

HEAD: Two Key Issues for ASCs: An Interview With Rob Carrera

After all these years, physician-driven surgery centers still have to battle to survive in the healthcare marketplace. Currently, there are two key issues ASCs have to be concerned about, says Robert Carrera, the President of PINNACLE III, a provider of consulting and management services to surgical centers through both equity and non-equity models.

First, he says, is the need, on both sides of the equation, for hospital partnership." We are really seeing hospital-physician joint ventures heat up," says Mr. Carrera. "Hospitals are assessing how they can use outpatient surgery to grow their market share in other areas. I think the savvy ones have realized that they have to partner with physicians to survive."

As CMS has added more challenges for physician-driven ASCs to overcome, hospitals are also seeing partnership as "an opportunity to bring physicians in from the cold ... instead of reacting to physicians' going out on their own, which often ends up costing twice as much down the road than it would have been to partner in the first place," says Mr. Carrera.

PINNACLE III specializes in services to physician-driven surgery centers in the areas of hospital joint-ventures, turnarounds and hospital outpatient strategies.

"Ideally, we come in early in the situation, either on behalf of the hospital or the physicians, and help them define their approach," he says. "We perform feasibility studies and do market research, and help them craft the relationship between the hospital and the surgeons, because surgery is still the strongest area to develop that relationship over the long-term — the question we focus on is where the operation will be in five to 10 years, not how to get the biggest bang for the buck next year."

They other key to succeeding in the current ASC market is the age-old problem of getting paid; how you handle coding, billing and collections, especially with the new payment system changes,

"There are a large number of facilities struggling with accounts receivable as it is and the changes to the Outpatient Prospective Payment System are only going to make that more acute," says Mr. Carrera. "We offer a centralized billing service, which works particularly great for facilities in areas with fewer resources to choose from. It's hard to find people with expert experience, especially in new centers, and sometimes, it's better to outsource."

As an example, he cites an ASC that PINNACLE III was able to help cut A/R days by 33 percent and to help increase the percentage of successful collections on top of that.

"And that's simply from diligence, having the expertise and knowing what to look for, ," says Mr. Carrera. "Cash flow improves drastically when accounts receivable days decrease. From an operations standpoint, that in itself can be the difference between paying out healthy distributions and barely paying the bills."

