4 strategies to reach spine program profitability

Written by Heather Punke | Wednesday, 17 June 2015 00:00

At the 13th Annual Spine, Orthopedic and Pain Management-Driven ASC Conference + The Future of Spine in Chicago June 11, three spine surgeons discussed some barriers spine programs face and some strategies they’ve used to overcome them.

The panel included Adam Lipson, MD, a board-certified neurosurgeon with IGEA Brain & Spine; Stephen Hochschuler, MD, the co-founder of Texas Back Institute and chairman of Texas Back Institute Holdings; and Khawar Siddique, MD, MBA, CEO of Beverly Hills Spine Surgery, and was moderated by Molly Gamble, the editor-in-chief of Becker's Hospital Review.

The three panelists listed several barriers spine programs face in terms of staying profitable, including aggressive hospitals, decreasing reimbursement and pricing issues with insurers.

Despite the numerous profitability challenges facing spine programs, it is not impossible to make money. "With $2 [trillion] to $3 trillion in play, if you can't figure out how to make money, you're not very smart," quipped Dr. Hochschuler. However, he then added that "how to do it ethically, morally and legally with benefit of the patient" is more difficult.

He, and the other panelists, shared the following suggestions on how to do so:

- Don’t be afraid to ask for advice. Physicians generally aren’t taught business principles in medical school, as the curriculum teaches them technical skills and how to take care of patients. Dr. Lipson recommended learning on the job and bringing in management consultants or outside auditors to understand the numbers. “[You] can’t do everything well,” he said. “Recognize where you’re weak and take action.”
- Engage the people you work with. Dr. Siddique recommended giving employees and managers at a spine-focused ASC some financial incentive or a bonus based on how they perform on certain measures, like infection rates or case counts, to get the best out of them.
- Dr. Hochschuler agreed with this tactic, recommending an employee stock option plan to ensure that employees "all own part of the rock" and are invested in the business doing well.
- Know how to position the surgery center. "Resist making it a ‘come one, come all’ type of entity," Dr. Siddique said. Instead, he recommended targeting a certain type of consumer and sticking with that strategy.
- Market the practice. Dr. Hochschuler called marketing a key to profitability.
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