

pinnacle III

ASC GUIDE TO PROSPERITY

A COLLECTION OF INSIGHTS FROM
THE LEADING INDUSTRY EXPERTS

VOLUME V

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Why a Strategic Plan is a Good Idea for Your ASC

By: JOVANNA GRISSOM - REGIONAL VP, OPERATIONS

A strategic plan is a valuable resource for every business. Ambulatory surgery centers are no exception. A business strategic plan is a tool that outlines the organization's progress to date, the current market landscape including information on competitors, the strategic priorities for the future, and plans for addressing challenges and opportunities.

In each of these assessment areas, the business is viewed from a multi-faceted perspective, focusing on elements such as sales, consumer behavior, finances, quality, and business development. In an ASC, these elements may translate as physician alignment/recruitment, patient satisfaction, finances, quality, and new service lines.

Developing a strategic plan requires an investment of resources. Most notably, the time and commitment of some of the most highly skilled people in your organization. It is important for team members working on the plan to invest the time required to examine the organization and make informed decisions about its focus and direction.

Here are some of the benefits that come with creating a strategic plan for your ASC.

Charting the Course

A strategic plan sets a direction or course for the ASC's leaders. It allows for the prioritization of growth initiatives and defines how success will be measured. In a sense, it helps people throughout the organization understand what they should be working on and in what order. Without a clearly defined plan, you may find your priority initiatives, the ones that drive the highest success, are being given secondary treatment. For example, if cost containment is a high priority for your ASC, your strategic plan might state you will create awareness of and movement toward achievement of that goal through employee education. Specifying how often employee education will focus on and reinforce cost containment initiatives allows your team to track their progress on the goal throughout the year. The focus shifts from "educating employees" to "cost containment through employee education."



Maintaining Alignment

A strategic plan can place every member of your ASC on the same page. It is common to find departments within an organization headed in different directions. While they each may be accomplishing their departmental goals, the organization itself may struggle to achieve its primary strategic objectives. With the creation of a strategic plan, it's possible for operations, finance, clinical, human resources, marketing, business development, and all the other departments in your business to align their efforts towards the same desired goals.

Sustaining Focus

A strategic plan offers an opportunity for ASC leaders to formally incorporate input from key members of the organization into business operations. Business leaders often receive insightful suggestions for improving business processes from internal team members. However, they may find it difficult to incorporate these suggestions in meaningful ways. A strategic plan offers the opportunity to integrate "good ideas" into the organization's key initiatives and communicate them throughout the organization.

It also assists leaders curb unnecessary projects that consume the valuable time and energy of team members. Sometimes, it can be hard to say no to innovative ideas or initiatives. If there is no clear direction, these suggestions can create a lot of distraction. By prioritizing the activities necessary for success, each member of your leadership team can sustain focus on the agreed-upon objectives. Priorities make it easier to say no to distracting initiatives.

Creating Buy-In

As you create your ASC strategic plan, seek input from all leaders within your organization. Synthesize their input and communicate your message back to every member of your organization. Employees should know where their organization needs to be and the ways it will get there. Ensure your strategy is written down, finalized, and communicated to everyone acting on it.

Create a strategy for your business that incorporates your vision, mission, and outside the box thinking. Treat your strategic plan as a map that charts the course of your ASC, defining where you want your business to go. And, don't be surprised when your guide helps you end up exactly where you wanted your business to be!

Does Securing a Team Partner Make Sense for Your ASC?

By: ROBERT CARRERA - PRESIDENT & CEO

I recently read a theory about teams in the workplace from a variety of sources including General Stanley McChrystal's book, "Team of Teams," which entails a process of employing many small specialized teams to tackle large complicated issues. Hiring teams of individuals in unison to accomplish a goal is not new to many businesses. When college football teams change head coaches, for example, an entire staff of ancillary/associate coaches may accompany the new coach. Thus, a new team is hired.

In other cases, a team of individuals is assembled one at a time. For example, I have a friend in the advertising business who has worked as part of a team which was assembled over the years and hired by different agencies to provide writing and graphic design services. The individuals that make up this advertising team were hired one at a time as the agency grew. In music, there are many famous teams of song writers. In the corporate world, companies purchase other businesses and acquire teams to add a service or function they do not currently possess or offer. Think of Google's acquisition of Android, Nest, Waze, and YouTube.

Hiring teams can also occur via outsourcing. Or as I prefer to call it, by securing a "team partner." Groups seek out organizations to partner with that specialize in ready-built teams in their respective industry, rather than build a team from scratch.

Outsourcing has at times received a negative reputation. Many business leaders question outsourcing anything. However, health care is morphing and changing daily. If a leader does not take the time to assess opportunities or approaches outside their organization's usual way of thinking, maintaining the status quo could become detrimental and costly. It is perfectly normal, and oftentimes most beneficial, to ask for help in finding and hiring teams from an industry expert.

Why should an ASC consider hiring a team partner?

Locate and tap into existing expertise. Hiring an industry team partner allows an ASC to quickly access qualified candidates with a history of success. While past success is not a sure sign of future success, it is a much better indicator than



no past experience or a history of no success. While there are no guarantees a new internal team will succeed, the proven track record of a team partner is generally worth the price - both in dollars and time.

Time is of the essence. You will rarely hear an organization say, "There are no time constraints to launch this project or fix this issue." While building expertise from within, or tapping into internal resources may seem safe, it typically isn't expeditious in our fast-paced health care environment. Learning takes time. Becoming an expert takes even more time. Often, learning on the job is not a luxury we possess. A team partner allows for immediate impact.

No team bonding needed. High performing teams have a proven track record of working extremely well together. New teams, on the other hand, need time to create chemistry and build trust. Selecting experienced individuals with the proper skillset and culture, then creating a team to elicit results and meet expectations is time consuming. Consider hiring an ASC team partner to access established teams. Bringing on an established team provides more timely dividends.

Internal change is difficult. If change was easy, there would not be a multi-billion dollar industry built around helping individuals or organizations with their change management efforts. Many organizations will hire a single individual or even multiple individuals to create a new service offering. Within a few months or a year, those individuals may begin to think and act like everyone else leaving their original goals unaccomplished. Team partnering allows an organization to tap into an alternative corporate culture to advance a new initiative or gain buy-in to a critical mindset change.

Acquire the crossover effect. Organizations experience a period of plasticity in their identity when there is a large influx of new employees. This period of change is known as the crossover effect. The crossover effect can be viewed as positive disruption. The spread of new ideas and new ways of working bring new life to the host organization. Often a newly hired team can affect other, more established teams within the organization via positive disruption.

Business owners and leaders are all striving for gains and improvement in the performance of their people and organizations. In many cases, changing our perceptions, practices, and personnel will be required to achieve those gains. Thoughtfully consider if hiring team partners might help your ASC acquire the individuals needed to facilitate some of those changes in the most expeditious, beneficial manner possible.

Choosing the Right Lender for Your De Novo ASC

By: RICK DEHART - PRINCIPAL PARTNER

Banking relationships are crucial to any successful business venture. Choosing the right lending partner for your de novo ASC development project is integral to the longevity of your financial asset.



There will be times when you need an ally to watch your back financially. A lender who knows your business and is willing to be your partner throughout the process is essential. So, how do you select the right lender?

Submitting a RFP

During the feasibility phase of development after you have run your financial pro forma, send out a request for proposal (RFP) to at least three banking entities. Ensure you include one financial institution from the local market where the de novo ASC will be established. Banks in the local market are often more attuned to market conditions and may be willing to extend better rates or lower fees to win your business. Decide early on what type of services and resources you will need. Send your RFP to banking entities you've identified as strong providers of these services and resources. Make sure you give yourself enough lead time – at least 90 days – before needing any funds for the project.

A typical finance package will include:

- Tenant improvements (TI) – if a separate real estate entity and core/shell will not be a part of your anticipated debt,
- Equipment loan, and
- Working capital via a line of credit (LOC).

Based on the credit history of the ASC partners, you should be able to obtain 70-80 percent loan to value on the TI. Investor contributions will be required to make up the remaining TI balance of 20-30 percent. Higher loan to value percentages (90-100 percent) are often available for equipment. The LOC will initially be revolving but, once your center is more established, the credit line is often rolled up into a fully amortized note.

Comparing Lender Options

After you receive the proposals, carefully evaluate the terms. There can be many variations in these proposals. Try to



create a solid apples-to-apples comparison. Some variables to compare include rates, fees, maturity dates, early pay-off terms, corporate guarantees, and personal guarantees. Most of the language in loan agreements is derived from a standard template. You may want to have your attorney review these agreements, however, to ensure there are no hidden issues or concerns.

Although selecting the lender with the best terms may seem logical, make sure you factor into your decision your view of them as a long-term partner. Consider the banker's accessibility, promptness, and flexibility. You may want to consider the location of the bank and how often you will need to physically visit it, if at all. Is the lender equipped to meet all your service needs, including digital services?

Ask questions such as:

- How many ASCs do you currently work with/have worked with?
- Who will be our direct contact should we have any questions or concerns?
- What happens if additional funds are needed in the future or a re-amortization needs to occur?

A good lender will be straightforward and honest in his/her responses. Their focus should be on building a lasting relationship. If the bank doesn't feel like a good fit for your business or service needs, it makes sense to look elsewhere. It's important to find a lender who fits your business needs and feels like a good fit for you and/or your partners.

The Right Banking Partner

Selecting the right banking partner is an important early step in ensuring the success of your de novo ASC development project. Look for someone who is knowledgeable about your industry, your business needs, and the financial factors for success. The right lender will help transitions occur smoothly throughout the process. Knowing you have a financial expert who can help in times of need is reassuring and will let you focus on other matters that will make your de novo ASC an overall success!

Opening a New Surgery Center: A Roadmap for Success

By: JEBBY MATHEW- DIRECTOR, OPERATIONS

If you're planning on opening a new surgery center, congratulations! If all goes well, you will soon provide your community with a high-quality, low-cost option for surgical care. But there's a lot of work to do before you reach that exciting grand opening. It is said that "Rome wasn't built in a day," and neither is a successful ASC.

Before you proceed with plans to open a new surgery center, consider the following list of questions. Knowing the answers will help ensure the facility you picture today is what you end up presenting to your community tomorrow.

New Surgery Center Questions to Answer

Are your partners committed?

A new surgery center is destined to fail if you do not have committed partners. That commitment needs to be short and long-term. Commitment can be gauged in several ways – their financial investment, their case volume, and their participation in research and decision-making.

Once partner commitments are confirmed, you will need a well-structured operating agreement. This agreement should account for potential issues that may arise during the ASC's development and as the business matures. Getting a group of physicians to verbally agree to partner on a project is one thing. It's another to obtain their signatures on paper and make their vision reality.

Where will financing come from?

Building a new ASC isn't an inexpensive undertaking. Expenses that will need to be covered before performing the first procedure include:

- Construction, either of a new facility or remodeling an existing space
- Medical equipment and supplies
- Service providers (more on these in the next section)
- Computers and software
- Furniture and fixtures
- Signage
- Licenses
- Staff salaries and benefits

You will also require working capital to cover expenses as you wait for reimbursement for procedures. Before you break ground, know how you will pay for all these expenses – and some unforeseen ones as well. You'll probably need a mix of debt financing and cash capital contributions from the owners.



If you anticipate expanding to accommodate future growth, does the location you're eyeing provide that option?



Who is on your team?

You're going to need a lot of help to bring your plan for a new surgery center to fruition. Carefully consider the selection of individuals and teams with whom you contract to fill project needs. These service providers may include:

- Architect
- Management firm
- Engineer
- Attorney
- Managed care contract negotiator
- Recruiter
- Marketer
- Website developer

A poor choice of one or more of these service providers may result in serious ramifications. These could include project delays, failed surveys and inspections, poor contracts, and overstaffing.

What is your desired location?

This can be an easy or challenging question to answer, depending upon your circumstances. Do all the new surgery center's owners practice out of the same building? If so, it may make sense to explore developing the ASC in, or attached to, that building. If that's not an option, or you're bringing together owners from multiple practices, you will need to decide whether to build a new facility or move into a remodeled space.

Both options have their pros and cons; weigh them carefully. Do you desire full control over construction of the building and its floor plan? Are you prepared to cover the additional costs (e.g., permits, foundation, connecting water, sewer, and electricity) associated with constructing a building from scratch? Is there an existing space you could remodel and open faster than building a ground-up facility? Will the potential savings of remodeling eventually be offset by building repairs and upgrades? While it may seem counterintuitive, the cost of remodeling an existing space can surpass that of new construction.

What do you envision for the ASC?

The building of a new surgery center can take many months up to a few years. That's why planning should consider not only physicians' current case mix but their future volume projections.

For example, if your ASC will perform orthopedic procedures, are total joints on the horizon? If so, you will need larger operating rooms and additional storage space. If your physicians plan to eventually perform higher acuity cases, will you have the means to accommodate overnight stays (state permitting)? If you anticipate expanding to accommodate future growth, does the location you're eyeing provide that option?

In the excitement of planning your ASC for today, don't overlook the potential needs of your ASC for tomorrow. Be careful not to overbuild "just in case." There's a fine balance between building for what you need when you open and what you will need to grow.

New Surgery Center Pitfalls to Avoid

We've already touched on some of the issues to watch for when planning a new surgery center. Here are a few other pitfalls to avoid:

Don't make rash decisions. It's natural to want to break ground as soon as possible to move the project toward completion. But racing to build your new ASC could result in failure to provide appropriate attention to important matters. It's better for a project to take longer if it means taking time to make educated decisions.

Don't neglect project management. Building an ASC requires oversight and coordination of numerous moving parts. This adds up to a lot of time and energy. You and your partners may desire significant involvement in managing your new surgery center project. However, juggling it and a busy practice will likely prove quite difficult. Securing adequate, knowledgeable project support will help ensure nothing is overlooked or rushed.

Don't underestimate the paperwork. You're going to need to provide documentation to many organizations throughout the development of your ASC. This includes your state's department of health, the Centers for Medicare and Medicaid Services, and an accreditation organization. The paperwork can be cumbersome and complex, and you will need to appropriately time its submission to keep your project on track.

Don't wait to begin staff recruitment. Competition for suitable surgery center employees is high across the country. Recruiting and onboarding the staff needed for the first day your ASC is open will take time. Poor management in this area could leave you shorthanded, potentially forcing you to delay opening or slowing case migration.

Final Key Takeaway

One closing thought. I cannot overstate the importance of involving the right people in the building of your new surgery center. Individuals and organizations who are knowledgeable about what makes ASCs successful can help keep your project on schedule and on budget. Choose wisely!

Preparing for an ASC Accreditation Survey

By: KIRK LAGONEGRO - DIRECTOR, OPERATIONS

They walk in the door without an appointment. Staff immediately know they are not patients or family members. Within minutes, word has spread throughout your facility – your center is about to undergo an ASC accreditation survey.

Surveys are a fact of life in the ASC industry. Whether they are performed by surveyors from the Centers for Medicare and Medicaid Services (CMS), your state's department of health, or an accreditation organization, doing well on surveys is critical to your ASC's success. Poor survey performance can jeopardize your licensure, Medicare certification, and/or accreditation. Lose any of these and you are looking at a loss of insurance contracts and patients.

More importantly, poor survey results may indicate shortcomings that have the potential to jeopardize patient and staff safety. ASC accreditation survey requirements, while they may feel cumbersome, are designed to help support the delivery of safe, high-quality care. By meeting them, you demonstrate a commitment to the wellbeing of everyone served by your ASC.

While your ASC should always strive to meet requirements (more on this later), survey preparation is a worthwhile exercise. Preparation can help shore up deficiencies and ultimately improve survey performance – a win-win combination.

ASC Accreditation Survey Areas of Focus

Here are some areas to focus on prior to an ASC accreditation survey to help improve your likelihood of success.

Policies and procedures. Carefully review your ASC's policies and procedures. Make sure staff are adhering to them as written. If any policies are outdated, update them. If you have added new policies and/or procedures but lack written documentation, create it. Physician credentialing. Ensure your physicians are credentialed and their files include all required

– and current – documentation. Each physician has numerous documents with expiration dates that differ from physician to physician and document to document. Without careful monitoring, it's likely one or more of these documents will expire. Expect a surveyor will catch any such lapse.

Personnel records. Keep employee files current and complete. Documents in these files should include job description, competency assessments, training records, performance evaluations and I-9s (used to verify identity and employment authorization).

Decontamination area. Surveyors are paying greater attention to compliance with rules governing sterile processing areas. Under scrutiny is cleaning, disinfection and sterilization of scopes, and separation of clean and sterile processes. Make sure staff follow your policies and procedures and can explain how they adhere to guidelines and manufacturers' instructions.

Infection prevention. While infection prevention has always been an area of focus for surveyors, it's receiving even more attention these days. Work with your infection preventionist to ensure staff understand and are following proper processes. For example, if your procedure manual indicates "bonnets over the ears," then make sure everyone has bonnets over their ears.

Emergency preparedness. Another area likely to face increased surveyor scrutiny during your ASC accreditation survey is emergency preparedness. This issue is in the spotlight thanks, in part, to the CMS Emergency Preparedness requirements that took effect in November 2016. Ensure your ASC has performed its required fire and other emergency/disaster drills and completed the appropriate accompanying documentation.

The basics. Regularly walk around your ASC and look for anything that seems out of place or could jeopardize compliance. Perhaps there's a cart in the hallway when it should be in a closet. Maybe someone borrowed a policy and procedure binder and did not put it back. Identifying who made the mistake and using the experience as a teaching opportunity helps prevent recurrence of errors.



Encourage staff to speak up when they identify potential compliance concerns.



Perform a visual inspection of your restricted areas, checking for cleanliness. Conduct a “white glove test” on doors, screens, and operating room lights.

Staff preparation. Surveyors will inevitably ask your staff questions during their visit. Prepare your staff for this experience. Ask them questions you think a surveyor might ask. These questions can cover topics such as job responsibilities, policies and procedures, location of equipment, and emergency response.

While staff should be able to answer many such questions, they may not know all the answers. And that’s okay. Rather than make up a response that may be incorrect, instruct staff that’s it’s acceptable to say they do not know an answer but know where they can find it.

Maintain an ASC Accreditation Survey Mentality

Surveys tend to be infrequent events. This is no excuse for allowing compliance to falter in between surveys. Your staff should approach every day as if an ASC survey may take place.

Here are some quick tips to achieve this mentality:

Quiz staff. Keep staff on their toes by asking them surveyor-type questions. If someone doesn’t know an answer, you may have identified an area for additional education and/or training.

Conduct mock surveys. Periodically conduct mock ASC accreditation surveys. A member of your leadership team can fill the role of a surveyor, walking around the ASC and assessing performance. You can also bring in an outside, trained consultant to simulate the survey experience and identify compliance gaps.

Engage staff. Encourage staff to speak up when they identify potential compliance concerns. Treat these moments as learning opportunities rather than punitive incidents.

Don’t wait to educate. If you change a process, educate staff on the revision as soon as possible. Remember to update affected policies and procedures as well.

Working to keep compliance on the front of staff’s minds can help your ASC better meet requirements and ensure a consistently high level of care.

Securing Payer Contracts for Your De Novo ASC – It’s About Time!

By: DAN CONNOLLY - VP, PAYER RELATIONS & CONTRACTING

Does anything matter more to your de novo ASC’s long term operational success than reimbursement rates and volume? Yes! While both reimbursement and volume are important, buying yourself the time required to secure credentialing, carefully negotiate reimbursement rates, and execute contracts with your key commercial payers is integral to your new facility’s success.



hey say, “Time is money.” In this scenario, that translates into securing adequate capital to cover operating costs while you accomplish crucial contracting tasks on behalf of your ASC.

Assessing Your Needs

Consider the following when assessing the cash reserves, line of credit, and time your de novo ASC will need during the payer contracting ramp-up stage of your development project.

Payer Credentialing

Credentialing for the newly developed ASC will take time. Credentialing requirements vary by payer. Some payers may require your new facility to receive approval from Medicare of its enrollment application prior to accepting your ASC’s credentialing application. To complete Medicare’s enrollment application, your ASC must perform several “test” cases. The current requirement is 10 cases. These cases will involve coverage from insurers other than Medicare and charity care. It not only takes time to perform these cases, it also takes time to select them from your surgeons’ patient pool of cash pay, workers’ compensation, auto, or charity cases that are readily available for surgical care shortly after your ASC opens. Completing this portion of the process can take several days to several weeks.

Some payers may require your ASC to be certified by Medicare and/or accredited by one of the CMS-approved accreditation organizations prior to completing credentialing. Once your new ASC’s Medicare enrollment application is approved, your facility will be placed on Medicare’s unannounced survey calendar. This means a surveyor may show-up anytime in a 90-day window for the on-site certification survey. Then, once the certification survey is finished, it may take several more weeks for the parties to exchange and/or process documentation before Medicare issues your certification letter. The certification letter provides your ASC with its Medicare number and Provider Transaction Access Number (PTAN). This portion of the process can take several months and must be accounted for in your project timeline. Finally, once your ASC meets all the credentialing documentation requirements mandated by payers, it may

take several more weeks for their credentialing committees to review and approve your credentialing application. Even if all goes well with credentialing, contracts cannot be executed before reimbursement is negotiated and each payer loads each agreement into its claims processing system.

Reimbursement Negotiations

Negotiating reimbursement rates take time. It will take time to obtain optimal reimbursement – or rates that are close to what you need – because payers often attempt to pay new ASCs lower than existing ASCs. This may be because payers view new ASCs as low hanging fruit on the cost-savings tree. Payers see an opportunity to save money by proposing lower reimbursement which, unfortunately, is quickly accepted by some new cash hungry ASCs.

From a short-term perspective, it may appear to make sense for a new ASC to accept the proposed low rates to secure payer contracts which then allows them to quickly start seeing commercial patients. However, in the grand scheme of things, the ASC is not solving a problem – it’s just delaying a problem. Such a situation gives rise to artificially setting market rates which takes additional time and effort to resolve during subsequent renegotiations.

It takes time and effort to secure reasonable reimbursement. It may take your new ASC a few to several months to negotiate agreeable reimbursement and contract terms with all its major payers. While some negotiation efforts can begin before the facility opens, most payers will not take new ASCs seriously until they open their doors. Maybe that’s because, until your doors are open, an opportunity cost to the payer and its members does not exist.

Executing Contracts

Waiting for payers to load the contracts you negotiate takes time. It generally takes 30-45 days, depending on the payer and the time of year, but occasionally it can take well over two-months. Oftentimes, the only thing your ASC can do during this stage is hurry up and wait. Therefore, the time spent in this portion of the process must be accounted for as well.

Gathering Resources

Having access to adequate capital to meet your ASC’s operating costs for 6-12 months after you open may be necessary to buy the time you need to secure your payer contracts. This is an important consideration when selecting a lender and applying for a line of credit for your de novo ASC.

No one can say exactly how long it will take. However, you should be financially prepared to spend a significant amount of time in the payer contracting ramp-up period. There is no way to get around this often-lengthy time investment, but laying the proper reimbursement foundation is a key component of your de novo ASC’s long-term success.

Revenue Cycle Management Processes: Establishing a Status Quo and Incorporating Input from New Employees

By: CAROL CILUFFO - VP, REVENUE CYCLE MANAGEMENT

It's Monday morning and one of your **billing office employees walks in with a bizarre patient statement. To make matters even worse, your employee's work on the statement does not reflect your office's revenue cycle management processes. Where did this statement come from? How long have your employees employed this process? Where did the communication go wrong?**



Perhaps your organization is in growth mode and new staff began implementing experiences and practices from their previous employers. Their understanding of the best way to proceed may not align with your company's established revenue cycle management processes. Additional education or retraining is necessary.

Perhaps it's time to re-evaluate your processes to assess if they still meet your business needs. If you're not auditing your current protocols, how do you really know they are effective?

Consider the following practices to ensure successful communication is being delivered to your billing office employees. These suggestions will also ensure your processes remain relevant and effective.

Create, implement, and adhere to a robust onboarding process. This helps managers and trainers provide each new employee with the same foundation. A key onboarding element is spending time in other departments to gain an understanding of how each department contributes to the process. If you don't have a well-defined new employee onboarding process, you need one. The orientation period is the most important opportunity to position new employees for success.

Hold educational boot camps when issues arise. It may be much easier to hold short 15-minute topic-specific meetings to address identified issues, than a 30 minute or an hour-long meeting designed to cover multiple topics. This tactic will allow you to be very detailed in reviewing and educating your team about the specific processes or issues in question. Addressing one topic per meeting leads to a greater chance your team will adopt your revenue cycle management processes. Addressing multiple topics in the same meeting may cause the team to

become overwhelmed and lose direction, not knowing what to tackle first.

Review your policy and procedure manual. Engage your team members in revamping or creating revenue cycle management processes. Allow them to review existing policies to determine if they are still relevant. Retraining and education naturally occur through this type of employee engagement -- a win-win for your team.

Allow employees to cross-train or shadow in different departments. Confusion often occurs when multiple departments are part of a process. Allowing employees to cross-train or shadow in departments other than their own will help them understand the process in its entirety. Once they have a clear understanding of the entire process, they are better equipped to problem-solve in areas they can control to help their colleagues. Time spent cross-training or shadowing also allows employees to establish relationships and team build with one another.

Audit, and then audit some more. Audits don't have to be cumbersome. A high-level review can reveal where you need to focus your attention. The issues you discover may apply to only one employee and may not be departmental problems.

Bottom line: don't bury your head in the sand and hope for the best. When adding new team members, training, education, and communication are your best shots for success to ensure their understanding and continuous use of current, relevant revenue cycle management processes. Allowing new team members to suggest alternate ways of proceeding is a bonus for the organization. Their fresh perspective may lead to improvement of established or outdated processes.



ASC Marketing and Sales: Keeping Up in an Evolving Industry

By: TRISTA SANDOVAL - VP, BUSINESS DEVELOPMENT & PHYSICIAN RELATIONS

Marketing your business isn't easy. Having a comprehensive marketing strategy is especially important in dynamic markets where change is the norm. In health care, and especially in the ASC industry, effective leaders tend to focus on concrete operational and administrative items that keep the doors open for business. Surgery centers often operate with a precise number of staff designed to support the current client base. An all hands-on deck culture leaves limited time to consider, let alone implement, a robust ASC marketing and sales strategy. Some stakeholders may argue a robust ASC marketing and sales strategy is not vital – after all, physician practices drive business to the site of care. While this is true, environments change. Those who are committed to tactics that have worked well in the past may soon find they have been left behind.

What is an effective way to go about marketing an ASC? Here are some strategies to consider.

Selling – Manipulation v. Persuasion

It is said, “Any successful business sells well.” What does that mean exactly and how does it apply to surgery centers? As an administrator in a health care entity, it may be difficult to imagine yourself selling as one does, let's say, in a retail store. When we think of health care in a typical clinical environment, we picture sick patients, caring providers, medical equipment, medicines, and other related items. It can be difficult to imagine selling in the health care arena. In fact, it almost feels wrong – perhaps because most health care isn't elective. However, I would venture to say this is true only if you consider the old school perception of selling. What do I mean? The old mindset of selling embodies characteristics

of manipulation which, by definition, entails, “artful, unfair, or insidious means.” There is a much stronger ethical consideration in health care than in many other industries. Artful, unfair, and insidious means go against the ethics of medical practice.

Shifts towards globalization and mainstream use of technology have allowed for greater sharing of consumer insights. Consumers in turn have become more savvy. Selling now focuses more on persuasion. Persuasion means to move by “argument, entreaty, or expostulation to a belief, position or course of action.” Selling deals with intent, purpose, and an end goal. If the end goal is to rip people off, then, yes, selling feels terrible. That is manipulation. However, health care leaders can expect to feel something different when their selling mindset moves toward persuasion.

The Norwegian word for sell is “selje,” which directly translates to, “to serve.” As a business operator, if you believe you are there to serve the marketplace, customers will find ways to buy your services because you are serving them. With this shift in perspective, selling becomes more palatable for our surgery centers, right?

Understand Your Customer

The best way to attract customers – new patients or physicians – is to understand your prospects. Health care providers ask leading questions to understand the root cause of a health problem. The same practice holds true with your customers.

Let's say you want to recruit a spine surgeon who just moved into your market. What are your next steps?

How about a visit to the surgeon's practice, bringing his or her favorite lunch and dessert, to entice the surgeon to stick around while you rave about how great your surgery center is

for his/her cases? This represents the old way of selling. And many physician recruiters would feel good about this method because you walked in with intent, purpose, and an end goal. But you would be doing yourself, the physician, and the surgery center a huge disservice if you didn't take the time to understand the real needs of the physician. The favorite lunch and dessert will only satisfy for a short while. The positive statements in favor of the surgery center will only maintain impact until the physician experiences a negative event that doesn't measure up to these claims. Even though this sales approach may provide immediate success, it is wiser to invest more effort in understanding the physician's needs.

Taking time to get to know the physician and asking the right questions will create and sustain a longer-term relationship with them, which should be the real end goal. Another reason to ask the right questions is to assist customers articulate their needs. Your exercise may help get them to a place where they feel better about taking a step forward with you. Conversely, you may encounter a physician who has his or her defenses up because they have run into someone who sold, manipulated, and ripped them off in the past.

How can you engage physician recruitment prospects in deeper conversations about their needs? Here are some examples of focused questions to get you started in better understanding your customer.

- "You just moved into the area. Where would you like to see your practice go in the next 3-5-years?" or "What are your goals for you and your practice in the next 3-5 years?"
- "What are current patient demographics? Are there additional cases or services you would like to perform?"
- "Are there special equipment needs for your cases?"
- "Have you worked in an ASC before?" If yes, "What are some of the best or worst things that have shaped your ASC experiences? What things do you wish you could have changed? What things have you enjoyed?"

To accurately gauge if you are asking the right questions, determine if you are simply selling to your customer or truly servicing them. Servicing your customer entails understanding their needs first, rather than presenting to them what you think they want.

When you ask better questions of your customer, you get better responses about pain points and aspects your customer expects from your service. These answers can help you pinpoint how your ASC stands out from competitors. Sometimes your ASC is a better site of care for a physician; sometimes it's not. Not being able to serve every client's needs is okay. Develop your strategy, then focus on servicing your clients if it makes sense for you, your staff, and the business. Avoid being stagnant. Communication about your customers' needs allows you to uncover hidden opportunities for business growth which can yield untapped profit.

Understand Preferred Communication Channels

Once you obtain the answers you need from your customers, work to understand how your customers want to receive information and communication. Do they prefer phone calls, texts, emails, or paper communication? Do preferences change depending on the content? Identify when it is appropriate to

send out a mass form of communication to all clients and when to communicate with clients on an individual basis. When you communicate with clients one-on-one, tailor your messaging and communication channel to fit their communication preferences. The best way to find out is to ask!

Making Every Sale Count

The last tip in marketing your surgery center is to make every sale count. Air Force veteran and "sales whisperer" Wes Schaeffer claims, "To make any sale, you must make every sale." He goes on to explain: "Suppose you are going on a date. You would brush your teeth, dress up nice, approach with a smile, and perhaps pay for dinner. All these little gestures are viewed as little sales along the way, contributing to a larger sale".

The same holds true for your surgery center. Some of the little sales to consider as part of your larger ASC marketing and sales strategy are:

- Is your pre-registration pamphlet easy for patients to read and understand?
- Can patients easily navigate your website? Is your website enticing to patients? Do they get a good feel for the care they will receive at your facility?
- Do patients receive any form of communication prior to their procedure to ensure they are ready?
- Do front desk personnel warmly greet patients and/or friends and family when they arrive?
- Do your nurses and providers explain all necessary steps and set up expectations throughout each patient's episode of care?

This is just an example of some of the mini-sales opportunities that occur when providing service to patients. There are many more touchpoints in the patient journey. Each of these touchpoints allow an opportunity to complete a mini-sale.

What works for your surgery center today, may not work for your surgery center tomorrow. Opportunities to improve customer experience occur with technology updates and patron preferences. The customer experience should be monitored, updated, and modified over time. The best way to identify the quality of your customers' experiences is through patient satisfaction surveys and online reviews. Identifying how your customers navigate through your supply chain, including all the mini-sales touchpoints, lends itself to better customer experiences and opportunities to retain customers.

Effective ASC Marketing and Sales Drive Business


ASC marketing and sales requires an unceasing commitment. Customer needs are your number one priority in providing services, whether that customer is a physician or patient. Ensure you address those needs in your strategic plan.

Effective ASC marketing and sales expresses your story. Never forget, your sales pitch should reveal your passion – to provide the highest quality service to consumers. As every consumer and every industry is different, so too is every business and every sales pitch. When you embrace the unique direction your customer base is encouraging you to move in, customer loyalty and unique service offerings will drive your business growth.

Running a Successful ASC Convalescent Center

By: JENNIFER ARELLANO - DIRECTOR, OPERATIONS

When our ASC opened in late 2014, we had more to celebrate than a new surgery center. We also toasted the opening of our new ASC convalescent center.

 ocated in the same building, the ASC convalescent center (also referred to as our “recovery center”) allows our surgeons to perform more complex procedures in the ASC that require an overnight stay. These include total knee, hip, and shoulder replacements as well as spine procedures such as anterior cervical fusions and posterior fusions. Upon completion of these procedures in our ASC, we move these patients to the convalescent center. There they recover up to 72 hours under the supervision of at least two medical professionals. A registered nurse, always present, is joined by either a certified nurse aide or medical assistant. Together, they provide personalized care and attention. Meals are served and visitors are welcomed most of the day.

Without the ASC convalescent center, our surgeons would have to perform these procedures in a hospital. Thanks to the recovery center, more patients can take advantage of our high-quality, low-cost surgical care. Our ASC benefits by capturing more surgical volume. In 2017, more than 400 patients stayed in our convalescent center. In the fourth quarter of 2017 alone, more than 130 patients remained in the recovery center overnight.



Marketing the convalescent center can help attract new physicians. It can also motivate patients to speak with their surgeons about undergoing a procedure at the ASC and staying at the recovery center.



While the growth is exciting, what’s even more gratifying is the feedback we receive from our recovery center patients. They rave about it on our patient satisfaction survey. One of the questions we ask is: “Would you recommend this facility to friends and family?” Not only will they circle yes, they usually add a comment along the lines of “I would absolutely recommend the Orthopaedic and Spine Center.” That tells me we’re doing something right.

Recommendations for Developing a Convalescent Center

Here are some of the key factors that contribute to ongoing success with an ASC convalescent center.

Careful patient selection. The ability to send patients to the recovery center does not lower our ASC’s standards for patient selection criteria. Patients must be in generally good health. Those with an American Society of Anesthesiologists physical status classification of III or IV are better suited for the hospital. We do not risk patient safety solely to increase volume. Surgeons inform the ASC when they want a patient kept overnight and how long they anticipate the patient staying.

Involved anesthesiologists. Our anesthesiologists are critical to selection and management of convalescent center patients. One of the reasons patients stay is because their procedures are more extensive. This usually brings a greater level of pain following the surgery, which must be managed appropriately. Anesthesiologists are always part of the surgery planning process, ensuring these patients are appropriate for admission and their pain levels addressed throughout their stay. They discuss the different options for anesthesia with patients. They play a vital role in our efforts to use pain pumps to help reduce patient reliance on narcotics.

Appropriate reimbursement. Reimbursement for procedures requiring an overnight stay can be tricky. Not all insurance companies pay for services provided in a convalescent center. When this is the case, the reimbursement for the procedure itself must cover the ASC’s expenses and those associated with the recovery center as well as a reasonable profit margin. By taking the time to conduct a thorough cost-benefit analysis and understanding fully the expenses associated with running the convalescent center, we armed ourselves with data that has assisted with payor contract negotiations.

Focus on compliance. A convalescent center receives regulatory scrutiny just like an ASC. Compliance shortcomings can jeopardize the ability to keep a recovery center open. Make sure you understand and follow state rules for operating an ASC convalescent center. For us, that includes a license,



entrance, waiting room, and medical records system separate from the ASC. Although a hallway connects our ASC to our convalescent center, patients are still discharged from the ASC before they are admitted to the recovery center. Following these processes helps keep both facilities in compliance.

Supportive physicians. We are fortunate our physicians embrace the recovery center model. They are able to bring more high acuity cases to the ASC, explaining to patients beforehand the value of staying in our convalescent center. We return the favor by working to provide our physicians and their patients with a great surgical recovery experience. Maintaining the support of our physicians is essential to our growth.

Quick Tips for Getting Started with a Convalescent Center

While it's great to have the option of providing extended care for patients, running a convalescent center isn't for every ASC. Here are a few quick tips to follow before you move ahead with opening your own recovery facility:

Know your state's rules. Only some states allow an ASC to operate a convalescent center.

If your state has an active ASC association, reach out. They may be able to answer questions about state rules for recovery centers. Lean on your local health department for information as well.

Make sure you have commitment from physicians to bring enough overnight cases to justify the convalescent center. Without this commitment, you run the risk of opening a recovery center that will cost your ASC and its owners money rather than help generate revenue.

Speak with your payors about your plans. Gauge their willingness to cover the more complex procedures requiring overnight stays at a fair rate.

Opening an ASC convalescent center does not guarantee its success. You will need to encourage your surgeons to schedule these complex cases, when appropriate, at the ASC. Marketing the convalescent center can help attract new physicians. It can also motivate patients to speak with their surgeons about undergoing a procedure at the ASC and staying at the recovery center. When word spreads, you may even attract patients from outside of your market. As we have experienced, the hard work that goes into building and growing a recovery program is truly rewarding.



WANT TO KNOW MORE? CONTACT...

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