address before. Target these areas for improvement. ■

Dr. Arvind Movva





# 30 ASCs With 20+ Years of History

By Heather Linder

## 30 ASCs With 20+ Years of History

Here are 30 ambulatory surgery centers that have celebrated their 20<sup>th</sup> anniversary and are still going strong.

**Abington Surgical Center in Willow Grove, Pa.**, opened in 1989 as an independent outpatient surgery center. The center includes seven operating rooms and two rooms specifically for pain management procedures. The multispecialty facility performs an estimated 18,000 annual procedures.

**Barkley Surgicenter in Fort Meyers, Fla.**, opened in 1993 by a group of gastroenterologists. The center is utilized by nine practicing physicians all in the field of gastroenterology.

**Bellingham (Wash.) Surgery Center** was opened in 1986 by a group of physicians and previously owned by Whatcom Medical Bureau, now called Regence. Symbion acquired the center in 1999.

**Centennial Lakes Surgery Center in Edina, Minn.**, was first licensed by the state and Medicare as an ASC in 1983. In 1992, the multispecialty ASC became accredited by AAAHC.

**Charlotte (N.C.) Surgery Center** opened in 1985. This multispecialty partnership between Surgical Care Affiliates (SCA) and local physicians features seven ORs. More than 12,000 cases are performed annually at the facility, which is home to several NFL, NBA, MLB and NHL team physicians.

**Effingham (Ill.) Ambulatory Surgery Center** was started in 1992 by 14 physicians and purchased by Effingham Surgical Partners in 2001. In 2005 the surgery center completed a 10,900-square-foot addition with three new operating rooms.

**Fayetteville (N.C.) Ambulatory Surgery Center** was built in 1982, this joint venture between Surgical Care Affiliates (SCA), Cape Fear Valley Health System and local physicians features 11 ORs, three procedure rooms and five 23-hour stay rooms.

**Front Range Orthopedic Surgery Center in Longmont, Colo.**, was founded in 1970 and designed for orthopedic surgery and services. The surgery center features digital imaging, MRI and electronic medical records.

**Kentucky Surgery Center (Lexington)** opened in December 1986 and has been doing more than 10,000 cases a year since 2007. This physician-owned facility is 28,000 square feet and has seven ORs and three procedure rooms.

**Lattimore County Surgicenter in Rochester, N.Y.**, was established in 1990 and is currently one of the oldest free-standing surgery centers in the Rochester area. It is accredited by AAAHC and Medicare-certified.

**Mid Florida Eye Center in Mount Dora, Fla.**, was the area's first surgery center dedicated to eye

care when it was opened in 1992 by Mid Florida Eye Center. Since then, the practice has opened a new 8,000-square-foot ambulatory surgery center.

**Mobile (Ala.) Surgery Center** opened in 1984 as a partnership between Surgical Care Affiliates and local physicians. This multispecialty center boasts an impressive volume of orthopedic surgeries. The center also does a large volume of pain procedures.

**Newport Beach (Calif.) Surgery Center** opened in September 1992 and currently has five operating rooms, two special procedure rooms, a PACU with seven bays and two private extended stay rooms for patients who spend 23 hours at the surgery center.

**Orthopedic Associates Ambulatory Surgery Center in Oklahoma City** was built in 1986 and has been updated continuously since then. The center is home to the physicians of Orthopedic Associates in Oklahoma City.

**Orthopaedic Surgical Center in Greensboro, N.C.**, opened in 1993 as the first freestanding ambulatory surgical center on the East Coast dedicated to orthopedic surgery. The center is a member of Surgical Care Affiliates.

**Orthopaedic and Spine Center of the Rockies in Fort Collins, Colo.**, opened in 1990 and expanded to include a Loveland location. The 23 physicians perform 7,000 operations annually in the three-operating room center.

**Pain Management Center of Paducah (Ky.)** began operation in 1992 and now performs more than 9,000 procedures annually. The surgery center is led by medical director Laxmaiah Manchikanti, MD, who has been chairman of the board and CEO of the American Society for Interventional Pain Physicians.

**Parkside Surgery Center in Jacksonville, Fla.**, began serving its community in 1992. Surgical services include endoscopy, general surgery, gynecology, orthopedics, otolaryngology, ophthalmology, plastic surgery and urology.

**Pavonia Surgery Center in Jersey City, N.J.**, opened in April 1992 on the fourth floor of the Hudson Eye Physicians and Surgeons practice. The practice was founded by Alfonso A. Cinotti, MD, and Barry Maltzman, MD.

**The Physician's Surgical Care Center in Winter Park, Fla.**, opened in 1993 as a partnership among Florida Hospital; Surgical Care Affiliates; Jewett Orthopedic Clinic; Ear, Nose, Throat & Plastic Surgery Associates and JLR Medical Group.

**Presidio Surgery Center in San Francisco** was initially founded in 1989 as a joint venture with Sutter Health. It is now a joint venture between several physician groups and Sutter. The facility includes

five operating rooms and one procedure room where physicians perform approximately 6,000 cases annually.

**Seattle Surgery Center** was founded in 1988 as the First Hill Surgery Center and relocated in 1993 to its current location in the old Cabrini Hospital. SSC is now a seven-operating room multispecialty ASC with a focus on orthopedics and ophthalmology.

**Specialty Surgery Center in Nashville, Tenn.**, has provided care for more than 35,000 patients in its community since 1992. It was the first Medicare-certified surgery center in the United States to provide oral and maxillofacial surgery.

**Summit Ambulatory Surgical Centers in Baltimore** is the 15-ASC arm of Chesapeake Urology Associates. It opened its first surgery center in 1992 at Union Memorial Hospital in Baltimore City, Md.

**Surgical Center of Greensboro (N.C.)** opened 1983 and is affiliated with Surgical Care Affiliates (SCA). Procedures include ENT, GYN, ophthalmology, oral, orthopedics, pain, plastic and general surgery.

**Toledo (Ohio) Clinic Outpatient Surgery Center** was established in 1984, has 10 operating suites. The center is accredited by the AAAHC and recognized by the American Society of Gastrointestinal Endoscopy as a quality endoscopy center.

**Venture Surgery Center in North Miami Beach, Fla.**, was established in 1992 and is a member of HCA. It has been accredited by the Accreditation Association of Ambulatory Health Care since 1999 and is part of the Medicare program.

**Vidant SurgiCenter in Greenville, N.C.**, is a free-standing multispecialty facility that annually performs more than 12,000 procedures. The center opened in 1982 and currently has a medical team of over 200 physicians.

**Virginia Beach (Va.) Ambulatory Surgery Center** is a for-profit outpatient surgery center that opened in October 1989. The ASC is a joint venture between physician partners and Sentara Health System to provide multispecialty care for adult and pediatric patients.

**Wilmington (N.C.) SurgCare** was established in 1992 and includes surgeons specializing in otolaryngology, general surgery, gastroenterology, orthopedic surgery, ophthalmology, pain management, urology and podiatry. It is affiliated with Symbion. ■

## Interested in Reaching Every ASC in the Country?

Becker's ASC Review circulates to every surgery center in the United States.

**Call (800) 417-2035 to discuss 2013 advertising opportunities and partnerships**

## Confirm Your Excellence

### Ambulatory Surgical Center Accreditation

**“The HFAP survey process is straightforward. Mackinaw Surgery Center knows exactly what the regulatory expectations are without the guess work. This allows our Center to be consistent in its operations and at the same time challenges our team to strive to be the best at what we do.”**

*-Steve Corl  
Administrator, Mackinaw Surgery Center, LLC  
Saginaw, MI*



www.hfap.org  
info@hfap.org

# 5 Big Factors in ASC Merger & Acquisition Activity Today

By Laura Miller

**H**ere are five big factors in the ambulatory surgery center growth, mergers and acquisitions market today and projections for the future.

**1. Implementation of the Patient Protection and Affordable Care Act.** Healthcare reform implementation is now in full swing, and declining reimbursement coupled with additional compliance costs have driven consolidation throughout the industry. The reforms also encourage quality over quantity in caseload and incentivize low cost options for care.

“The Affordable Care Act drives the need for hospitals to lower their cost structures and provide more value-based services for their geographic regions,” says Joseph Ibrahim, Principle, Healthcare, The Riverside Company, a global private equity firm. “As a result of this trend, ASCs are a way for hospital systems to provide services in a lower cost setting.”

Some hospitals are working with physicians on joint venture surgery centers, or purchasing stake in existing centers, while others are establishing their own ASCs. The two groups may also consider bringing a third party investor, such as an ASC management company, to hold equity in the joint venture.

“I definitely see most surgery centers in the future somehow joint ventured with hospitals,” says Lee Lasris, Founding Partner of Florida Health Law Center. “The new ASCs I’ve had experience with involve a hospital investment. They are expensive to put together and still require a sizable investment.”

**2. Increased demand for low cost healthcare providers.** As high deductible plans and health savings accounts become more popular, patients will search for the lower cost care setting that can provide high quality care.

“People are going to look at the ASC as the hospital for the future,” says Mr. Lasris. “They are going to go to the ASC for their healthcare while hospitals will be available for patients who definitely need inpatient care. If you can go home or to a skilled nursing facility after surgery, you are better off than staying in the hospital. I think patient care will definitely improve as more people are kept out of the hospital, as that’s the goal of healthcare today.”

However, the ASC’s ability to remain a low cost care setting will depend on reimbursement trends in the future. “The centers are still a low cost provider, which is why they are still a good option, but no one knows yet how compressed the reimbursement rates are going to get,” says Tom Aronson, Managing Director at Monroe Capital. “As long as ASCs can be the low cost provider, I think these centers will prove to be a growth area in the industry.”

**3. Large aging population.** As the baby boomer population ages, there is a demand for increased care provided in the outpatient ambulatory setting, such as colonoscopies, cataract surgeries and minor orthopedics procedures. Especially with this population, a quick procedure with less risk for infection will be important to return patients to their daily lives.

“The aging population drives the need for more procedures in the ASC, and technology is improving to allow surgeons to perform more complex surgery in the outpatient setting versus the acute care setting,” says Mr. Ibrahim. “From a cost perspective, ASCs are a lower cost site versus an acute care setting and patients often prefer ASCs if they have local access to one.”

Medicare may also direct more patients to the outpatient setting; auditors are already scrutinizing Medicare claims for inpatient procedures they think could have been performed cheaper in the outpatient setting.

**4. End of the ASC lifecycle.** There was a boom in ASC development in the early 2000s, and now these ASCs are maturing. The average lifecycle

for an ambulatory surgery center is 10 to 12 years, at the end of which surgeons must decide whether to purchase new equipment and bring on new partners, or sell their center and move on.

“A third of the ASCs in this country were open between 2003 and 2007, amounting to about 1,800 new centers during that time,” says Nicholas Newsad, MHSA, Senior Associate at HealthCare Appraisers. “With the average lifecycle being around 10 to 12 years, a lot of them are going to hit that age between 2013 and 2019, and with the first generation ownership coming to an end, we sometimes see the surgeons either selling down or holding a liquidation event. Based on that, we expect to see robust action over the next few years.”

While it’s hard to speculate exactly who the buyers will be — management companies, hospitals, private equity or other entities — ASC owners must find the right strategy for them.

“Sellers looking for a pure liquidity event tend to gravitate more toward the best financial deal they can get,” says Mr. Newsad. “Another type of seller is really looking for a partner and they are going to stay involved with the center; they are just looking for additional owners. Those types of sellers are looking for partners that can bring the most value for their business.”

**5. Retiring surgeons look for an exit strategy.** Surgeons at the end of their careers who are looking for an exit strategy will consider selling their ASC to other interested organizations instead of spending money to update equipment and systems for the healthcare reform overhaul.

“Many centers that have aged need to purchase new equipment, or investment in new electronic systems, and that is the impetus for some of these events,” says Mr. Newsad. “Owners are either looking to bring in new ownership or sell it completely. They will look at all their options and make a decision based on what is best for them.”

Surgeons who choose to sell to the hospital may continue practicing as a hospital employee during the last few years of their career.

“To the extent that a hospital has a joint venture opportunity, I think it could be an exit strategy for some of these surgeons,” says Mr. Aronson. “The industry started 30 years ago and some of these surgeons are primed and ready for joint venture relationships. However, we haven’t seen a strong proliferation of these types of joint ventures as of yet.” ■

Joseph Ibrahim



Lee Lasris



Tom Aronson



Nick Newsad



## 12 Statistics on Surgery Center Case Volume

By Laura Miller

Here are 12 statistics on ambulatory surgery center case volume based on data from the *VMG Multispecialty Intellimarker 2011*.

1. Average total cases per center is 4,714 per year.
2. Nearly 19 cases are performed every day on average per surgery center.
3. Each operating room in ASCs saw an average of 765 cases per year, which was around three cases per day.
4. ASC procedure rooms saw around 1,144 non-surgical cases per room annually, with 4.6 procedures per day.
5. The top five physicians performed 54 percent of the ASC's case volume.
6. Surgery centers with more than four operating rooms performed around 24 cases per day, while those with one to two operating rooms performed an average of 12 cases per day.
7. Surgery centers with one to two operating rooms had the highest average annual surgical case rate per operating room, at 782,

while those with more than four operating rooms hosted 744 cases annually per operating room.

8. Non-surgical case volume per year at facilities with one to two operating rooms was 1,017 cases per procedure room.
9. Surgery centers with three to four operating rooms reported an average of 769 non-surgical cases per procedure room annually, which dropped to 705 cases in centers with more than four operating rooms.
10. Around 68 percent of all cases in one to two operating room ASCs were performed by the top five physicians, and 91 percent were performed by the top 10.
11. In surgery centers with more than four operating rooms, only 22 percent of the cases were performed by the top two physicians, while 62 percent were performed by the top 10 physicians on average.
12. ASCs with three to four operating rooms reported around half of their cases performed by the top five physicians. ■

## Survey: 69% Providers Expect Costs to Drive Outpatient Populations

By Heather Linder

Healthcare legislation and mandates will drive more patients to outpatient settings in 2013 and forced a shift in healthcare costs, according to *Healthcare Finance News*.

Of 530 hospital executives and practice managers, 69 percent have projected an increase in outpatient volumes from 2012 to 2013. Forty-eight percent named reimbursements cuts as the greatest influence over health systems.

Also, 27 percent do not plan to pursue an ACO and will choose to seek clinical integration through bundled payments, care management fees and pay-for-performance, according to the report. ■

## Interested in Reaching Every ASC in the Country?

Becker's ASC Review circulates to every surgery center in the United States.

**Call (800) 417-2035 to discuss 2013 advertising opportunities and partnerships**

# BECKER'S ASC REVIEW

Practical Business, Legal and Clinical Guidance for Ambulatory Surgery Centers

## 20th Annual Ambulatory Surgery Centers Conference

# Improving Profitability and Business and Legal Issues

October 24-26, 2013 • Swissotel - Chicago, Illinois

132 great ASC Executives and Physicians and  
87 Sessions with Great Topics Focused on Key Issues for ASCs,  
State of the Industry, Cost Reduction and Benchmarking, and Key Specialties

Thank You to Our Corporate Sponsors



**David Feherty**

- Keynote - A Nasty Bit of Rough - David Feherty, CBS Golf Commentator and Best-Selling Author
- Keys to Keeping Surgery Centers Profitable Businesses - Robert Zasa, MSHHA, FACMPE, Managing Partner and Founder, ASD Management, Doug Golwas, Senior Vice President Medline Industries, Stephen Blake, Chief Executive Officer, Central Park ENT & Surgery Center, moderated by Barton C. Walker, Partner, McGuireWoods LLP
- ASCs, 10 Months and 10 Years Into the Future; Emerging Business Issues in ASCs - David J. Abraham, MD, The Reading Neck & Spine Center, Linda Ruterbories, RN, ANP, OSC Director, OA Center for Orthopedics, Bill Hazen, RN, CHT, Administrator, The Surgery Center at Pelham



**Rick Pitino**

- Success is a Choice - Rick Pitino, Head Men's Basketball Coach University of Louisville
- Anesthesia Issues; Shorten Your Length of Stay in PACU - G-A (Gary) Lawson-Boucher, MD, Lieutenant Commander, Medical Corp., United States Navy, ACSCSWF
- Analyzing the Health System Market - Who Needs to Sell? Why Joint Venture? Greg Koonsman, Senior Partner, VMG Health
- Key Thoughts on Keeping ASC Owners Engaged - Michael Patterson, President & CEO, Mississippi Valley Health, Darlene Johnson, RN, BSN, MSN, CASC, Healthcare Consultants International, Inc., Gary Richberg, RN, BSN, ALNC, CNR-A, CNR-C, CASC, Administrator, Pacific Rim Outpatient Surgery Center, moderated by Scott Becker, JD, CPA, Partner, McGuireWoods LLP

- The State of the ASC Industry - Andrew Hayek, President & CEO, Surgical Care Affiliates
- Which Specialties Are Still Great for ASCs? Which Ones Should ASCs Eliminate Today? Will Hospital Employment Kill ASCs? What ASC Problems are not Fixable? - David J. Abraham, MD, The Reading Neck & Spine Center, Lawrence E. Kosinski, MD, MBA, AGAF, FAGC, Elgin Gastroenterology, Timothy T. Davis, MD, DABNM, DABPMR, DABPM, Director of Interventional Pain and Electrodiagnostics, The Spine Institute, Center for Spinal Restoration, Fred Davis, MD, Clinical Assistant Professor, Michigan State University, College of Human Medicine, ProCare Research, ProCare Systems, moderated by Scott Becker, JD, CPA, Partner, McGuireWoods LLP



**Bob Woodward**

- ASCs 2013 and 2014 - Where Does the Industry Stand, Where are the Great Opportunities? Nap Gary, Chief Operating Officer, Regent Surgical Health, I. Naya Kehayes, MPH, Managing Principal and Chief Executive Officer, Eveia Health Consulting & Management, Richard N.W. Wohms, MD, JD, MBA, South Sound Neurology, PLLC, Scott Becker, JD, CPA, Partner, McGuireWoods LLP, moderated by Bob Woodward, Legendary Pulitzer Prize-Winning Journalist/Author and Associate Editor, The Washington Post

- Washington D.C., The Budgets, Healthcare, America - Bob Woodward, Legendary Pulitzer Prize-Winning Journalist/Author and Associate Editor The Washington Post

- Cost Reduction and Benchmarking - 10 Key Steps to Immediately Improve Profits - Robert Westergard, CPA, Chief Financial Officer, Susan Kizirian, Chief Operations Officer, and Ann Geier, RN, MS, CNOR, CASC, Senior Vice President of Operations, Ambulatory Surgical Centers of America

- Achieving Your Personal Best - Bonnie Blair, Speed Skating Champion and Gold Medalist

- ASC Association - Key Priorities for 2014 - Nap Gary, Chief Operating Officer, Regent Surgical Health, and William M. Prentice, JD, Chief Executive Officer, ASCA

- Does Your Infection Prevention Program Meet Survey Requirements? Marcia Patric, RN, MSN, CIC, Infection Prevention Consultant, AAAHC, and Marsha Wallander, RN, Associate Director of Accreditation Services, AAAHC



**Bonnie Blair**

- Key Thoughts on Medicare Inspections and Survey Readiness - Tracy Harbour, RN, BSN, Administrator, Surgery Center of Pinehurst, Marti Potter, Administrator, Jersey Shore Ambulatory Surgery Center, Marcy Sasso, CASC, Director of Compliance and Development, Facility Development & Management, LLC, moderated by Melissa Szabad, Partner, McGuireWoods LLP

- Opening a State of the Art ASC in Changing Times - Michael Redler, MD, The OSM Center

- Minimally Invasive Hysterectomy in an Outpatient Setting; Successes and Suggestions - Jon Nielsen, MD, North Memorial Ambulatory Surgery Center at Maple Grove

**For more information, call (800) 417-2035**

**If you would like to sponsor or exhibit at this event, please call (800) 417-2035**

**TO REGISTER, CALL 800-417-2035 • FAX 866-678-5755 • EMAIL [registration@beckershealthcare.com](mailto:registration@beckershealthcare.com)**

**Register online at <https://www.regonline.com/20thAnnualASC>**

# Improving the Profitability of Your ASC – Thrive Now and in the Future

This exclusive conference brings together surgeons, administrators and ASC business and clinical leaders to discuss how to improve your ASC and its bottom line in these challenging but opportunity-filled times.

The best minds in the ASC field will discuss opportunities for ASCs plus provide practical and immediately useful guidance on how to bring in more cases; improve reimbursement; manage, reduce and benchmark costs; introduce new specialties; engineer a turnaround; work on joint-ventures with hospitals and much, much more.

## The Becker's ASC Review/ASC Communications difference:

- 1) Benefit from the combined efforts of Becker's ASC Review/ASC Communications to attract attendees and speakers that are among the smartest people in the ASC industry today.
- 2) Take discussion and thinking to the highest levels, focusing on the physician-owners, medical directors, ASC administrators and business minded directors of nursing.
- 3) Access expert views from all sides of the ASC world.

## PROGRAM SCHEDULE

### Thursday October 24, 2013

11:30am – 1:00pm Registration  
1:00pm – 5:35pm Conference Sessions  
5:30pm – 7:00pm Reception, Cash Raffles, Exhibit Hall

### Friday October 25, 2013

7:00am – 8:00am Continental Breakfast and Registration  
8:00am – 5:00pm Conference Sessions Including Lunch and Exhibit Hall Breaks  
5:00pm – 6:00pm Reception, Cash Raffles, Exhibit Hall

### Saturday October 26, 2013

7:00am – 8:10am Continental Breakfast  
8:10am – 12:00pm Conference Sessions

## Thursday, October 24, 2013

**1:30 – 4:30 PM**

**Registration and Exhibitor Set up**

### Concurrent Sessions

**Track A - Improving Profits, Management, Keynote Session**

**Track B - Improving Profits, Key Trends, Anesthesia, Technology**

**Track C - Market Strategies, Turnarounds, Compensation Issues**

**Track D - Out Of Network, Valuation, ICD-10**

**Track E - Transactions, Valuation and Legal Issues**

**Track F - Patient Safety, Quality and Accreditation Issues**

**1:00 – 1:40 PM**

**A. Keys to Keeping Surgery Centers Profitable Businesses**

Robert Zasa, MSHHA, FACMPE, Managing Partner and Founder, ASD Management, Doug Golwas, Senior Vice President, Medline Industries, Inc., Stephen Blake, Chief Executive Officer, Central Park ENT & Surgery Center, moderated by Barton C. Walker, Partner, McGuireWoods LLP

**B. How to Grow Your Practice While Working with Emerging Systems of Care**

Fred Davis, MD, Clinical Assistant Professor, Michigan State University, College of Human Medicine, ProCare Research, ProCare Systems

**C. Regional Market Strategies for Pain Management**

Robin Fowler, MD, Chairman and Medical Director, Interventional Management Services, Stephen Rosenbaum, Chief Executive Officer, Interventional Management Services

**D. 5 Big Out of Network Ideas Debunked**

John Bartos, Chief Executive Officer, Collect Rx

**E. ASC Roundtable: Outlook for Investment and M&A Activity in the ASC Sector**

Michael Stroup, Senior Vice President, Acquisitions, United Surgical Partners International, Inc., Matt Searles, Managing Partner, Merritt Healthcare, Adam Lynch, Vice President, Principle Valuation LLC, moderated by Scott Becker, JD, CPA, Partner, McGuireWoods LLP

**F. Implementing Safe Surgery Checklists at your Surgery Center**

Linda Lansing, Senior Vice President, Clinical Services, and Kelly Bemis, RN, BSN, Director of Clinical Services, Surgical Care Affiliates

**1:45 – 2:25 PM**

**A. The Movement of Higher Acuity Cases to ASCs, Why? How? Who Drives It?**

Chris Bishop, Senior Vice President, Acquisitions & Business Development, Blue Chip Surgical Center Partners

**B. The Single Best Actions to Improve Profits Now**

Chris Swing, Vantage Technology, Amy Sinder, Administrator, CBC Surgery Center, Lilliana Lehmann, Administrator, Hallandale Outpatient Surgical Center, Laura Miller, Editor in Chief, Becker's Spine Review/Becker's ASC Review, Becker's Healthcare

To Register, Call 800-417-2035 • Fax 866-678-5755 • Email [registration@beckershealthcare.com](mailto:registration@beckershealthcare.com)

Register Online at <https://www.regonline.com/20thAnnualASC>

**C. Consumerism and Price Transparency**

Jeff Blankinship, President & Chief Executive Officer, Surgical Notes

**D. ASC Transactions: Analysis and Valuation Trends**

Kevin McDonough, CFA, Partner, and Colin Park, Manager, VMG Health

**E. Risk Management as Applied to Higher Acuity Procedures**

Carol Hiatt, BSN, RN, LHRM, CASC, CNOR, Consultant and Accreditation Surveyor, Healthcare Consultants International

**F. Practical HIPAA Compliance Plans for ASCs**

Holly Carnell, Associate, Meggan Michelle Bushee, Associate, Melissa Szabad, Partner, McGuireWoods LLP

**2:30 – 3:10 PM****A. ASCs 10 Months and 10 Years Into the Future; Emerging Business Issues in ASCs**

David J. Abraham, MD, The Reading Neck & Spine Center, Linda Ruterbories, RN, ANP, OSC Director, OA Center for Orthopedics, Moderator TBD

**B. Trends in Minimally Invasive Stabilization Surgery**

Jeffrey P. Nees, MD, Neurosurgeon, Laser Spine Institute

**C. Turnaround - Success Stories From the Field**

Joseph Zasa, Co-founder and Managing Partner, ASD Management

**D. PPO Out of Network Payments Are Not Dead**

Kelly Webb, Vice President and General Manager, ASC Billing Division, MediGain

**E. 2013 ASC Valuation Survey**

Todd Mello, Partner and Co-Founder of HealthCare Appraisers, and Nicholas Newsad, Analyst, HealthCare Appraisers

**F. Three Strategies to Control Labor Cost at Your Surgery Center**

Thomas H. Jacobs, President & Chief Executive Officer, MedHQ

**3:15 – 3:55 PM****A. Key Thoughts on Keeping ASC Owners Engaged**

Michael Patterson, President and CEO, Mississippi Valley Health, Darlene Johnson, RN, BSN, MSN, CASC, Healthcare Consultants International, Inc., Gary Richberg, RN, BSN, ALNC, CNR-A, CNR-C, CASC, Administrator, Pacific Rim Outpatient Surgery Center. Moderated by Scott Becker, JD, CPA, Partner, McGuireWoods LLP

**B. Anesthesia Issues; Shorten your length of stay in PACU**

G-A Lawson-Boucher, MD, Lieutenant Commander, Medical Corp. United States Navy, ACSCSWF

**C. How Much Should Administrators, Medical Directors and DONs be Paid?**

Joe Ollayos, Administrator, Tri-Cities Surgery Center, LLC, Debbie Hall, Administrator, High Plains Surgery Center, moderated by Amber McGraw Walsh, Partner, McGuireWoods LLP

**D. ICD - 10 - Are you prepared?**

Kevin McDonald, Vice President, Surgery Sales, SourceMedical

**E. Co-Management - A Focus on How Payments Work and are Valued**

Nicholas Newsad, Analyst, HealthCare Appraisers

**F. Using Reprocessing to Reduce Costs**

Timothy Merchant, Vice President of Sales, MEDISS - Medline Industries, Inc.

**4:00 – 4:40 PM****A. Can ASCs Still Profit Through Orthopedics - What Works Business Wise and Clinically**

Larry Taylor, President & CEO, Practice Partners in Healthcare

**B. The Impact on Technology on Physicians Practices in the Future**

Mary Hibdon, RN, ASC Strategist, Perioperative, Cerner

**C. Analyzing the Health System Market - Who Needs to Sell? Why Joint Venture?**

Greg Koonsman, Senior Partner, VMG Health

**D. Healthcare Facilities Accreditation Program**

TBD

**E. Litigation Involving ASCs -- Key Issues, Antitrust, False Claims, Redemptions and Non Competes**

Jeffrey C. Clark, Partner, and David Pivnick, Associate, McGuireWoods LLP

**F. 8 Steps for Profitable Materials Management**

Lori Pilla, Vice President Clinical Advantage and Supply Chain Optimization, Amerinet

**4:45 – 5:35 PM****A Nasty Bit of Rough**

David Feherty, CBS Golf Commentator and Best-Selling Author

**5:35 – 7:00 PM****Networking Reception, Cash Raffles and Exhibits****Friday, October 25, 2013****7:00 – 8:00 AM****Registration and Continental Breakfast****8:00 – 8:05 AM – Introductions****8:00 - 10:10 - General Sessions****10:40 - 5:05 PM - Concurrent Sessions****Track A - Key Specialties, Healthcare Reform, Improving Profits, Joint Ventures****Track B - Cost Reducing and Benchmarking, Ancillaries, Key Procedures, Medical Inspections, EMRs, Reimbursements****Track C - Management, Recruiting Physicians, CMS Guidelines, Employee Engagement****Track D - Documentation, Revenue Cycle, Billing and Coding Issues, Inventory Management****Track E - HR Issues, Selling Your ASC, 2014 Key Issues, Legal Issues****Track F - Infection Control, Quality, Inspections, Accreditation Issues****8:05 – 8:45 AM****Keynote Panel: ASCs 2013 and 2014 - Where Does the Industry Stand, Where are the Great Opportunities**

Nap Gary, Chief Operating Officer, Regent Surgical Health, I. Naya Kehayes, MPH, Managing Principal and Chief Executive Officer, Eveia Health Consulting & Management, Richard N.W. Wohns, MD, JD, MBA, South Sound Neurology, PLLC, Scott Becker, JD, CPA, Partner, McGuireWoods LLP, moderated by Bob Woodward, Legendary Pulitzer Prize-Winning Journalist/Author and Associate Editor, The Washington Post

**8:50 – 9:30 AM****B. Washington D.C., The Budgets, Healthcare, America**

Bob Woodward, Legendary Pulitzer Prize-Winning Journalist/Author and Associate Editor, The Washington Post

**8:50 – 9:30 AM****The State of the ASC Industry**

Andrew Hayek, President & CEO, Surgical Care Affiliates

**10:10 – 10:40 AM****Networking Break and Exhibits**

**10:40 – 11:20 AM****A. Which Specialties Are Still Great for ASCs? Which Ones Should ASCs Eliminate Today? Will Hospital Employment Kill ASCs? What ASC Problems are Not Fixable?**

David J. Abraham, MD, The Reading Neck and Spine Center, Lawrence E. Kosinski, MD, MBA, AGAF, FACG, Elgin Gastroenterology, Timothy T. Davis, MD, DABNM, DABPMR, DABPM, Director of Interventional Pain and Electrodiagnostics, The Spine Institute, Center for Spinal Restoration, Fred Davis, MD, Clinical Assistant Professor, Michigan State University, College of Human Medicine, ProCare Research, ProCare Systems, moderated by Scott Becker, JP, CPA, Partner, McGuireWoods LLP

**10:40 – 12:00 PM****B. Cost Reduction and Benchmarking, 10 Key Steps to Immediately Improve Profits**

Robert Westergard, CPA, Chief Financial Officer, Susan Kizirian, Chief Operations Officer, and Ann Geier, RN, MS, CNOR, CASC, Senior Vice President of Operations, Ambulatory Surgical Centers of America

**10:40 – 11:20 AM****C. Building Volumes, Practice Growth, Recruiting Physicians and Cases - We Need More Volume**

Brandon Frazier, Vice President of Development and Acquisitions, Ambulatory Surgical Centers of America, Jeff Peo, Vice President Development & Acquisitions, Ambulatory Surgical Centers of America, and John D. Martin, Principal, Martin Healthcare Consulting, Moderated by Gretchen Townshend, Associate, McGuireWoods LLP

**D. Documentation Improvement and Targeted Analytics to Accelerate Patient Throughput & Increase Patient Volume**

Jennifer Brown, RN, Endoscopy Nurse Manager, Gastroenterology Associates of Central Virginia, and Tim Meakem, MD, Medical Director, ProVation Medical

**E. HR Issues - Management Techniques for Top Production, Doing More with Less Staff**

Stephanie Martin, Administrator, St. Augustine Surgery Center, and Jill Thrasher, CASC, Administrator, Precision Surgery Center of Dallas

**F. Secrets to Better Infection Control Compliance**

Phenelle Segal, RN, CIC, President, Infection Control Consulting Services, LLC

**G. Minimally Invasive Hysterectomy in an Out-patient Setting, Successes and Suggestions**

Jon Nielsen, MD, North Memorial Ambulatory Surgery Center at Maple Grove

**11:25 – 12:00 PM****A. The Impact of Healthcare Reform on ASCs and Practices**

Tom Mallon, Chief Executive Officer, Regent Surgical Health, Barry Tanner, President & CEO, Physicians Endoscopy, LLC, Richard N. W. Wohns, MD, JD, MBA, South Sound Neurology, PLLC, Luke Lambert, CFA, CASC, Chief Executive Officer, Ambulatory Surgical Centers of America, moderated by Anna Timmerman, Associate, McGuireWoods LLP

**C. Opening a State of the Art ASC in Changing Times**

Michael Redder, MD, The OSM Center

**D. Most Common Coding and Billing Errors that Impact Your Bottom Line**

Lisa Rock, President, National Medical Billing Services

**E. ASC Association - Key Priorities for 2014**

Nap Gary, Chief Operating Officer, Regent Surgical Health and William M. Prentice, JD, Chief Executive Officer, ASCA

**F. Preparing for Joint Commission Accreditation**

Wendy Kelley, Administrator, and P.J. Jarboe, RN, Cool Springs Surgery Center

**G. The 5 Most Important Issues Facing ASCs**

Mike Pankey, Administrator, ASC of Spartanburg, Bill Hazen, Administrator, RN, CHT, The Surgery Center at Pelham, Erik Flaxman, MHPA, Executive Director, Forest Canyon Endoscopy & Surgery Center, moderated by Amber McGraw Walsh, Partner, McGuireWoods LLP

**12:05 – 12:45 PM****A. Implant Costs, How to Manage Shifting Costs**

Tom Gallagher, Chief Executive Officer, PDP Holdings, Blaire Rhode, MD, ROG Sports Medicine, Orland Park Orthopedics, Robert Sabra, Jr., MD, Neurological Spine Surgeon, D.I.S.C. Sports & Spine Center, moderated by Barton C. Walker, Partner, McGuireWoods LLP

**B. Achieving Your Personal Best**

Bonnie Blair, Speed Skating Champion and Gold Medalist

**C. Evolving CMS Mandates With Reimbursement and Quality Reporting**

Debra Stinchcomb, RN, BSN, CASC, Consultant, Progressive Surgical Solutions, LLC

**D. Key Steps to Great Payor Contracting**

I. Naya Kehayes, MPH, Managing Principal and Chief Executive Officer, Eveia Health Consulting & Management

**E. Should You Sell Your ASC? Valuation, Operating Agreement, Non Competes, Legal and Process Issues**

Amber Walsh, Partner, and Scott Becker, JD, CPA, Partner, McGuireWoods LLP

**F. OSHA Inspections**

Stephanie Martin, Administrator, St. Augustine Surgery Center

**12:45 – 1:45 PM****Networking Lunch & Exhibits****12:45 - 1:45 pm****Special Women's Leadership Lunch**

Hosted by Bonnie Blair, Speed Skating Champion and Gold Medalist, Amber McGraw Walsh, Partner, McGuireWoods LLP and Melissa Szabad, Partner, McGuireWoods LLP

**1:50 – 2:30 PM****A. Keeping Endoscopy Centers Profitable**

Barry Tanner, President & Chief Executive Officer, and John Poisson, Executive Vice President & Strategic Partnerships Officer, Physicians Endoscopy, LLC

**B. How to Stay Out of Trouble When You Own Ancillaries**

Richard N.W. Wohns, MD, JD, MBA, South Sound Neurology, PLLC

**C. Strategies to Recruit New Physician Partners**

Christine Henry Musa, Vice President of Business Development, and Jamie Crook, Director of Physician Recruiting, Regent Surgical Health

**D. Assessing the Movement (and the Impact on Profits) From Out of Network to In Network**

I. Naya Kehayes, MPH, Managing Principal and Chief Executive Officer

**E. Reorganizing ASCs for Success**

Robert Zasa, MSHHA, FACMPE, Managing Partner and Founder, ASD Management and Tom Mallon, Chief Executive Officer, Regent Surgical Health

**F. The Patient Acquisition Cycle: Benchmarking and Best Practices for Attracting and Retaining Patients**

Scott Christiansen, CCO Partners

**2:35 – 3:15 PM****A. Bundled Payments for ASCs - Current Trends and Strategies**

I. Naya Kehayes, MPH, Managing Principal and Chief Executive Officer, Eveia Health Consulting & Management, moderated by Bob Herman, Editor, Becker's Hospital Review, Becker's Healthcare

**B. Advanced High Acuity Procedures for ASCs**

Robert S. Bray, Jr., MD, Neurological Spine Surgeon, and Karen Reiter Chief Operating Officer, D.I.S.C. Sports & Spine Center

**C. You Don't Need Another Report, You Need Results**

John Seitz, Chief Executive Officer, MMX Holdings (ManageMyASC), Tamar Glaser, Chief Executive Officer, Accreditation Services, Inc. and AccredAbility, Inc.

**D. Inventory Management: Importance of Supply Management & Control**

Ann Geier, RN, MS, CNOR, CASC, Senior Vice President of Operations, Ambulatory Surgical Centers of America



**E. Is HOPD and Co Management Right for Your Center?**

Melissa Szabad, Partner, McGuireWoods, and Jen Johnson, CFA, Partner, VMG Health

**F. Does Your Infection Prevention Program Meet Survey Requirements?**

Marcia Patrick, RN, MSN, CIC, Infection Prevention Consultant, AAAHC, and Marsha Wallander, RN, Associate Director of Accreditation Services, AAAHC

**3:15 – 3:40 – Networking Break and Exhibits****3:40 – 4:15 PM****A. Joint Ventures with Hospitals: Models that Work in Today's Healthcare Environment**

Nap Gary, Chief Operating Officer, Regent Surgical Health and Jeffrey Simmons, Chief Development Officer, Regent Surgical Health

**B. Minimally Invasive Lumbar Decompressions in the ASC**

Timothy T. Davis, MD, DABNM, DABPMR, DABPM, Director of Interventional Pain and Electrodiagnostics, The Spine Institute, Center for Spinal Restoration

**C. The Ins and Outs of Medical Staff Credentialing**

Thomas J. Stallings, Partner, McGuireWoods LLP

**D. Income Diversification & Monetization of Assets Through Real Estate Ownership**

Pedro J. Vergne, Chief Executive Officer, Physicians' Capital Investments

**E. Key Stark and Anti-Kickback Issues ASC Owners Should Be Aware of, PODs, Anesthesia, ACOs, Selling Shares and Other Observations**

Scott Becker, JD, CPA, Partner, and Gretchen Townshend, Associate, McGuireWoods LLP

**F. Key Tips for Quality Assurance and Infection Prevention**

Nicole Gritton, MSN, MBA, Director of Nursing, Laser Spine Institute

**4:20 – 5:00 PM****A. The Evolution of Measuring Patient Satisfaction**

Paul Faracis, MBA, President & Chief Executive Officer, Voyance

**B. Key Thoughts on Medicare Inspections and Survey Readiness**

Tracy Harbour, RN, BSN, Administrator, Surgery Center of Pinehurst, Nueterra Healthcare, Marti Potter, Administrator, Jersey Shore Ambulatory Surgery Center, Marcy Sasso, CASC, Director of Compliance and Development, Facility Development & Management, LLC, moderated by Melissa Szabad, Partner, McGuireWoods LLP

**C. Coaching Beyond Sports: How Coaching Improves Employee Engagement, Culture and Patient Outcomes**

Karen Howey, Administrator of Beaumont Macomb Township ASC and Nikki Johnson, Vice President Human Resources, Nueterra

**D. Pre-Op Screening Prior to Day of Surgery – How to Achieve Patient Compliance**

Trish Corey, Sales Associate, Simple Admit

**E. Key Steps to Improve Profits in Orthopedic-Driven ASCs**

Gregory P. Deconciolis, PA-C, CASC, Administrator, Boston Out-Patient Surgical Suites

**F. Trends in Marketing Your ASC to Drive Patient Volume**

Dotty Bollinger, RN, JD, CASC, LHRM, Chief Operating Officer, Laser Spine

**5:05 – 6:00 PM****Networking Reception, Cash Raffles & Exhibits****Saturday, October 26, 2013****7:15 – 8:15 am – Continental Breakfast****8:10 – 9:00 AM****KEYNOTE – Success is a Choice**

Rick Pitino, Head Men's Basketball Coach University of Louisville

**9:05 – 9:45 AM****A. Healthcare Outlook 2014 - Key Trends, Opportunities and Threats for ASCs**

John Venetos, MD, John Venetos Ltd, R. Blake Curd, MD, Board of Directors Chairman, Surgical Management Professionals, Edward P. Hetrick, President, Facility Development & Management, LLC, moderated by Scott Becker, JD, CPA, Partner, McGuireWoods LLP

**B. Avoiding Critical Mistakes in New Facility Startups**

Joyce Deno Thomas, Senior Vice President, Operations, Regent Surgical Health

**C. Key Strategies for Billing and Coding**

Paul Cadorette, CPC, CPC-H-ORTHO, CPC-P-ASC, Director of Educational Services, mdStrategies

**D. Common Billing Mistakes that Cost Your ASC Money and Correct Modifier and Revenue Code Usage for ASC Claims**

Stephanie Ellis, RN, CPC, Ellis Medical Consulting, Inc.

**E. ICD 10 and Technology: Tools and Tips to Smooth the Transition**

Angela Talton, MBA, RHIA, CCS, CPC, CPC-H, Senior Vice President of Coding, National Medical Billing Services

**9:50 – 10:30 AM****A. ASCs and ACOs - Can ASCs Profit With ACOs**

Jon Friesen, Chief Financial Officer, U.S. Operations, Nueterra, moderated by Holly Carnell, Associate, McGuireWoods LLP

**B. EMRs - How to Improve Productivity and Profits for Physicians and ASCs**

Marion K. Jenkins, PhD, FHIMSS, Executive Vice President, 3t Systems

**C. From Chaos to Calm: Improving Patient Flow with RTLS Technology**

Brett Chambers, Project Manager, IT Consulting, Key Whittman Eye Center, and Jim Stille, MHA, CASC, FACHE, Director of Clinical WorkFlow Consulting, Versus Technology

**D. RAC and CMS Audits: Top Documentation Issues for ASCs and How to Reduce Risk**

Stephanie Ellis, RN, CPC, Ellis Medical Consulting, Inc.

**E. Utilizing Technology to Improve Revenue Cycle Metrics**

Mike Orseno, Revenue Cycle Director, Regent Surgical Health and Tom Hui, HST Pathways

**10:35 – 11:15 AM****A. Key Items That Great Administrators and Great DONs Focus On**

Marti Potter, Administrator, Jersey Shore Ambulatory Surgery Center, Sandi Berreth, Administrator, Brainerd Lakes Surgery Center, Karen Reiter, RN, CNOR, RNFA, Chief Operating Officer, D.I.S.C. Sports & Spine Center, Moderator TBD

**B. Total Joint Reimbursement Strategies in the ASC**

Rebecca Overton, Director of Revenue Cycle Management, Surgical Management Professionals

**C. Regulatory Processes Between State, Medicare and Accreditation Organizations**

Amy Mowles, President and Chief Executive Officer, Mowles Medical Practice Management

**D. On-Line Pre-Admission Screening: A Win-Win for Patients, Surgeons, Anesthesiologists, Staff and Administration**

Jim Freund, Vice President of Business Development, Medical Web Technologies

**11:10 – 12:00 PM****5 Key ASC Legal Issues for 2014, Anesthesia, Safe Harbors, Non Competes, HIPAA and More**

Scott Becker, JD, CPA, Partner, McGuireWoods LLP

**12:00 PM – Meeting Adjourns**

# CONFERENCE SPEAKERS

Great topics and speakers focused on key business, financial, clinical and legal issues facing ambulatory surgery centers • 87 Sessions, 132 Speakers

**David Abraham, MD**, The Reading Neck & Spine Center

**John Bartos, JD**, CEO, Collect RX

**Scott Becker, JD, CPA**, Partner, McGuireWoods LLP

**Kelly Bemis, RN, BSN**, Director of Clinical Services, Surgical Care Affiliates

**Sandy Berreth**, Administrator, Brainerd Lakes Surgery Center

**Chris Bishop, SVP**, Acquisitions & Business Development, Blue Chip Surgical Center Partners

**Bonnie Blair**, Speed Skating Champion and Gold Medalist

**Stephen Blake, CEO**, Central Park ENT & Surgery Center

**Jeff Blankinship**, President & CEO, Surgical Notes

**Dotty Bollinger, RN, JD, CASC, LHRM**, COO, Laser Spine Institute

**Robert S. Bray, Jr., MD**, Neurological Spine Surgeon, D.I.S.C. Sports & Spine Center

**Jennifer Brown, RN**, Endoscopy Nurse Manager

**Meggan Michelle Bushee**, Associate, McGuireWoods LLP

**Paul Cadorette, CPC, CPC-H-ORTHO, CPC-P-ASC**, Director of Educational Services, mdStrategies

**Holly Carnell**, Associate, McGuireWoods LLP

**Brett Chambers**, Project Manager, IT Consulting, Key Whittman Eye Center

**Scott Christiansen**, President, CCO Partners

**Jeffrey C. Clark**, Partner, McGuireWoods LLP

**Trish Corey**, Sales Representative, Simple Admit

**Jamie Crook**, Director of Physician Recruiting, Regent Surgical Health

**R. Blake Curd, MD**, Board of Directors Chairman, Surgical Management Professionals

**Fred N. Davis, MD**, Clinical Assistant Professor, Michigan State University, College of Human Medicine, ProCare Research, ProCare Systems

**Timothy T. Davis, MD, DABNM, DABPMR, DABPM**, Director of Interventional Pain and Electrodiagnostics, The Spine Institute, Center for Spinal Restoration

**Gregory P. DeConciliis, PA-C, CASC**, Administrator, Boston Out-Patient Surgical Suites

**Stephanie Ellis, RN, CPC**, Ellis Medical Consulting, Inc.

**Paul G. Faracclas, MBA**, President & CEO, Voyance

**David Fenerty**, CBS Golf Commentator and Best Selling Author

**Erik Flexman, MHPA**, Executive Director, Forest Canyon Endoscopy & Surgery Center

**Robin Fowler, MD**, Chairman & Medical Director, Interventional Management Services

**Brandon Frazier**, Vice President of Development & Acquisitions, Ambulatory Surgical Centers of America

**Jim Freund**, Vice President of Business Development, Medical Web Technologies

**Jon H. Friesen**, CFO, U.S. Operations, Neuterra

**Tom Gallagher**, CEO, PDP Holdings

**Nap Gary**, COO, Regent Surgical Health

**Ann Geier, RN, MS, CNOR, CASC, SVP** of Operations, Ambulatory Surgical Centers of America

**Tamar Glaser, RN, CEO**, Accreditation Services, Inc. and AccredAbility, Inc.

**Doug Golwas**, SVP, Medline Industries

**Nicole Gritton, MSN, MBA**, Vice President of Nursing and ASC Operations, Laser Spine Institute

**Debbie Hall**, Administrator, High Plains Surgery Center

**Tracey Harbour, BSN, RN**, Administrator, Surgery Center of Pinehurst, Nueterra

**Andrew Hayek**, President & CEO, Surgical Care Affiliates

**Bill Hazen, RN, CHT**, Administrator, The Surgery Center at Pelham

**Bob Herman**, Editor, Becker's Hospital Review, Becker's Healthcare

**Edward P. Hetrick**, President, Facility Development & Management, LLC

**Carol Hiatt, BSN, RN, LHRM, CASC, CNOR**, Consultant and Accreditation Surveyor, Healthcare Consultants International

**Mary Hibdon, RN**, ASC Strategist, Perioperative, Cerner

**Karen Howey, CASC**, Administrator, Beaumont Macomb Township ASC

**Tom Hui**, President & CEO, HST Pathways

**Thomas H. Jacobs**, President & CEO, MedHQ

**P.J. Jarboe, RN**, Clinical Director, Cool Springs Surgery Center

**Marion K. Jenkins, PhD, FHIMSS**, Executive Vice President, 3t Systems

**Darlene Johnson, RN, BSN, MSN, CASC**, Healthcare Consultants International, Inc.

**Nikki Johnson, SPHR**, VP Human Resources, Neuterra

**I. Naya Kehayes, MPH**, Managing Principal and CEO, Eveia Health Consulting & Management

**Wendy Kelley**, Administrator, Cool Springs Surgery Center

**Susan Kizirian**, COO, Ambulatory Surgical Centers of America

**Greg Koonsman**, Senior Partner, VMG Health

**Lawrence E. Kosinski, MD, MBA, AGAF, FAGG**, Elgin Gastroenterology

**Brent Lambert, MD, FACS**, Principal & Founder, Ambulatory Surgical Centers of America

**Luke Lambert, CFA, CASC, CEO**, Ambulatory Surgical Centers of America

**Linda Lansing**, SVP, Clinical Services, Surgical Care Affiliates

**G-A (Gary) Lawson-Boucher, MD**, Lieutenant Commander, Medical Corp., United States Navy

**Liliana Lehmann**, Administrator, Hallandale Outpatient Surgical Center

**Adam Lynch**, Vice President, Principle Valuation, LLC

**Tom Mallon, CEO**, Regent Surgical Health

**Stephanie Martin**, Administrator, St. Augustine Surgery Center

**John D. Martin**, Principal, Martin Healthare Consulting

**Kevin McDonald**, Vice President Surgery Sales, SourceMedical

**Tim Meakem, MD**, Medical Director, ProVation Medical

**Todd J. Mello, ASA, AVA, MBA**, Principal & Founder, HealthCare Appraisers, Inc.

**Timothy Merchant**, Vice President of Sales, MEDISS, Medline Industries, Inc.

**Laura Miller**, Editor In Chief, Becker's Spine Review, Becker's ASC Review, Becker's Healthcare

**Amy Mowles**, President & CEO, Mowles Medical Practice Management

**Christine Henry Musa**, Director of Business Development, Regent Surgical Health

**Jeffrey P. Nees, MD**, Neurosurgeon, Laser Spine Institute

**Nicholas Newsad**, Analyst, HealthCare Appraisers, Inc.

**Jon Nielsen, MD**, North Memorial Ambulatory Surgery Center at Maple Grove

**Joe Ollayos**, Administrator, Tri-Cities Surgery Center, LLC

**Michael Orseno**, Revenue Cycle Director, Regent Surgical Health

**Rebecca Overton**, Director of Revenue Cycle Management, Surgical Management Professionals, LLP

**Mike Pankey**, Administrator, ASC of Spartanburg

**Colin Park**, Manager, VMG Health

**Marcia Patrick, RN, MSN, CIC**, Infection Prevention Consultant, AAAHC

**Michael Patterson**, President & CEO, Mississippi Valley Surgery Center

**Jeff Peo**, VP Acquisitions & Development, Ambulatory Surgical Centers of America

**Lori Pilla, RN, BSN, BSB/M, MBA**, VP Clinical Advantage and Supply Chain Optimization, Amerinet

**Rick Pitino**, Head Men's Basketball Coach University of Louisville, Author

**David Pivnick**, Associate, McGuireWoods LLP

**John Poisson**, EVP & Strategic Partnerships Officer, Physicians Encoscopy, LLC

**William M. Prentice, JD**, CEO, ASCA

**Michael Redler, MD**, The OSM Center

**Karen Reiter, RN, CNOR, RNFA**, COO, D.I.S.C. Sports & Spine Center

**Blair Rhode, MD**, ROG Sports Medicine, Orland Park Orthopedics

**Gary Richberg, RN, BSN, ALMC, CNRA, CNRC, CASC**, Administrator, Pacific Rim Outpatient Surgery Center

**Lisa Rock**, President, National Medical Billing Services

**Stephen Rosenbaum**, CEO, Interventional Management Services

**Linda Ruterbories, RN, ANP, OSC** Director, OA Center for Orthopedics

**Marcy W. Sasso, CASC**, Director of Compliance and Development, Facility Development & Management, LLC

**Matt Searles**, Managing Partner, Merritt Healthcare

**Phenelle Segal, RN, CIC**, President, Infection Control Consulting Services, LLC

**John Seitz**, CEO, MMX Holdings (ManageMyASC)

**Jeffrey Simmons**, Chief Development Officer, Regent Surgical Health

**Amy Sinder, MS**, Administrator, CBC Surgery Center

**Natalie Soule, RN, CASC**, Premier Orthopedic Surgery Center

**Thomas J. Stallings**, Partner, McGuireWoods LLP

**Jim Stillely, MHA, CASC, FACHE**, Director of Clinical Work Flow Consulting, Versus Technology

**Debra Stinchcomb, RN, BSN, CASC**, Consultant, Progressive Surgical Solutions, LLC

**Michael Stroup**, SVP Acquisitions, United Surgical Partners International

**Chris Swing**, CFO, Vantage Outsourcing

**Melissa Szabad**, Partner, McGuireWoods LLP

**Angela Talton, MBA, RHIA, CCS, CPC, CPC-H**, Senior Vice President of Coding, National Medical Billing Services

**Barry Tanner**, President & CEO, Physicians Endoscopy, LLC

**Larry Taylor**, President & CEO, Practice Partners in Healthcare

**Jill Thrasher, CASC**, Administrator, Precision Surgery Center of Dallas

**Joyce Deno Thomas**, SVP of Operations, Regent Surgical Health

**Anna Timmerman**, Associate, McGuireWoods LLP

**Gretchen Heinze Townshend**, Associate, McGuireWoods LLP

**John Venetos, MD**, Gastroenterologist, John Venetos, Ltd.

**Pedro J. Vergne**, CEO, Physicians' Capital Investment

**Barton C. Walker**, Partner, McGuireWoods LLP

**Marsha Wallander, RN**, Associate Director of Accreditation Services, AAAHC

**Amber McGraw Walsh**, Partner, McGuireWoods LLP

**Kelly Webb**, Vice President and General Manager, ASC Billing Division, MediGain

**Robert Westergard, CPA, CFO**, Ambulatory Surgical Centers of America

**Richard N.W. Wohms, MD, JD, MBA**, South Sound Neurology, PLLC

**Bob Woodward**, Legendary Pulitzer Prize-Winning Journalist, Author, and Associate Editor, The Washington Post

**Joseph Zasa**, Co-Founder and Managing Partner, ASD Management

**Robert Zasa, MSHHA, FACMPE**, Managing Partner and Founder, ASD Management

To Register, Call 800-417-2035 • Fax 866-678-5755 • Email [registration@beckershealthcare.com](mailto:registration@beckershealthcare.com)

Register Online at <https://www.regonline.com/20thAnnualASC>



## David Feherty

David Feherty was born in the seaside town of Bangor in Northern Ireland. He grew up with aspirations to become an opera singer, until he discovered he had the knack for hitting a golf ball. He jokes about his career change, "I was always interested in music from a very early age. But when I turned pro at age 17, I haven't sung a note since. Now, I only sing to punish my children."

David enjoyed a successful professional career, with 10 victories worldwide and over \$3 million in prize money. He was a regular on the European Tour, with victories including the ICL International, the Italian Open, Scottish Open, South Africa PGA, BMW Open, Cannes Open, and Madrid Open. He captained the winning Irish team in the 1990 Alfred Dunhill Cup and played on the European Ryder Cup Team in 1991, an experience that rejuvenated his fervor for golf.

In 1997, David retired from professional golf when offered a position as a golf commentator for CBS Sports. "I always enjoyed talking more than playing, and now CBS and the Golf Channel are paying me for what I like to do most." Thanks to his sharp wit and colorful personality, David has become golf's favorite announcer.

David's success extends beyond broadcasting. He's authored 6 books, several making the *New York Times* bestsellers list: *An Idiot for all Seasons* (Rugged Land LLC 2005), *Somewhere in Ireland, A Village is Missing an Idiot* (Rugged Land LLC 2003) and *A Nasty Bit of Rough* (Rugged Land LLC 2002). Each is "choked full with belly-busting humor," including his latest bestseller, *The Power of Positive Idiocy* (Doubleday 2010).



## Rick Pitino

Rick Pitino, one of the most brilliant minds in coaching, began a new era in University of Louisville men's basketball when he was named the Cardinals' head coach on March 21, 2001.

The first coach in NCAA history to win a national championship at two different schools, Pitino's up-tempo style, pressure defense, strong work ethic and family atmosphere quickly returned Louisville to national prominence where it is firmly seated.

In 28 seasons as a collegiate head coach at five different schools, Pitino has compiled a 664-239 record, a .735 winning percentage that ranks him 12th among active coaches. His current contract ties him with U of L through the 2021-2022 season.

The first coach in NCAA history to take three different teams to the NCAA Final Four, Pitino is a member of the 2013 Induction Class for the Naismith Memorial Basketball Hall of Fame, lofty recognition for a lifetime of basketball achievement.

Pitino served as head coach of the New York Knicks for two seasons. In his initial year there in 1987-88, the Knicks improved by 14 victories and made the NBA Playoffs for the first time in four seasons. The Knicks won 52 games in 1988-89 and swept the Philadelphia 76ers in the first round of the NBA Playoffs.

Aside from his hoops prowess, Pitino has achieved success off the court as well in such realms as broadcasting, publishing, motivational speaking and horse racing. He is an accomplished author, producing such books as the best seller *Success Is A Choice* and *Lead to Succeed*.



## Bob Woodward

Since 1971, Bob Woodward has worked for *The Washington Post* where he is currently an associate editor. He and Carl Bernstein were the main reporters on the Watergate scandal for which the Post won the Pulitzer Prize in 1973. Woodward was the lead reporter for the Post's articles on the aftermath of the September 11 terrorist attacks that won the National Affairs Pulitzer Prize in 2002. In 2004, Bob Schieffer of CBS News said, "Woodward has established himself as the best reporter of our time. He may be the best reporter of all time."

Woodward has authored or coauthored 16 books, all of which have been national nonfiction bestsellers. Twelve have been #1 national bestsellers -- more than any contemporary non-fiction author:

- All the President's Men (1974) and The Final Days (1976), both Watergate books, co-authored with Bernstein
- The Brethren: Inside the Supreme Court (1979), co-authored with Scott Armstrong
- Wired: The Short Life and Fast Times of John Belushi (1984)
- Veil: The Secret Wars of the CIA 1981-1987 (1987)
- The Commanders (1991) on the first Bush administration and the Gulf War
- The Agenda: Inside the Clinton White House (1994)
- Shadow: Five Presidents and the Legacy of Watergate (1999)
- Bush at War (2002)
- Plan of Attack (2004)
- State of Denial: Bush at War Part III (2006)
- Obama's Wars (2010)

Woodward was born March 26, 1943, in Illinois. He graduated from Yale University in 1965 and served five years as a communications officer in the United States Navy before beginning his journalism career at the Montgomery County (Maryland) Sentinel, where he was a reporter for one year before joining the Post.



## Bonnie Blair

Success under pressure is the measure of a true champion. There are numerous winners in the world of sports but the celebrated athletes are the few who meet the challenge of pressure time after time. Bonnie Blair is undoubtedly celebrated as the speedskater who produces her best performances when it counts the most.

Bonnie began her race in the 500 meter event of the 1988 Calgary Olympics immediately after her rival Christa Rothenburger of East Germany set a world record. Not to be outdone, Bonnie proceeded to skate the 500 meters faster than any woman had before or has since, capturing the gold medal in a world record time of 39.1. This record stood for 5 years until March 1994, when at the age of 30, Blair met her ultimate goal of shattering the 39 second mark with a time of 38.99.

### Career Highlights

- Most decorated female Winter Olympian
- 1994, Gold medalist in 500m and 1000m
- 1992, Gold medalist in 500m and 1000m
- 1988, Gold medalist in 500m
- 1988, Bronze medalist in 1000m
- 1st woman to break 39 second barrier in the 500m
- 1st American to win 3 consecutive gold medals in a Winter Olympic event
- Named one of the Century's Five Best Female Athletes by Sports Magazine
- 2004, Inducted in to USOC Olympic Hall of Fame
- Winner of the 2000 ESPY Award for American Female Olympian
- 1994, Named Sportswoman of the Year from Sports Illustrated
- 1994, Named Female Athlete of the Year from the Associated press
- Recipient of the Sullivan Award, given to the top amateur, American Athlete

TO REGISTER, CALL (800) 417-2035

**REGISTRATION FORM** Photocopies are acceptable. Please print or type below. Please use a separate registration form for each attendee.

**20th Annual Ambulatory Surgery Centers Conference  
Improving Profitability and Business and Legal Issues**

FROM BECKER'S ASC REVIEW, ASC COMMUNICATIONS

**OCTOBER 24-26, 2013**

SWISSOTEL • CHICAGO, ILLINOIS

**REGISTRATION INFORMATION**

First/Last Name: \_\_\_\_\_  
Degree (As you wish it to appear on your badge): \_\_\_\_\_  
Title: \_\_\_\_\_  
Facility/Company: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

**REGISTRATION FEES**

**ANNUAL CONFERENCE & EXHIBITS**

Receive multiple registrant discount(s). The more people you send, the greater discount you receive. The prices listed below are per person. Your registration includes all conference sessions, materials and the meal functions.

**REGISTRATION FEES**




	<b>FEES</b> (Before 9/1/13)	<b>AMOUNT</b>	<b>FEES</b> (After 9/1/13)	<b>AMOUNT</b>
1st Attendee	\$725	\$ _____	\$825	\$ _____
2nd Attendee	\$675	\$ _____	\$775	\$ _____
3rd Attendee	\$650	\$ _____	\$750	\$ _____
4th Attendee or more	\$625	\$ _____	\$725	\$ _____

(Ask about larger group discounts)

**TOTAL ENCLOSED \$** \_\_\_\_\_

**PAYMENT INFORMATION**

Enclosed is a check, payable to ASC Communications Check #: \_\_\_\_\_

I authorize **ASC Communications** to charge my:      

Credit Card Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Printed Cardholder Name: \_\_\_\_\_

Billing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Signature: \_\_\_\_\_ CVV#/3-digit #: \_\_\_\_\_

**TO REGISTER**

**COMPLETE REGISTRATION FORM AND MAIL OR FAX AS FOLLOWS:**

Mail: **Make checks payable to ASC Communications, Inc.** and mail to:  
ASC Communications, Inc., 315 Vernon Avenue, Glencoe, IL 60022

Fax: Fax registration form with credit card information to (866) 678-5755

Call: Call (800) 417-2035 to register by phone

Email: registration@beckershealthcare.com

Web site: www.BeckersASC.com

**Cancellation Policy:** Written cancellation requests must be received by Sept. 1, 2013.

Refunds are subject to a \$100 processing fee. Refunds will not be made after this date.

**Multi-Attendee Discount Policy:** To be eligible for the discount, your ASC must be registered at one time and work at the same address. Just copy the registration form for each attendee. Employees from a 2nd location are not eligible for the discount.

**REGISTER ONLINE AT:**  
<https://www.regonline.com/20thAnnualASC>

**GENERAL INFORMATION**

**CONTINUING EDUCATION**

**ACHE**

ASC Communications is authorized to award 14.5 hours of pre-approved ACHE Qualified Education credits (non-ACHE) for this program toward advancement, or recertification in the American College of Healthcare Executives. Participants in this program wishing to have the continuing education hours applied toward ACHE Qualified Education credits should indicate their attendance when submitting application to the American College of Healthcare Executives for advancement or recertification.

**CME**

This CME activity has been planned and implemented in accordance with the Essential Areas and Policies of the Accreditation Council for Continuing Medical Education (ACCME) through the Joint Sponsorship of the Institute for Medical Studies (IMS) and ASC Communications. The Institute for Medical Studies designates this live activity for a maximum of 14.5 AMA PRA Category 1 Credits™. Physicians should claim only the credit commensurate with the extent of their participation in the activity. Nurses may claim credit for activities approved for AMA PRA Category 1 Credits™ in most states, for up to 50% of the nursing requirement for recertification. Please check with your own state association for more information.

**HOTEL RESERVATIONS**

Swissotel has set aside special group rates for conference attendees. To make a reservation, go to <https://resweb.passkey.com/go/aschospitals>

**Swissotel**

323 E. Wacker Drive, Chicago, IL 60601

Phone 1-888-737-9477

Fax 1-312-565-0540

Group name: ASC Communications Inc Conference  
Group Rate: \$299 Single/Double

**CONFERENCE QUESTIONS**

For additional information or questions regarding the conference please contact **ASC Communications**

**Phone:** (800) 417-2035

**Fax:** (866) 678-5755

**Email:** registration@beckershealthcare.com

or,

**Cathy Brett**

**Phone:** 312-929-3691

**Email:** cbrett@beckershealthcare.com

**For Becker's ASC Review and exhibitor/ sponsorship questions contact (800) 417-2035**

**ASC Communications, Inc.** (800) 417-2035

**ADA REQUEST**

If you require special ADA accommodations, please contact us at (703) 836-5904

**ONLINE REGISTRATION**

<https://www.regonline.com/20thAnnualASC>

**Register before September 1, 2013, and SAVE on registration!**

**For information on exhibiting and sponsorships, call (800) 417-2035**

**Visit [www.BeckersASC.com](http://www.BeckersASC.com).**

Sponsored by:



# 5 ASC Deal Terms Affecting Business Value

By Todd Mello, Partner and Co-Founder of HealthCare Appraisers, and Nick Newsad, Senior Associate at HealthCare Appraisers

**B**usiness valuations take into account all facts and circumstances known or knowable as of the valuation date. Independent of an ASC's operational and financial performance, there are specific transaction business terms that can also affect the purchase price paid.

## Working Capital

Working capital is the investment a company must make to support its daily operations. From an accounting definition, net working capital is calculated as current assets minus current liabilities. Within a valuation context, however, appraisers typically only consider *required* working capital balances, which exclude *excess* cash and marketable securities and interest bearing liabilities that are part of the capital structure of the business. Most valuation models yield values that are inclusive of required working capital, so the treatment of working capital in a purchase agreement will have a direct effect on purchase price. In a stock purchase working capital is generally transferred, but in an asset purchase it is common for some or all of the working capital to be excluded. This requires a reduction in purchase consideration relative to the indicated value, and for a high revenue business with a low profit margin, this may mean the difference between a million dollar valuation and no purchase consideration.

### 1. Current Assets: Cash, Receivables, Inventory

Current assets are working capital assets that can be readily liquidated. Cash, accounts receivable, and inventory are all current assets that contribute to the value of a business. The elimination of one or more current assets from the deal necessarily decreases the purchase consideration.

For example, assume that inventory and receivables are excluded from a business sale. If the new owners have to put in their own cash to pay to purchase new inventory and support operations until receivables are paid, then it costs the new owners more money to operate the business. Because it costs the buyer more money to operate the business, the sale price should be lower to account for the extra financial burden. When receivables and inventory are included in the sale, it costs the new owners less money to operate the business, and the sale price will be higher, all else equal.

When current assets are excluded from the sale of a business, the buyer will subtract the value of a "reasonable level" of current assets from the overall business value rather than the actual current asset values. This is because the business

may, in fact, have too much or too little cash, receivables, and/or inventory at the time of the sale. Regardless of the actual amount of a business's current assets, only a reasonable level is needed to operate the business.

If actual current assets are included in the business sale, it may be found that the business has a surplus or a deficiency from reasonable levels. A surplus would be added to the business value, because it is above what is needed to operate the business. A deficiency of current assets, such as a lack of inventory, would decrease the business's value because the new owners have to fund higher than normal expenses to restock.

### 2. Current Liabilities: Accrued employee benefits, payables

Current liabilities, like accrued expenses and payables, are liabilities that the business is typically expected to pay within one year. Excluding a current liability from a business sale increases the business's value because the buyer is burdened to a lesser degree by future cash demands.

For example, if an ASC is sold and the nursing staff's accrued vacation time is cashed out by the seller before the staff starts working for their new employer, the new owner saves money because it does not owe the employees money the first day it takes ownership. The corresponding reduction of cash should account for the difference, depending on whether such a payout leaves adequate cash for operations. Staff vacations and paid time off can be costly, depending upon how much time they are permitted to accrue. For example, if a director of nursing has accrued 300 hours of time off, this could easily represent a future decrease in cash to the buyer of \$10,000 to \$20,000.

Similarly, if accounts payable is transferred between seller and buyer in a sale and the business hasn't paid its vendors for 90 days, these excessive accounts payable will decrease the ASC's value because it places immediate cash demands on the new owner. The new owner will have to spend more of the business's cash paying vendors and will subsequently retain less money for itself.

### 3. Debt

Typically, if the buyer is assuming a business's debt and the business has been valued before accounting for debt service payments (i.e., on an invested capital basis), then the value of the debt is subtracted from the business value as of the transaction date in arriving at the value of the equity.

If the buyer is not assuming the business's debt,

and the seller is still liable, then the debt is not subtracted from the business value, and the purchase price paid to the seller is comparatively higher. However, the seller is expected to pay the debt out of the proceeds of his or her sale price, so effectively, there should be no difference.

### 4. Non-Competes

The inclusion or exclusion of non-competes in a purchase agreement affects the risk associated with the business. A majority purchase of ASC ownership that completely liquidates the most productive physician users is more risky than a majority purchase of ASC ownership that partially liquidates all of the ASC's users. These factors affect business valuation through the risk assigned to a business's cash flows. If the perceived risk is higher, then the business's value is lower. Under FMV, it is generally presumed that the sale of a business includes a covenant not to compete from the seller. In other words, the value associated with a non-compete is already reflected in the baseline FMV (i.e., the buyer assumes they will get the business they are paying for), but the absence of the covenant will result in a reduction in value in most transactions.

### 5. Post-Transaction, Related-Party Agreements

Changes to related party expenses can increase or decrease a business's value. In the context of ASCs, common related-party expenses include real estate lease rates, medical directorships, management fees, billing fees, equipment leases, and staff leases.

Real estate is a very common related-party transaction. If an ASC seller owns the real estate and negotiates a higher lease rate with the buyer of the ASC, this higher expense decreases the ASC's future cash flow. Conversely, reducing a real estate lease rate upon the sale of an ASC will increase the business's cash flow, all else equal. This also comes into play depending on whether or not the tenant improvement assets are owned by the landlord or sold to the new ASC owner. Notwithstanding the foregoing, when a non-physician owner buys into



Todd Mello



Nick Newsad

or all of an ASC owned by physicians, the parties should maintain an FMV analysis related to the lease payment. Depending upon the resulting FMV conclusion, a prospective adjustment to the lease rate may be required, and the impact of the adjustment should be reflected in the business value.

Another example of a related-party transaction is the provision of professional services (e.g., billing). If an ASC relied on billing staff from a physician office in the past and was not otherwise charged or charged FMV for the service, then a prospective adjustment would need to be reflected in the valuation of the business.

## Conclusion

Without making any operational or financial changes to an ASC's business, there are several decisions a seller can make during the negotiation of the purchase agreement that directly affect the purchase price. As discussed, sale terms that disadvantage the buyer may result in a lower purchase price for the ASC itself, but the seller may realize the foregone purchase price value through favorable terms for working capital, debt, non-competes, or related party transactions. The overall value realized by the seller is usually the same regardless of whether it is all accounted for in the purchase price or through a combination of other means. ■

# Perceived Value and Longevity for Surgical Specialties and CONs

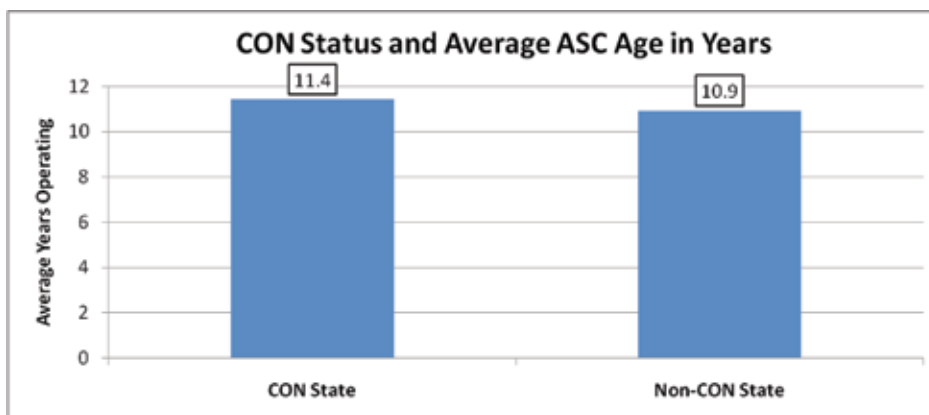
By Todd Mello, Partner and Co-Founder of HealthCare Appraisers, and Nick Newsad, Senior Associate at HealthCare Appraisers

Many ASC operators perceive increased economic value for those centers with certificate of need protection, multiple practice specialties, and the participation of orthopedic surgeons. While these factors may indicate relatively higher economic value, they do not necessarily correlate with business longevity.

This small difference is somewhat counterintuitive. Rationally, less competitive pressure from new market entrants should result in a significant increase in business longevity. The relatively small difference in average business age indicates that other factors affect the ASC life cycle more than CON protection. However, it should be

controlling interest in a single-specialty ASC, 71 percent of the respondents reported prevailing valuation multiples of 5.0 to 6.9 times EBITDA. Based on the survey, the premium for multispecialty ASCs is a full multiple of EBITDA.

Further analysis of all 7,045 ASCs that have participated in the Medicare program during the last 27 years indicates that there is not a very evident correlation between the lifespan of single-specialty ASCs versus multispecialty ASCs. The data, in fact, indicates longevity is polarized with single-specialty ASCs and ASCs with six or more specialties staying in business longest. ASCs reporting two to five surgical specialties averaged shorter life cycles than single specialty ASCs. Speculatively, this may demonstrate the merits of the opposing “focus factory” business strategy and the economies scale achieved by the largest centers.



## CON State Effect

A majority of respondents to HealthCare Appraisers 2013 ASC Valuation Survey indicated they are willing to pay a premium for an ambulatory surgery center (“ASC”) with a certificate of need (“CON”). Fifty-seven percent (57 percent) of respondents say they would apply a premium of 0.26 to 0.75 to the typical EBITDA multiple. The popular belief is that CON states afford existing ASCs protection from new competitors because the state approval process is a barrier to entry. This decreases the risk profile for ASCs in CON states and increases their perceived value.

While this may indeed be the case, this market protection does not appear to correlate strongly with improved long-term sustainability. Approximately 35 percent of all ASCs identified in Medicare’s Provider of Services data file are located in states requiring CON approval for new ASC developments. The average lifespans of ASCs in CON states are only 4.6 percent longer than ASCs located in non-CON states.

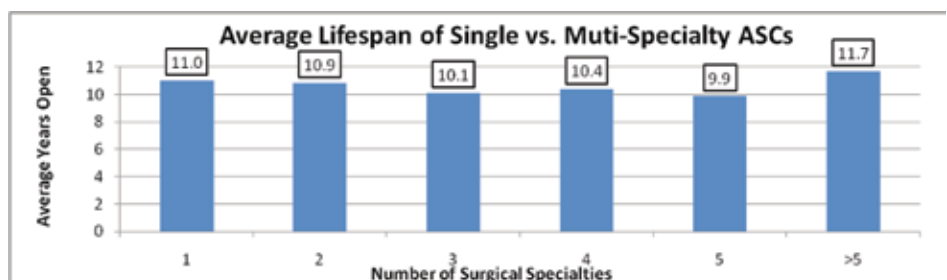
noted that longevity by itself does not necessarily indicate higher earnings or economic value.

## Specialty Mix

According to HealthCare Appraisers 2013 ASC Valuation Survey, ASC operators tend to place higher economic value on multispecialty ASCs compared to their single-specialty ASC counterparts. When purchasing a controlling interest in a multispecialty ASC, 78 percent of the respondents reported prevailing valuation multiples of 6.0 to 7.9 times EBITDA. When purchasing a

## Orthopedic Surgery

Orthopedics was the highest rated specialty in the HealthCare Appraisers 2013 ASC Valuation Survey, with 100 percent of respondents identifying it as a desirable addition to their ASC. Most ASC operators in the United States would probably identify orthopedic surgery as a major success factor in ASCs because orthopedic cases have relatively high contribution margins, and orthopedic surgeons can perform hundreds of outpatient surgeries per year. Conversely, plastic surgery was the lowest rated specialty, with 82 percent of respondents identifying it as an undesirable addition to their ASC. As it relates to cosmetic plastic surgery, this is likely related to





## **SIGNED. SEALED. DELIVERED.**

Keeping up with the ever-changing healthcare industry is difficult enough. In a sea of regulation and risk, don't just rely on *any* valuation firm.

With over 12 years in the business and thousands of fair market value opinions rendered, HealthCare Appraisers has assembled a diverse, highly experienced team to help you navigate through a myriad of valuation needs and dilemmas.

**HealthCare Appraisers - Redefining Healthcare Valuation Since 2000**

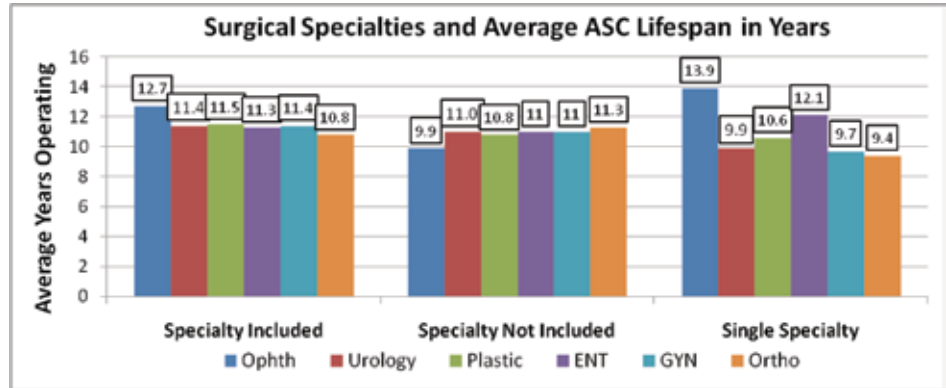
[www.HealthCareAppraisers.com](http://www.HealthCareAppraisers.com) | [info@hcfmv.com](mailto:info@hcfmv.com) | (561) 330-3488

DELRAY BEACH | DENVER | DALLAS | CHICAGO | PHILADELPHIA

an aversion to the long operating case times for some cosmetic cases, a plastic surgeon's motivation to minimize facility fees paid to a third party (and hence retain more of the fee), and the need to collect fees directly from patients.

However, according to Medicare statistics, the 2,826 ASCs that reported orthopedics as one of their specialties actually had somewhat lower lifespans (10.8 years) than the 4,220 ASCs that did not report orthopedics in their specialty mix (11.3 years). The reported specialty that had the most significant correlation with ASC lifespan was actually ophthalmology. The 3,009 ASCs reporting ophthalmology services averaged 12.7 year lifespans versus the 4,036 ASCs that did not report ophthalmology with 9.9 years. This trend is further supported by comparing the 230 single-specialty orthopedic ASCs, which averaged 9.4 year lifespans, to the 881 single-specialty ophthalmology ASCs, which averaged 13.9 year lifespans.

It is difficult to explain the high correlation of ophthalmology to ASC longevity relative to orthope-

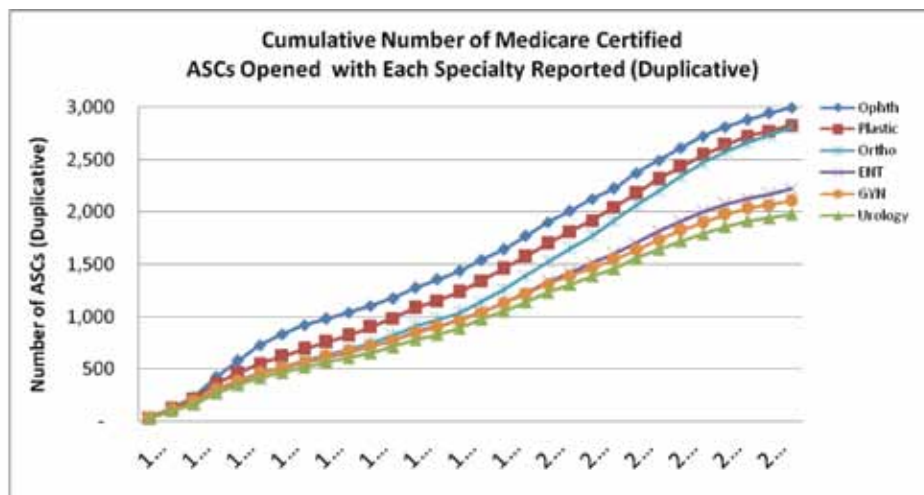


dics. From an operational perspective, outpatient ophthalmology surgery is highly uniform, with cataract surgery representing the vast majority of cases. Outpatient orthopedic surgery cases are significantly less uniform, comprising of a variety of types of knee, shoulder, wrist and ankle surgery. Furthermore, ophthalmology is reported to have been performed in more ASCs than any other specialty dating back to the mid-1980s. The longer average age of ASCs offering ophthalmology ser-

vices may simply reflect the specialty's greater prevalence in an outpatient surgery setting over a longer period of time. Speculatively, the difference in longevity may also be attributable to the referral habits of the different types of surgeons. Ophthalmologists appear to have a stronger tendency to operate single-specialty ASCs which may be wholly-owned or physically attached to their practice offices. This is evidenced by comparing the number of single-specialty ophthalmology ASCs (881) to the number of single-specialty orthopedic ASCs (230).

## Conclusion

It should be considered that perceived economic value and business longevity do not necessarily coincide. Single-specialty orthopedic ASCs may, in fact, be much more profitable than single-specialty ophthalmology ASCs, despite the evidence that single-specialty ophthalmology centers tend to stay open 4.5 years longer. This analysis may also be somewhat skewed because it cannot account for fundamental changes in ASC reimbursement that occurred between 2007 and 2010. Medicare reimbursement for orthopedics has increased substantially since 2007, so ASC trends prior to this period may be irrelevant when compared to current perceptions of value. ■



# Industry Trends for ASC Life Cycles and Transaction Activity

By Todd Mello, Partner and Co-Founder of HealthCare Appraisers, and Nick Newsad, Senior Associate at HealthCare Appraisers

Responses from the 2013 ASC Valuation Survey and recent Medicare data indicate robust ASC transaction activity will continue through 2019. Over 1,800 ASCs will turn 10 to 12 years old between 2013 and 2019. There is evidence indicating ASCs that actively embrace major ownership changes are significantly more likely to survive this age barrier than those that do not.

## The 2003 – 2007 Swell

Analysis of a 2012 update of the ASC Provider of Services data from the Center for Medicare and Medicaid Services indicates that new ASC Medicare certifications peaked between 2003 and 2007, with the addition

of 1,813 ASCs during a five-year period. New Medicare ASC certifications dropped off significantly from 2008 through 2011. The net number of Medicare certified ASCs was 5,343 as of June 30, 2012.

According to the same source, the average life span of 1,702 ASCs that have de-certified from the Medicare program over the past 27 years has gradually increased. The average age of ASCs that closed between 2007 and 2012 consistently trended between 10 and 12 years.

Considering the swell of new ASCs that opened between 2003 and 2007 and the life cycle indicated above would suggest a high volume of ASCs may decertify from the Medicare program between 2013 and 2019, as over



In a sea of regulation, uncertainty & risk,  
don't just rely on *any* valuation firm.



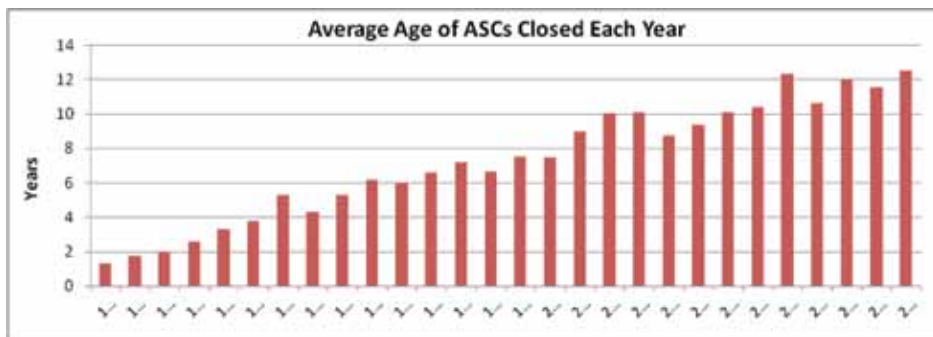
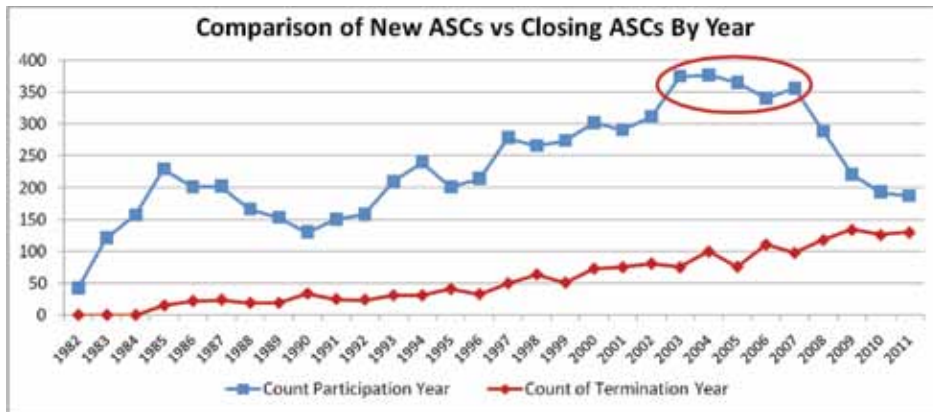
With over 12 years in the business and thousands of fair market value opinions rendered, HealthCare Appraisers has assembled a diverse, highly experienced team to help you navigate through a myriad of valuation needs and dilemmas.

**HealthCare Appraisers - Redefining Healthcare Valuation Since 2000**

  
HealthCare Appraisers  
INCORPORATED

[www.HealthCareAppraisers.com](http://www.HealthCareAppraisers.com) | [info@hcfmv.com](mailto:info@hcfmv.com) | (561) 330-3488

DELRAY BEACH | DENVER | DALLAS | CHICAGO | PHILADELPHIA



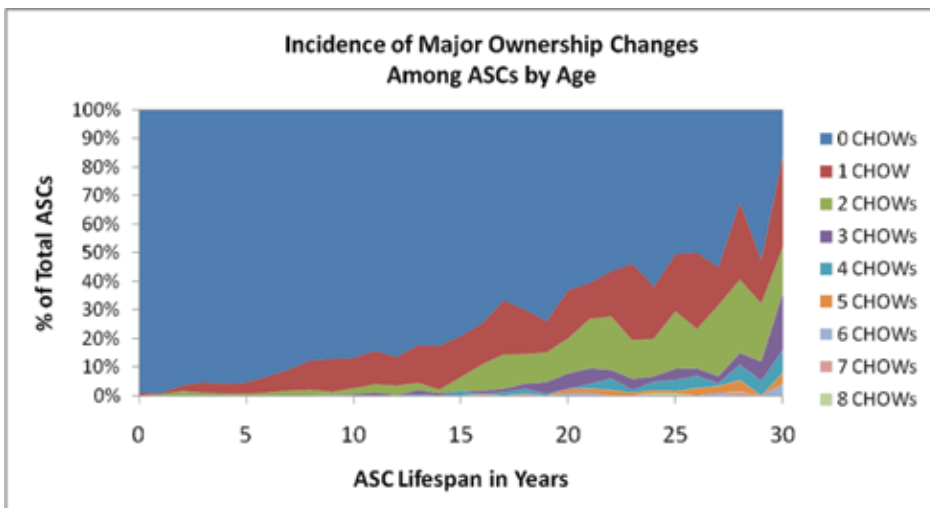
1,800 ASCs turn 10 to 12 years old. Many ASCs may sell their facilities and/or assets to major ASC operators, hospitals, or second generation owners as they approach this milestone.

This trend corroborated by the 2013 ASC Valuation Survey. Fifty-three percent of respondents believe that ASC acquisition activity has increased over the past 12 months. For 2013, acquisition activity is expected to remain high, as 53 percent of our respondents plan to purchase between 11 to five ASCs, 12 percent plan to purchase between six and 10 ASCs, and 12 percent plan to purchase between 11 and 15 ASCs.

**Major Transaction Activity**

Medicare data also suggests there is a definitive correlation between longevity and the number of major ownership changes that occur during an ASC's lifespan. Medicare-certified ASCs are required to notify Medicare of ownership changes (i.e., a "CHOW"). According to the data reported by Medicare, the incidence of ma-

ior ownership increases among ASCs increases as they age. About 13 percent of ASCs that have been in operation 10 years have experienced at least one major ownership change. This increas-



es to 21 percent of ASCs at 15 years, 37 percent of ASCs at 20 years and 50 percent of ASCs at 25 years.

There are several possible explanations for this correlation.

1. As with many business enterprises, those with longer lifespans are more likely to have experienced major ownership changes than their relatively newer counterparts.
2. The 1,221 ASCs that have experienced one or more major ownership changes may buy-out passive investors and/or dilute existing investors with more frequency and volume than comparable ASCs, thus keeping the physician mix productive; and/or
3. These ASCs may have made more major, strategic ownership transactions with hospitals or management companies that contribute significant value.

**Conclusion**

Historical trends indicate the incidence of major ownership changes increases linearly among ASCs as they age. If this trend continues, ASC transaction activity will likely remain robust for the foreseeable future, as 1,800 ASCs surpass the 10 to 12 year threshold between 2013 and 2019 while, during the same period, the number new ASCs opening has decreased. ■



HealthCare Appraisers, a nationally recognized valuation and consulting firm, provides services exclusively to the healthcare industry, including: business valuation (e.g., ASCs, hospitals, physician practices, dialysis centers, home health, diagnostic/treatment facilities, and intangible assets); fixed asset appraisals for furnishings, machinery and equipment; fair market value opinions for compensation and service agreements (e.g., employment, ED call coverage, medical directorships, collection guarantees, equipment lease/use arrangements, and service/co-management arrangements); consulting and advisory services (including valuation for financial reporting); and litigation support.

# Joint Venture ASC Administrators to Know

## 35 Joint Venture ASC Administrators to Know (continued from page 1)

filiates (SCA). Ms. Bloebaum assumed her current responsibilities in 2005 with more than 20 years of nursing experience in orthopedics.

**Dean Brown** has served as the CEO of Alabama Orthopaedic Clinic in Mobile, a group of 20 orthopedic specialists in Mobile, for the past 11 years and administrator for The Orthopaedic Center at Springhill for the past six. In 2003, he assisted his group with negotiations for a joint venture with one of their local hospitals in the development of a 78,000-square-foot center that included a 17,000-square-foot ASC — a 50/50 partnership between physicians and the hospital.

**Ron Bullen** is a 23-year Major retired from the U.S. Army; he owns his own consulting business and manages a medical services outsourcing company in addition to running the seven-operating room multispecialty Moreland Surgery Center in Waukesha, Wis. He was instrumental in forming and developing the current joint-venture ASC entity, which has performed well above the industry mean financially.

**Nancy Calhoun** is the administrator of Roanoke (Va.) Ambulatory Surgery Center, affiliated with ASD Management since 2004. The ASC is a joint venture 50 percent owned by Carilion Clinic, and includes physician owners who are also employed by a corporation that owns Carilion Roanoke Memorial Hospital.

**Mary Ann Cooney, RN, CASC**, is the administrator of Riverside Outpatient Surgery Center in Columbus, Ohio, a multispecialty facility in central Ohio with six ORs and one minor procedure room. ROSC is managed by Health Inventures and performs over 6,000 cases per year. The surgery center became a joint venture with OhioHealth and physicians in 1997.

**Steve Corl** is the administrator and director of nursing at Mackinaw Surgery Center in Saginaw, Mich., a position he has held since February of 2007. Mr. Corl is also the second vice president of the Michigan Ambulatory Surgery Association, and sits on the Association's board. Mackinaw Surgery Center is a 16,000-square-foot facility joint venture between physicians, Covenant Hospital and Nueterra Healthcare.

**Todd Currier** is the administrator of the Northern Wyoming Surgical Center in Cody and was the first president of the Wyoming Ambulatory Surgery Center Association, which he helped found in 2011. The ASC has provided care for the community for more than 10 years and has two operating rooms, as well as 23-hour stay capabilities.

**Brenda Cyrulik** is the administrator at the Eastland Medical Plaza Surgicenter in Bloomington, Ill., a joint venture between St. Joseph Medical Center in Bloomington and 26 physician-investors. The center opened in 2001 and has four ORs dedicated to multispecialty surgery and four procedure rooms dedicated to endoscopy and pain management.

**Jeanel Darity** is the administrator of Physicians Surgery Center at DePaul in Bridgeton, Mo., a joint venture

with Nueterra Healthcare. She has held this position at the 12,000-square-foot ASC for nearly seven years. The surgery center was a 2012 winner of the CTQ Apex Quality Award and is equipped for several procedures, including ENT, endoscopy, gynecology, plastic surgery and orthopedics.

**Joseph DeMarco** is the administrator at Jefferson Surgical Center at the Navy Yard in Philadelphia. The ASC was developed by Thomas Jefferson University Hospitals, Rothman Institute and Nueterra. It includes four operating rooms and one procedure room, with specialties such as hand surgery, orthopedic surgery, pain management and plastic surgery.

**Christopher Doyle** is the administrator of the 17,500-square-foot, Media, Pa.-based Riddle Surgical Center, a joint venture between community physicians, Main Line Health, Rothman Institute and Nueterra Healthcare. He has held the position since April 2011, overseeing all activities for staff members, business office directions and recruiting additional medical staff. He previously served as the director of operations at Fresenius Medical Care.

**Terri Gatton, RN**, has been the administrator of Gulf Breeze, Fla.-based Andrews Institute ASC for six years. The ASC is a joint venture between physician investors and Baptist Healthcare. During her career, she was instrumental in setting the foundation for the center, which opened in 2007, and has guided the ASC through several successful accreditation surveys.

**Janet Gordon** became the administrator of Saint Luke's Surgicenter in Lee's Summit, Mo., a joint venture with Saint Luke's East—Lee's Summit. The ASC is fully accredited by The Joint Commission and includes three operating rooms and two procedure rooms.

**Dorothy Geiger** is the administrator at Central Piedmont Surgery Center in Asheville, N.C., a 7,000-square-foot facility with two operating rooms. The center, which is a joint venture with Randolph Hospital, local surgeons and Nueterra Healthcare, opened in 2011 and includes 20 physicians performing cases there.

**Debbie Hall** is the administrator of Cheyenne (Wyo.) Surgical Center, a joint venture between seven physician owners and Regent Surgical Health, with hospital partner Cheyenne Regional Medical Center. The multispecialty ASC includes spine surgery, general surgery, ENT, orthopedics and pain management.

**Tom Holecek** is the administrator at Palos Heights, Ill.-based Palos Surgicenter, a joint venture between physician owners, Regent Surgical Health and Palos Community Hospital. The three-OR facility includes gastroenterology, pain management, orthopedics and ophthalmology.

**Karen Howey** has been the administrator and CEO at Macomb (Mich.) Township ASC for more than a year. She previously served as the administrator and CEO for Matrix Surgery Center for more than six years. The ASC is affiliated with Beaumont Health System and Nueterra Healthcare, and includes two operating rooms.

**David Kelly, MBA, CASC**, was employed by Miami Valley Hospital, a member of Premier Health Partners, in Dayton, Ohio, prior to becoming administrator of Samaritan North Surgery Center in Dayton in late 2006. The ASC is a joint venture between Good Samaritan Hospital and local physicians and is managed by Health Inventures.

**Joy Kurosaka, RN**, is administrator of San Diego-based Rancho Bernardo Surgery Center, a multispecialty partnership among local physicians, Palomar Health and Surgical Care Affiliates (SCA). Founded more than 15 years ago, the facility cares for nearly 5,000 patients annually maintaining high levels of both patient care and teammate/physician satisfaction.

**Mary Lee Fortin** has been the administrator of St. Luke's South Surgery Center in Overland Park, Kan., since 2007. The ASC includes outpatient ENT procedures, gynecology, pain management, urology, plastic and reconstructive surgery and general surgery. The surgery center is a joint venture with Saint Luke's South Hospital in Saint Luke's Health System, and Nueterra.

**Kathy Leibl** is the administrator of Raleigh, N.C.-based Blue Ridge Surgery Center, a joint venture among Surgical Care Affiliates (SCA) and 39 physician partners. She served the facility for nearly 16 years in a variety of capacities before being appointed as administrator in 2008. Blue Ridge has experienced steady growth and profitability throughout her tenure and currently provides services to nearly 10,000 patients annually.

**Lori Martin, RN**, is the administrator at Summit Surgery Center in Reno, Nev., a joint venture between physician owners, Regent Surgical Health and Prime Healthcare. Ms. Martin has been the administrator since 2009 and was an integral part of the opening of the center. She has been secretary of the Nevada Ambulatory Surgery Center Association.

**David Moody, RN**, arrived at Knightsbridge Surgery Center in Columbus, Ohio, three months after Regent Surgical Health took over the facility in 2004. Four years ago, the center entered into a partnership with the OhioHealth hospital system, which currently holds a 49 percent ownership stake in KSC. He says both partnerships have resulted in tremendous benefits for the center.

**Lawrence J. Parrish** is administrator at Illinois Sports Medicine & Orthopedic Surgery Center in Morton Grove, where he implemented a program that achieves significant cost reductions — \$80,000 in the first year — without compromising quality of care or surgeon satisfaction.

**Brandie Price** is the administrator at Columbus, Ohio-based Green Street Surgery Center, a joint venture between physicians and Mount Carmel Health System, and affiliated with Blue Chip Surgical Center Partners. The ASC includes four operating rooms and two treatment rooms with specialists from orthopedics, urology and gastroenterology.

**Peggy Rhoads, RN, BSN**, is a former OR Nurse and Director of Nursing. She has served as administrator for Fort Worth Surgery Center for more than eight years. Now a joint venture among Texas Health Resources, local physicians and Surgical Care Affiliates (SCA), the facility opened in 1983 and was the first ASC in the area.

**Mary Ellen Rider** is the administrator at Maryville (Tenn.) Surgical Center, which has been around for more than 10 years. The four-OR center is a joint venture between area physicians, Blount Memorial Hospital and Nueterra Health. The ASC is accredited by the Joint Commission and was the first surgery center in Maryville.

**Anne Roberts, RN**, is the administrator at Surgery Center of Reno (Nev.), a joint venture between physician owners, Regent Surgical Health and Prime Healthcare. She joined the center in 2006 when it opened and became administrator nine months later. Her experience includes 16 years as a staff nurse and 10 years as a manager of a busy emergency department.

**Tona Savoie** is the administrative director of Thibodaux, La.-based Bayou Region Surgical Center, a 50-50 partnership between physician investors and a subsidiary of Thibodaux Regional Medical Center. The ASC, opened in 2007, is managed by ASD Management. Her previous experience includes serving as a circulator for a large hospital and OR coordinator at an ASC.

**James Kamps, RN, MBA, CNOR**, is the administrator of Surgery Center at Tanasbourne in Hillsboro, Ore., a position he's held since August 2012. He previously served as administrator at Wilshire Surgery Center and a charge nurse at Providence Hospital. The multispecialty surgery center is a collaboration between physicians, Providence Health & Services and Blue Chip Surgical Center Partners.

**Lisa Schriver** is the facility administrator at West Chester, Pa.-based Turk's Head Surgery Center, which was developed with Chester County Hospital. She began with the center in 2005, when it opened, as the clinical director and worked with Blue Chip Surgical Center Partners during re-syndication.

**Patricia Sulaver, RN**, is the administrator at Midland Surgical Center in Sycamore, Ill., a joint venture between physician owners, Regent Surgical Health and Kishwaukee Community Hospital. She has more than 25 years of clinical experience, much of that time spent assisting surgeons in the operating room.

**Shirley Thomas** is the administrator of Surgery Center of Mount Dora (Fla.), a joint venture between nine physician owners, Regent Surgical Health and hospital partner Leesburg Regional Medical Center. She previously served as administrator of Marietta Surgery Center in Ohio, another Regent facility.

**Bryan Wright** has worked for Florida Hospital East — Surgery Center in Orlando for more than two years, having joined upon the center's inception as its administrator. Prior to his role with the ASC, Mr. Wright worked for Richard L. Scott Investments, managing acquisitions, joint ventures and development of urgent care facilities. ■



## Keeping your focus where it matters most.

As a medical facility, your focus is on your patients' needs.

Lifeline recognizes that you also need a strong foundation of staff in order to keep your focus on the people that need you most.

Anesthesia staffing and billing are a vital part of that foundation, and the Lifeline team offers those comprehensive services to you.

Whether you need anesthesia staffing, billing services or comprehensive management solutions, we'll help keep your focus where it matters most.

Visit [lifeline.com](http://lifeline.com) or call us toll free at 866.362.6963.



**LifelineAnesthesia™**  
Anesthesia Staffing • Comprehensive Management Solutions • Billing Services

# ACOs 101 for ASC Administrators: Q&A With Stephen Rothenberg of Numerof & Associates

By Laura Miller

**A**ccountable care organizations are beginning to sprout up across the health-care landscape in many communities, led by physicians, hospital and health system leaders. Many ambulatory surgery center administrators wonder where their ASCs will fit in.

“It’s worthwhile for any ASC leader to have a general understanding of what the goals of the accountable care organization are,” says Stephen Rothenberg, JD, a consultant with Numerof & Associates, Inc. “In general, they are trying to lower the overall cost of care for the population they serve without sacrificing quality. Understanding their infrastructure matters, too. For example, if they are a CMS ACO, they have requirements for infrastructure and quality metrics. In today’s market, understanding a bit about the fundamentals of ACOs is important.”

Mr. Rothenberg discusses how ACOs could impact ambulatory surgery centers, and offers smart strategies for ASC leaders going forward.

## Q: How are ACOs changing the marketplace?

**Stephen Rothenberg:** That’s a big question. In some areas, ACOs are driving the market consolidation we’re seeing today. In addition, there’s been some consolidation across specialty physicians and group practices. They can change the landscape in a given marketplace, and ASCs will have to figure out how to best compete in a market that includes one or more ACOs.

## Q: When should ASCs consider becoming involved in ACOs?

**SR:** ASCs facing an ACO that has a dominant position in the market will have to figure out how they can work with them. A lot depends on the extent to which the hospital considers the ASC a competitor or a potential partner. That in turn depends on the ACO’s access to alternative sources of that practice specialty, and of course, the level of demand in the market area.

For example, some ACOs may have an economic interest in directing patients to certain providers even if they don’t necessarily provide the lowest cost or best outcome – if there’s a competitive mindset the risk is losing referrals and being shut out of the population. Some specialty areas, such as ophthalmology, may find it easier. ACOs, in large part, aren’t seeing ophthalmology as a priority right now and don’t want to spend their surgical room time on those procedures. There

could be an opportunity, then, since the ACO is less likely to view an ophthalmology ASC as a competitor. If hospitals don’t have a specialty in-house already, they are more likely to sit down with you and discuss how you can partner.

## Q: What factors should ASC leaders consider before participating in the ACO? Could it have any negative consequences?

**SR:** They need to find out what kind of ACO is in their market (a CMS ACO or a private ACO). They will need to understand what quality and cost commitments the ACO has made before exploring partnerships.

They will also need understand how the ACO and the ASC could be beneficial partners. Will partnering with the ACO ensure more referrals to your ASC? Will not partnering with the

Stephen Rothenberg



ACO put you at risk of losing market share? Conversely, what can you bring to the ACO? In many cases, the value proposition of the ASC is that it can be cost-effective and can demonstrate good clinical outcomes.

## How Do You Find The Best ASC Talent?

### Start With The Best Search Partner!

#### Executive Search & Recruitment Since 1981

- Administrators
- Directors of Nursing
- ASC Corporate Executives

For a comprehensive client-focused approach, call or email today!

**Greg Zoch**

972-265-5290

gregz@kbic.com

**Andrea Venezia**

972-265-5395

andreav@kbic.com

- ASCA (FASA) Member Since 2002
- Ranked #1 Largest Exec Search Firm by Dallas Business Journal
- Recognized as an Industry Expert by Becker’s ASC Review, Wall Street Journal, Fortune, Business Week, USA Today, Fox, & others

ASCs also have to consider whether they have the infrastructure to support ACO participation. For example, CMS ACOs have HIT requirements, and those requirements could potentially extend to the ASC. In some cases, you may not want to be part of the ACO, but you can enter into a preferred provider relationship. Look at the types of constraints the ACO would put on you and make sure you have the flexibility you need.

**Q: Are there any special considerations for becoming part of a CMS ACO versus other ACOs?**

**SR:** If you are going to have a relationship with a CMS ACO, you need electronic medical record capability, even if you aren't officially a participant.

Data can be a consideration for ASCs in another way as well. To build the ASC's value proposition, whether for a CMS ACO, a private ACO, or even to payors and patients, you need data to support it. Data will also be useful when you are at the point of saying you can give a fixed price.

**Q: Do you see ACOs becoming a standard in the future?**

**SR:** It's hard to predict how the variety of ACO types will do and whether the administrative burden of CMS-sponsored ACOs will become an issue; that's one reason why ASCs that can demonstrate quality outcomes and cost-effectiveness may want to contract with them but not become a part of them.

I think it will be smart for ASCs to maintain independence and flexibility but still partner with the ACO to give them room to see how the market will shake out. Some specialists are still taking a cautious role in becoming a part of ACOs, which is understandable, but you will have to work with new types of arrangements at some point. ■

## REGISTER TODAY!

### 20th Annual Ambulatory Surgery Centers — Improving Profitability and Business and Legal Issues Conference

**October 24-26, 2013 • Swissotel • Chicago**

Keynotes: David Feherty, CBS Golf Commentator and Best Selling Author, Rick Pitino, Head Men's Basketball Coach University of Louisville, Bob Woodward, Legendary Pulitzer Prize-Winning Journalist/Author and Associate Editor, The Washington Post, Bonnie Blair, Speed Skating Champion and Gold Medalist



Great business focused meeting for Ambulatory Surgery Centers  
132 plus speakers;  
87 plus sessions

**For more information, call (800) 417-2035**

TURNAROUNDS / DEVELOPMENT / MANAGEMENT / CONSULTING

OUR EXPERTISE = **BEST PRACTICES**



**ASD MANAGEMENT**  
LOS ANGELES / DALLAS / CHICAGO

ASDManagement.com

Our best practices have been honed over 30 years by our team of ASC experts in the field of operations. The systems we've defined and refined, our focus on day-to-day management and strategies for increasing revenue and profitability have made hundreds of centers across the nation successful. We've cultivated ideal environments for physicians and staff to do their best for patients. And for patients to have pleasant experiences. Even the most problematic centers have been transformed by our best practices.

Bring our best practices to your center

■ **ROBERT ZASA, Partner**  
626.840.4248

■ **JOSEPH ZASA, Partner**  
214.369.2996

**EXPERTS** IN THE BUSINESS OF THE BUSINESS

Visit [ASDManagement.com](http://ASDManagement.com) to learn more, meet our team and review case histories.

# Price Transparency is Coming: 10 Things for ASC Leaders to Know

By Laura Miller

**A** trend toward price transparency in healthcare is sweeping the country and ambulatory surgery centers are in a prime position to benefit. However, they must take advantage of this opportunity to truly compete with other providers in the healthcare market.

“Price transparency is going to put ASCs in a great position and make a difference for them across the nation,” says Bud Brooks, vice president of development of Surgery Center Network. “They are unable to depend upon surgeons nearly as much to bring case volume because hospitals are purchasing physician practices. ASCs have to do something to market directly to their customers, which are now payors, employers and patients.”

Healthcare works differently from other industries because of the veiled pricing, but with incentives to lower the cost of care, increasing premiums and trends toward self-funding, people want to know what their healthcare will cost before they purchase it.

“It’s a national issue because the healthcare system is so broken and messed up that there’s nothing that could bring prices down any better than for people to be honest and upfront about their prices,” says Keith Smith, MD, administrator of Surgery Center of Oklahoma in Oklahoma City. “I see it as an issue that could actually be good for business — it has been good for our surgery center. There will be an improvement in quality and plummeting in prices; it happens in every other industry and healthcare is no different.”

Here are 10 things to know about the trend toward pricing transparency and how to position your ASC as a leader going forward.

**1. ASCs can be more competitive in the consumer-driven market.** As people take more control over their healthcare dollars, consumerism will drive more patients to low-cost outpatient settings. They will pay more attention to price and look for better quality.

“Price transparency will be better for healthcare overall. It’s going to create an open market and competitive environment where just because you are the most expensive doesn’t mean you have the best quality,” says Jeff Blankinship, president and CEO of Surgical Notes. “That’s a real concept that will be more prevalent in healthcare. You are going to find out that in the future, surgery prices will be more competitive on both the consumer and provider side.”

Surgery centers owned by physicians will likely have a huge advantage over big hospitals because by owning their own facility, the physicians eliminate higher facility fees.

“That makes them difficult to compete with because most physicians are satisfied with the healthy professional fee; they don’t need to hit a grand slam on the facility fee,” says Dr. Smith. “If you have transparent pricing, you can actually have meaningful competition where consumers can determine some meaning of value. My price may have to change when I have more competitors, which I hope will be soon. We look for a healthy price war; I think that’s what this country needs and is long overdue.”

**2. Transparent pricing could eliminate managed care all together.** While ASCs could drive additional volume by publishing their prices, it could spell trouble for their traditional managed care contracts. If the insurance companies know what you charge for self-pay, they may not want to pay higher rates.

“ASCs that post their prices will have to make decisions about how they want to deal with managed care,” says Mr. Brooks. “If they are also contracted with private payors, the insurance companies will want the self-pay rates as well. Some facilities might decide to opt out.”

The same principle applies for out-of-network cases at the ASC. Traditionally, ASCs billed OON at similar rates to hospital procedures, eliminating their price advantage.

“When ASCs bill for OON, they anger the patient and the payors, which will ultimately be the employers,” says Mr. Blankinship. “The employers’ attitude will be if the ASC is billing like the hospital, they might as well keep surgeries in the hospital.”

**3. High deductibles drive patients to low-cost settings.** The insurance market is changing. High premiums have become standard and fewer companies are satisfied with PPO plans

“Employers have had enough with rising premiums and healthcare costs, and they can only shift so much of that to the employee contributions,” says Mr. Brooks. “The deductibles are so large that they need to rethink the whole model.”



**EVEIA HEALTH**  
Consulting & Management®

Provider Contracting Services  
Reimbursement experts

Provider Business Services  
Optimizing opportunity

ASC Operations Compliance & Consulting Services  
Preparing for excellence

**Eveia's Clients:**

- Ambulatory Surgery Centers
- Surgical Hospitals
- Health Systems with ASC Relationships
- Physician Practices
- Anesthesiologists

For more information, call 425-657-0494  
or visit our website at [www.eveia.com](http://www.eveia.com)

Jeff Blankinship



Bud Brooks



Dr. Keith Smith



Many Americans don't realize their healthcare policies have limitations on insurance payment; they think as long as they've met their deductible, everything else will be covered.

"They aren't aware of the threshold and that they will be responsible for more," says Mr. Blankinship. "With price transparency, insurance companies will have to be more transparent with their own agreements and policies. This will help the general public become more aware of the options they have and choose where they want to receive their care."

**4. Patients will become the ASC's primary customers.** Surgery center administrators and managers have traditionally considered the surgeons or referring physicians their primary customers because they drove cases to the center; however, when patients, in conjunction with their employers' benefit plan designs, become primary decision-makers about their care, they will become the customer.

"Patient loyalty has never been a strong point for ASCs because there isn't a strong relationship between the patient and the facility," says Mr. Blankinship. "ASCs need to start acting like other business verticals and expect that if someone has surgery, it's pretty likely that someone in their family might have another surgery in the future."

Providing the best patient experience possible and directing marketing efforts toward patients will increase the opportunity for repeat visits and positive word-of-mouth promotion.

**5. More employers are self-funding insurance.** As employee satisfaction with insurance plans diminishes, more companies have developed self-funded healthcare plans. These companies are looking for partnerships with high-quality, low-cost options for care, and some of the bigger corporations will even send patients thousands of miles to seek cheaper healthcare options.

"Companies are thinking the managed care contract," says Mr. Brooks. "Employers are either doing away with PPOs entirely because they are relatively meaningless or they are putting the PPOs on a second tier of benefit design, with a specialty carve-out network occupying the first tier – tied together with drastically richer benefit incentives for the employees. Every network says their discounts are best, when in fact they are just arbitrary savings below an arbitrary price. People really want to know what things cost."

When employers have control of the healthcare dollars, they do their research and direct employees to low-cost providers. Make employers in your area aware of your price structure so they can take advantage of the lower cost.

"In the group health self-funded world, employers are going to be the ones who will access the ASCs and utilize the transparent pricing," says Mr. Brooks. "This would also apply to workers compensation, but Texas is the only state that currently allows employers to opt out of the state-mandated program for self-funded workers' comp instead. There are many large employers in Texas that have become non-subscribers for their workers' comp."

Around 60 percent of all employers are self-funded as of 2013 and they have more flexibility to direct employees and their families for care. "There has always been an imbalance in cost between the hospital and ASC for surgical proce-

dures, which has become even more important for self-funders because they are not depending on the PPO networks and locked-down network rates," says Mr. Blankinship.

**6. People want control over their healthcare spending.** One of the biggest reasons for personal bankruptcy is healthcare-related expenses; people don't realize they have a huge medical bill until after services are rendered, and they can't make their payments.

"You hear different stories about someone having a little repair and then getting billed charges that are inflated," says Mr. Blankinship. "Healthcare is the only place where you have the service performed before you know ballpark costs of what the bill will be. Price transparency will help drive down those costs, as will consumers becoming more educated about the financial implications of their decisions."

Since 2003, insurance has risen 67 percent while the consumer index pay scale has only grown 31 percent, which Mr. Blankinship says is unsustainable. "Healthcare is rising much more quickly than the reimbursement level and it's causing more middle class families not to be able to afford care," he says. "When they need surgery, it's important for them to understand what their financial responsibility will be, and they will need to know how to find alternative options to afford their care."

**7. Online pricing attracts medical tourism.** If you can price out episodes of care and publish those prices online, you can attract domestic and international medical tourism.

"Many ASCs have started to adopt the concept of posting their prices online and we expect that trend to continue," says Mr. Brooks. "They are going to see a tremendous uptick in business because once the payor, employer and patients realize the significant cost differential between the hospital and the ASC — plus the better quality of care and patient experience at the ASC — they will want to take advantage of outpatient centers."

The Surgery Center of Oklahoma published its prices online four years ago and has seen increased case volume since then. "It's brought us a lot of business that we would not have seen otherwise," says Dr. Smith. "I think it will catch on and more ASCs will begin publishing prices because people will see it as a way to get business and compete with others."

Once the procedures are priced out, you can periodically update prices or decide to publish an adjustable price range so patients aren't surprised with the bill.

"As long as you have a range of costs, patients can adjust or plan for their bill," says Mr. Blankinship. "Even if it's a cap price saying you won't exceed a certain amount, patients will be more satisfied."



**8. State legislators are demanding price transparency.** Legislators at the state level are writing legislation that requires health-care providers to publish their prices. “More state legislators are starting to address price transparency and introduce new legislation,” says Mr. Blankinship. “The time is now for the ASC industry to be the first movers in transparency for surgeries.”

A bill requiring hospitals to make their bills more transparent and comprehensible to patients has appeared in the North Carolina legislature, requiring hospitals to post prices for their 50 most common procedures. They would also have to delineate charges for uninsured patients, Medicare, Medicaid and private payors.

“I’m afraid that hospitals will start being more transparent and they will get more credit over the ASCs for their transparency even though ASCs are less expensive for the same procedures,” says Mr. Blankinship. “The problem is that ASCs have always been the follower to the hospitals, but now they must lead with price transparency.”

**9. Surgeons must value their time.** Most surgeons haven’t considered exactly what their time is worth; they have taken salaries from hos-

pitals or accepted insurance company rate offerings without determining their own rates.

“Physicians are so brainwashed into letting other people tell them what they should be paid instead of determining their own rates and letting the consumer render a verdict for whether that judgment was sound,” says Dr. Smith. “Surgeons need to determine what they are worth. Medicare might pay \$78 for a total knee replacement, which was the rate for the last total knee I did for Medicare. The bureaucrats didn’t value my time as much as I did, and I decided I wasn’t going to do that anymore.”

Price signals to buyers and sellers the value of services or products rendered, based on abundance or scarcity as well as a variety of other complex issues.

“When I ask surgeons how much they want to be paid, a lot of them don’t know,” says Dr. Smith. “They have to switch philosophical gears to determine how much their service is worth, and that’s a big obstacle.”

**10. Be ready for government and hospital pushback.** As more surgery centers begin publishing their prices and benefiting from price transparency, there will likely be pushback from

hospitals and regulatory bodies because competition is increased.

“Some of the big hospitals are going to fight this because this is going to hurt their business and embarrass them if they claim to be non-profit,” says Dr. Smith. “People will wonder why hospitals charge 10 times more than ASCs down the street. There will be pushback, and I don’t think it’s completely out of the question to think the federal government will raise issues as well.”

The Office of Inspector General has recently released more guidance on physician-owned entities, specifically physician-owned distributorships, which could have an impact on other investments, such as the surgery center.

“Transparency is the most gigantic thing to come along in healthcare because it’s going to expose the cartelization of healthcare for what it really is. I think it will cause a massive deflation in the healthcare industry, which is really good news for the consumer and really horrible news for people making money off of price secrecy,” says Dr. Smith. ■

## Want to sell your ASC or endoscopy center?

Want competitive bids?

Want the best price and terms?

Want to partner with a hospital?

Which of the 30 ASC companies is best for you?

Want to sell your ASC real estate?

# ASCs Inc.

Strategic Partnering for Ambulatory Surgery Centers

JonVick@ASCs-Inc.com • 760.751.0250  
www.ASCs-Inc.com

- ◆ ASC Sales
- ◆ Purchases
- ◆ Mergers
- ◆ Acquisitions
- ◆ Valuations
- ◆ Joint Ventures
- ◆ Partnering
- ◆ Consulting

**Jon Vick**  
President, ASCs Inc.

Since 1984, Jon Vick has facilitated over 250 ASC partnership transactions. He specializes in ASC sales and strategic partnering.

# 7 Steps for ASCs to Ensure Accreditation Survey Readiness

By Laura Miller

Not much has changed over the past year regarding accreditation standards. However, ASCs should constantly think about how their center can continue to improve quality.

“In 2010, a lot of changes came through regarding the accreditation process and since then we’ve been working on refining the processes,” says Carla M. Shehata, RN, BSN, Vice President, Operations for Regent Surgical Health. “Now the surveyors are really focusing on the governing board, quality improvement and infection control, and everything else folds into those areas.”

Here are six ways to make sure you are ready to ace the accreditation survey.

**1. Make sure the governing board is involved in ASC operations.** The governing board is often more focused on the ASC’s financials, but they must also have a hand in the daily operations. Board meeting minutes should reflect their involvement in creating policies and procedures, annual contract reviews and reconciliation of problems within the center.

“They must be involved in the patient care policies, quality and outcomes,” says Ms. Shehata. “They should also help develop processes and be supportive of following them. There are many ways to meet the accreditation standards, and they need to be part of the brainstorming

process for how that can best happen within their ASC.”

**2. Document infection control processes and compliance.** The infection control standards have become fairly uniform for Medicare, AAAHC and Joint Commission over the past few years. ASCs are required to have documentation that supports regulation and standard compliance.

“ASCs should follow the new CMS infection control worksheet and be sure to go through any quality improvements with the governing board,” says Ms. Shehata. “One problem ASCs have is they do things according to the standards, but don’t have any proof. There must be documentation that they can show surveyors; they can’t just say they are compliant they have to prove they are.”

ASC leaders are responsible for sharing the infection control processes and any changes with all participants. This should be documented in staff meeting minutes, Medical Executive Meeting (MEC) and Governing Board meeting minutes. They can also devise documents and checklists to ensure staff members are meeting the requirements.

**3. Conduct facility-wide audits.** Continuously conduct facility compliance audits so you know your center will be prepared when the sur-



Carla Shehata

veyor arrives. AAAHC and Joint Commission have worksheets for ASCs to follow for these audits. Keep your facility compliance audits and use them to show ongoing quality improvement. Be sure to document the action plan when non-compliance is found.

“At Regent, we do 13 intensive reviews per year so we make sure the facilities are ready for surveyors at all times,” says Ms. Shehata. “I would strongly suggest looking through any accrediting program’s systems and standards, especially if they don’t have a check-off sheet for survey readiness. Go standard by standard to make sure you are following all regulations and document how the regulations are met.”

ASCs can also hire an outside survey consultant to work with them on compliance. While this person is often expensive, it can be beneficial for a fresh pair of eyes to examine the ASC.

**4. Make sure performance improvement projects are meaningful.** ASCs are required to undertake quality and performance improvement projects on a regular basis. These projects should be meaningful and have a positive impact on patient care at the ASC, not just thrown together to meet the requirement.

“Performance improvement projects should demonstrate an improvement in quality of care or cost containment,” says Ms. Shehata. “Doing a quality improvement project just for the sake of doing it doesn’t help anyone. The project should also be well documented and follow a specific format such as the AAAHC 10 Step Process or P.D.C.A (Plan, Do, Check, Act) and

## Is your office to busy to collect *outstanding* A/R?

By outsourcing your billing needs to in2itive Business Solutions, you'll eliminate missed billing opportunities and create a more robust bottom line.

Call Jocelyn at in2itive today to learn more.

913.344.7837



www.in2itive.org

repeat if necessary until the goal set has been met. Report any findings to the governing board.”

**5. Save quality improvement project reports.** Record all quality improvement projects and save the findings in your ASC’s files. The surveyor will want evidence of the report’s completion to make sure all problems were addressed.

“Quality improvement studies should be conducted when a problem is identified. It’s important to dig to the root cause and make sure it is corrected,” says Ms. Shehata. “The findings must be reported to the Governing Body. Be sure to keep your data as evidence that proves this is a meaningful project. Never write a report and get rid of the data; the surveyors want to see the data and make sure it’s actual and pertinent.”

There have been some instances where surgery centers devise fake reports just to have them on the books. This doesn’t comply with standards and won’t help the ASC in the long run.

**6. Involve everyone in quality improvement.** All staff members at the ASC should understand their role in quality control and become involved in improvement initiatives. Everyone should know the rules in the facility and be encouraged to speak up when the rules are broken.

“The QI facility committee should bring projects together and report the data,” says Ms. Shehata. “They should go over changes in policy and make sure their processes match the standards and/or regulations and it is actually what is happening within the center. It’s important that everyone feels like they have a hand in it.”

ASCs can make data gathering easier by automating their processes. Build a file on your computer system showing QI reports and data. These automated copies are sufficient and convenient evidence for the surveyor as well.

**7. Always be survey-ready.** ASCs should always be prepared for the survey, but if you know it’s coming make sure data is updated well in advance. “A lot of centers try to do these six to eight months before the survey date and they get into a mad frenzy to become survey-ready,” says Ms. Shehata. “If they have a program within their center where the areas we have just discussed are in place and are doing these things on a continuum, survey preparedness wouldn’t cause such a panic. Stay informed and stay prepared on a daily basis. Don’t just change the standards for the survey; live it.” ■

## Interested in Reaching Every ASC in the Country?

Becker’s ASC Review circulates to every surgery center in the United States.

**Call (800) 417-2035 to discuss 2013 advertising opportunities and partnerships**

**You have an out-of-network problem.**

You just don’t know it.



**CollectRx**  
The Out-of-Network Experts™

**Dramatically increase reimbursements on your out-of-network bills.**

[www.CollectRx.com](http://www.CollectRx.com)

# 61 ASC Management & Development Company CEOs to Know

By Carrie Pallardy

## 61 ASCs Management & Development Company CEOs to Know

Here are 61 CEOs of ambulatory surgery center management and development companies.

**Vito Quatela, MD**, co-founded Ambulatory Healthcare Strategies and serves as CEO. He developed and owns two ASCs in Rochester, N.Y., and founded HUGS, a non-profit organization that does medical mission trips into third-world countries.

**Luke Lambert** has served as CEO of Ambulatory Surgical Centers of America since 2002, after having served as CFO for five years. His background includes experience in financing, strategy and operations. ASCOA currently operates 32 facilities across the country and continues to look for new partnership opportunities.

**Christopher A. Holden** has been AmSurg's president, CEO and director since October 2007. The company specializes in managing and developing 3,000- to 4,000-square-foot single specialty centers. During his time with AmSurg, the company's growth has accelerated through acquisitions.

**Jared Leger** is a co-founder and managing partner of Arise Healthcare. The company currently owns and operates various healthcare-related businesses with a focus on ASCs. His background as a registered nurse coupled with his healthcare business background has allowed him to grow Arise Healthcare at an accelerated pace.

**Jesse Chamberlain** is managing partner of Artisan Medical and has more than 15 years of experience in healthcare, including healthcare sales, international sales and product development for Johnson & Johnson, Chiron Vision and Bausch & Lomb. He earned an MBA in organizational development.

**Robert O. Baratta, MD**, is partner and CEO of Ascent Surgical Partners. He is an ophthalmologist who has 25 years of experience managing surgery centers. He previously served as chairman and CEO of Ascent Health Care Advisors, as well as president, CEO and vice chairman of the board of directors of Ecosphere Technologies.

**Joseph Zasa, JD**, is the co-founder and managing partner of ASD Management (formerly Woodrum/ASD). Founded in 1986, the company is one of the oldest continually operating surgery center companies, with more than 125 surgery centers developed and managed over the last 26 years.

**Robert Zasa** is a founder and managing partner of ASD Management and is experienced in all phases of business development, marketing, expansion, structuring, and management of multi-service ambulatory care facilities, ASCs and hospitals.

**Gregary W. Beasley** serves as president of Hospital Corporation of America's Ambulatory Surgery Division. Prior to joining HCA, Mr. Beasley spent nearly four years at HealthSouth Medical Center as controller and chief operating officer.

**Jeff Leland** is CEO of Blue Chip Surgical Center Partners. The company has developed and manages surgery centers, many of them focused on spine surgery. He previously served as executive director of Lutheran General Medical Group and as a senior-level executive with Advocate Health Care in Chicago.

**Ronald A. Duperroir** serves as CEO of Clarity Health and Clarity Government Services. He brings 24 years of operations experience with an extensive background in resource loading, resource leveling, scope preparation and conducting executive status meetings and client reviews.

**Ravi Chopra** serves as president and CEO of The C/N Group, a company that has completed healthcare-related projects totaling more than \$75 million in capital expenditures. The company and its affiliated entities comprise an annual revenue base in excess of \$20 million.

**Kris Mineau** co-founded Constitution Surgery Centers in 1997 and serves as its president and CEO. He has led the company's growth for the past 15 years, partnering with over 200 physicians to build surgery centers in Connecticut, Massachusetts and Rhode Island.

**Richard K. Jacques**, president and CEO of Covenant Surgical Partners, has more than 18 years of experience in the ASC industry, including senior management positions with both public and private healthcare companies. He was previously president and director of Surgical Health Group and vice president of business development for AmSurg.

**Terry Weisman** serves as president of Denovo Development, which focuses on ground-up development of surgical centers including physicians LLC formation, real estate investment and development, operations and management.

**Lori Ramirez** founded Elite Surgical Affiliates in 2008 and now leads as its president and CEO. Elite provides management and development for surgical facilities. Previously, Ms. Ramirez was a senior vice president at United Surgical Partners International.

**J.A. Ziskind**, founder, president and CEO of Global Surgical Partners, has been involved in Florida's healthcare industry since the 1970s, including serving as CEO of Miami's Cedars Medical Center.

**Edward P. Hetrick**, the founder and president of Facility Development & Management, has more than 30 years of experience in the healthcare industry, with over 20 years of ASC experience. He has held key administrative positions in major teaching hospitals, national consulting firms and practice management companies.

**Thomas A. Michaud** founded Foundation Surgery Affiliates in January 1996. Mr. Michaud's responsibilities include marketing the Foundation program to potential surgeon partners and developing new geographic and product markets for the company.

**Dennis Martin** is the CEO and senior vice president of client relationship management at Health Inventures. In addition to his current position, he serves on the Health Inventures board of directors, as well as a board member of joint ventured companies.

**Bill Simon** is president and founder of Innovative Healthcare, a company that provides development and management services for outpatient surgery and endoscopy centers throughout southern California. IHM has developed five centers and consults with and manages an additional two centers.

**Stephen Rosenbaum** is co-founder and CEO of Interventional Management Services, where he is responsible for the day-to-day operations of 10 healthcare companies and over \$35 million in annual revenues.

**Bill Horne** is CEO of Laser Spine Institute. Laser Spine Institute's flagship facility is in Tampa, Fla., and it has grown to include five other surgical facilities in Scottsdale, Philadelphia, Oklahoma City and Houston.

**John R. Seitz** is president and CEO of ManageMyASC, a real-time, interactive management tool that provides an unprecedented view into the financial and operational performance of a surgical center. He has over 25 years of experi-

ence in healthcare, including founding and leading start-up companies.

**William B. Rabourn, Jr.**, is CEO and a managing principal of MCG, a consulting firm that provides ASCs with financial, IT and marketing services, among others. Mr. Rabourn was previously a business instructor at Missouri State University in Springfield and CMO and vice president of a major financial institution.

**Donald Schellpfeffer, MD**, is the CEO of Medical Facilities Corporation and Sioux Falls (S.D.) Specialty Hospital. As an original founder of Sioux Falls Specialty Hospital, Dr. Schellpfeffer has been its CEO and a member of the management committee since the facility's inception in 1985.

**David M. Thoene** is CEO and founder of Medical Surgical Partners and has 27 years of experience in ASC consulting and development. He has served as vice president of development for FSC Health and Titan Health, and founded the development arm of Randlett Associates.

**David F. "Buddy" Bacon, Jr.**, is a founder and the CEO of Meridian Surgical Partners and has more than 22 years of experience in the healthcare sector. He served as CFO of Medifax-EDI, a healthcare IT company, for five years and as CEO for two.

**Matt Searles** has been a partner with Merritt Healthcare for more than 10 years. During that time, he has managed, developed and advised for dozens of healthcare facilities across the country. His background includes experience in corporate finance and venture capital-backed companies.

**Douglas Dewey** is CEO of Murphy Healthcare, a Montvale, N.J., and New York-based ASC development, management and turnaround company founded by Robert Murphy. He focuses on strategic planning and sales.

**Bob Scheller** is CEO and COO of Nikitis Resource Group. He previously served as senior vice president of Aspen Healthcare. Before becoming involved in the ASC industry, he worked in public accounting and later hospital administration and physician practice consulting.

**David Ayers**, CEO of Nueterra Healthcare, offers 30 years of experience developing, building and managing hospitals in addition to leading the development of a number of ambulatory surgery, imaging, physical therapy and urgent care centers. He continues to work with physicians and health systems on partnerships.

**Jessica Nantz** is the founder and president of Outpatient Healthcare Strategies, management and consulting company. Ms. Nantz has 25 years of experience in the healthcare industry and con-

## ANTICIPATE CHANGE. WE DO.

### The ASC Revenue Cycle.

It's all we **do**.

It's all we **think** about.

And it **shows**.

*Named one of the world's best outsourcing service providers two years in a row.  
- Fortune Magazine 2013*



## National Medical Billing Services

Our ASC Expertise. Your Advantage.

636.273.6711 | [www.nationalASCbilling.com](http://www.nationalASCbilling.com)

tinues to focus on providing clients with the tools needed to improve operational efficiency.

**Kyle Goldammer** is the CEO of Partners Medical Company, a healthcare consulting company based in Sioux Falls, S.D. He has nearly three decades of experience in the healthcare industry. Mr. Goldammer and his team specialize in turning around underperforming centers and developing successful centers from scratch.

**Pedro Juan Vergne-Morell** is the CEO and founder of Physicians Capital Investments, a Dallas-based healthcare facility construction and investment company. He heads the company's daily operations and marketing efforts. Mr. Vergne-Morell concentrates on cultivating investor relationships and partnerships.

**Barry Tanner, CPA**, has been president and CEO of Physicians Endoscopy since 1999 and co-authored the company's business plan together with CFO Karen Sablyak. The company currently owns and manages 28 endoscopy centers in partnership with physicians and hospitals.

**Robert Carrera** is the president and CEO of Pinnacle III, a Lakewood, Colo.-based ambulatory surgery center management and development company. Mr. Carrera has spent 15 of his 20 years in the healthcare industry focused on the development of ASCs.

**Larry D. Taylor** is the founder of Practice Partners in Healthcare. He has more than 30 years of experience in healthcare delivery, management and physician relations. He previously served as president and COO of the largest provider of ambulatory surgery centers in the United States.

**Thomas Mallon** co-founded Regent Surgical Health in 2001 and serves as CEO. Over the past 11 years, the surgery center management and development company has grown to include 24 facilities in the United States and Europe.

**Todd Borst** is CEO of Smithfield Surgical Partners and manages the company along with principals Gregory Horner, MD, and Steve Mohebi. Smithfield collaborates with physician partners to create and manage medical office buildings, surgical facilities and medical malls.

**Kenneth R. Ross** is CEO of Solara Surgical Partners and has more than 30 years of management experience in healthcare, energy and finance, including 17 years in operations management, finance, strategy and business development in several healthcare industries.

**Jeremy Hogue** is co-founder, president and CEO of Sovereign Healthcare, which operates surgery centers in California and Arizona, as well as provides management services for physician group practices. He was previously vice president of Audax Group.

**Bryan Massoud, MD**, is founder and head surgeon at Spine Centers of America in Fair Lawn, N.J. He received training at Texas Back Institute in Plano, and has performed more than 1,000 endoscopic spine surgeries, including endoscopic cervical spine surgery.

**Gregory George, MD and Sean O'Neal** are founding principals and CEOs of SurgCenter Development. Dr. George, an ophthalmologist, received his medical degree and PhD in ocular physiology from Duke University in Durham, N.C. Mr. O'Neal has more than 25 years of experience in healthcare management.

**John H. Hajjar, MD**, founded Surgem, a development and management company that has equity and manages surgical centers, in 2005. He has developed a reputation as a skilled urologic surgeon and is currently the CEO of a large multispecialty practice called Sovereign Medical Group.

**George Tinawi, MD** co-founded Surgery Center Partners and its management subsidiary SCP Management with Samuel Marcus, MD, five years after they created a free-standing surgery center for their own practice. He is board certified in both internal medicine and gastroenterology.

**Scott Leggett** is CEO of Surgery One and has more than 17 years of experience in orthopedics. Mr. Leggett previously developed and man-

## How Healthy Is Your Bottom Line?

Physicians' Capital Investments (PCI) is owned in part by physicians who understand your needs and the challenges you face on a daily basis.

Let PCI help you plan for your future by financing and developing your new medical facility, or enhance your liquidity position by monetizing your existing medical facility. Our proven model turns exceptional physicians into extraordinary business people.

- Custom financing options
- Unique whole and fractional ownership models
- Distinctive medical development solutions
- Robust investment management services
- National medical development footprint



866.936.3089

Consulting@physcap.com

www.physcap.com

8117 Preston Road, Suite 400  
Dallas, TX 75225



PHYSICIANS'  
CAPITAL  
INVESTMENTS®

aged the OrthoMed Spine & Joint Conditioning and WellStrong Centers for the orthopedic department of the University of California, San Diego.

**Michael Doyle** is CEO of Surgery Partners, where he is responsible for overseeing the firm's day-to-day operation and continued growth. He has experience developing and managing hospitals, surgical centers, rehabilitation facilities and imaging centers.

**Andrew Hayek** serves as president and CEO of Surgical Care Affiliates and is a member of the SCA board of directors. SCA operates 150 surgical facilities in partnership with more than 2,000 physicians and 30 health systems. He currently serves on the board of directors of Senior Home Care and the board of advisors of Sg2.

**G. Edward Alexander** is president and CEO of Surgical Development Partners. His experience in healthcare management includes serving as CFO of TeamHealth, founder and CFO of OrthoLink Physicians, founding president and CEO of Surgical Alliance and vice president of finance and treasurer of Medaphis.

**Rodney H. Lunn** serves as the CEO of PhyBus, LLC and Surgical Health Group and is considered by many as the original pioneer of the contemporary ambulatory surgery center concept. During his 25-year career in the ASC industry, he has developed more than 150 ASCs throughout the United States.

**Michael Lipomi** is the president and CEO of Surgical Management Professionals. He has over 30 years of experience operating ASCs and specialty hospitals. He also owned and operated a number of ASCs while serving as president of RMC MedStone.

**Sue Shelley** is a partner and founder of Surgical Partners of America and previously co-founded United Surgical Partners International. During her career, she developed and operated over 100 ambulatory surgery centers at Columbia/HCA, Medical Care International and University of Texas Medical Branch at Galveston.

**J. Michael Ribaldo, MD**, is chairman and CEO of Surgical Synergies. He has more than 27 years of experience as a surgeon, healthcare executive and real estate developer. He currently serves on the board of directors of Flow International and is also co-founder of Surgical Anesthesia Services.

**Richard E. Francis, Jr.**, serves as chairman and CEO of Symbion, positions he has held since 2002 and 1999, respectively. Under his leadership, Symbion became a publicly held company and an ASC chain with nearly 100 successful surgery centers.

**Kyle Burnett** serves as vice president of outpatient services for Tenet Healthcare. He joined Tenet in 2003 as an associate in its leadership development program and has filled several roles since then, including key work on quality and growth initiatives, before being named chief of staff to the CEO and, later, a vice president.

**Krystal Mims** is president of Texas Health Partners. She serves on the executive team of Texas Health Resources and oversees the management and coordination of care for five of Texas Health's most successful joint ventures.

**Tom Yerden** serves as CEO of TRY Health Care Solutions. He previously founded Aspen Healthcare and helped plan, develop, open and manage more than 75 surgery centers. He has more than 30 years of experience in the industry.

**William Wilcox** has served as CEO of USPI since April 2004. The company currently owns and operates outpatient surgical facilities across the United States and United Kingdom.

**Ann Deters** is CEO of Vantage Outsourcing, a cataract outsourcing service serving hospital and surgery center clients throughout the country. Vantage Outsourcing is recognized for saving healthcare organizations more than \$93 million in capital and supply costs to date. ■

# Advertising Index

*Note:* Ad page number(s) given in parentheses

**ASCOA.** blambert@ascoa.com / www.ascoa.com / (866) 982-7262 (p. 7)

**ASCs Inc.** jonvick@ascs-inc.com / www.ascs-inc.com / (760) 751-0250 (p. 41)

**ASD Management.** rzasa@asdmanagement.com / www.asdmanagement.com / (626) 840-4248 (p. 38)

**The Bloom Organization.** www.bloomllc.com / (732) 229-8400 (p. 5)

**CareCredit.** www.carecredit.com / (800) 300-3046 ext. 4519 (p. 12)

**Collect RX.** info@collectrx.com / www.collectrx.com / (301) 230-2440 (p. 43)

**EVEIA HEALTH Consulting & Management.** nayak@eveia.com / www.eveia.com / (425) 657-0494 (p. 39)

**Experior.** sales@experior.com / www.experior.com / (800) 595-2020 (p. 9)

**Facility Development & Management.** ehetrick@facdevmgt.com / www.facdevmgt.com / (845) 770-1883 (p. 8)

**HealthCare Appraisers.** info@hcfmv.com / www.healthcareappraisers.com / (561) 330-3488 (p. 29, 30, 31, 32, 33, 34)

**Healthcare Facilities Accreditation Program.** info@hfap.org / www.hfap.org / (312) 202-8258 (p. 18)

**In2itive.** terbert@in2itive.org / www.in2itive.org / (913) 344-7850 (p. 42)

**Kaye/Bassman International Corp.** gnz@kbic.com / www.kbic.com / (972) 931-5242 (p. 37)

**LifeLinc Anesthesia.** www.lifelinc.com / (866) 362-6963 (p. 36)

**MedBridge Billing.** asumner@medbridge.md / www.medbridgebilling.com / (805) 679-6763 (p. 13)

**MMX Healthcare.** info@mmshealthcare.com / www.mmxhealthcare.com / (877) 578-4484 (p. 3)

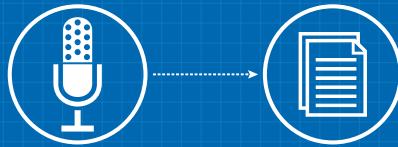
**National Medical Billing Services.** info@nationalascbilling.com / www.nationalascbilling.com / (636) 273-6711 (p. 45)

**Physicians' Capital Investments.** jturner@physcap.com / www.physcap.com / (866) 936-3089 (p. 46)

**Surgical Management Professionals.** info@smpsd.com / www.smpsd.com / (605) 444-8297 (p. 15)

**Surgical Meds.** info@surgicalmeds.com / www.surgicalmeds.com / (855) 888-6337 (p.2)

**Surgical Notes.** sales@surgicalnotes.com / www.surgicalnotes.com / (800) 459-5616 (backcover)



# Transcription. Simplified.

Introducing the **NEW** Surgical Notes app  
for your iPhone & iPad devices.

---

## FEATURES INCLUDE

---

- Full iOS dictation ability
- See schedule in real time
- Full document editing
- Choose patient, dictate, upload
- Rewind, listen, fast forward
- Electronic signing with Softsign technology

---

**SNChart**

Transcription  
Management Platform

(800) 459-5616

[sales@surgicalnotes.com](mailto:sales@surgicalnotes.com)