

POINT *of* VIEW



■ TRENDS

Selecting an EMR System

Selecting an electronic medical records system will be the most significant technology decision any facility will make this year. There is a wide variety of EMRs available for medical practices, surgical centers and surgical hospitals. Having hundreds of choices gives you the ability to get an EMR that will meet your needs yet also makes the decision a challenging one.

Don't be fooled into thinking that with so many choices you will find the perfect EMR. It does not exist and most likely never will. Every EMR has strengths and weaknesses, and your job is to try to match up the strengths with your needs while minimizing the impact of the weaknesses. Keep in mind, this is a tool to aid you in your clinical efforts and not an answer to poor clinical practices. If anything, it will point out your weaknesses as you go through the evaluation process. Be willing to address these before implementing a system.

When beginning your search for an EMR the best approach an administrator or doctor can take is to put together a short list of successful EMR companies. There are so many companies out there that can do a nice demo but then you

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■ FROM THE CEO

Nueterra Healthcare Adds Value Every Day



Many investors in surgery centers and physician-owned hospitals that do not have a corporate partner think they can develop and run a profitable center on their own. But the fact is that about two-thirds of facilities without a corporate partner are not profitable.

How does a corporate partner add value and increase a surgical facility's profitability? Here's a look at some of the value-added services that Nueterra provided to its facilities during 2009.

Driving Growth

Nueterra's Growth Initiatives team, launched in 2008, expanded its role last

year to help facilities offer more service lines and better manage sales activity. In addition, quarterly health awareness clinics were developed for use at all Nueterra facilities. Additional service lines will be implemented this year, and facilities will be provided with financial, clinical, operational and sales/marketing strategies for increasing business within each product line.

Health Care Reform

Nueterra is actively engaged, and provides opportunities for investors to be engaged,

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■ PLANNING & STRATEGY

Nueterra Surgical Facilities: A Cut Above the Rest



In November, all 25 Nueterra facilities that use CTQ's automated patient satisfaction survey, including both surgery centers and hospitals, generated a combined average score that exceeded the national average on every key performance indicator including the two loyalty indicators: confidence in care and recommend the facility. Nueterra was the only company to achieve this level of excellence in 2009.

Nueterra facilities also saw a significant increase in 12 different measures that comprise the survey's "people" category, which recognizes excellence on the part of everyone who has direct patient contact.

David Ayers, president of Nueterra's Surgical Facilities Division, said the company's consistently strong performance

across the country reflects its commitment to providing patients with quality, affordable surgical services in a patient-centered environment.

"We've been saying for some time that physician-owned facilities are part of the health care reform solution because they provide patients with a quality, convenient and comfortable alternative for receiving the care they need," Ayers said. "Nueterra is pleased to be a leader in the industry and will always be committed to our patients."

This latest recognition follows CTQ's announcement in October that three Nueterra facilities—Marysville Surgical Center in Ohio, and Manhattan Surgical Hospital and Ridgewood Surgery Center in Kansas—received the coveted Apex

Quality Award, which is only given to the highest performing health care facilities and recognizes providers for their excellence in patient satisfaction and loyalty attributes. Only 22 winners nationwide received the award in 2009.

Nueterra CEO, John Schario, expressed appreciation to Nueterra staff. "Patient satisfaction is a key driver of our continued success. But we can only reach this level of excellence through the never-ending commitment of each of you to our patients... and to each other. Working together as a tight-knit team focused on delivering quality health care services every day, we will continue to drive each of our facilities, and Nueterra as a whole, to even greater success and recognition." ■

Selecting an EMR System cont. from page 1




find out they have only installed six systems. You may fall in love with the interface or some feature only later to realize there is a long list of items that are missing or coming in the “next release” just around the corner. If you put together a list of proven EMR companies with client implementation references, you will save yourself much time during the evaluation process.

Get some help in your evaluation. Many practices and surgical facilities are so busy doing procedures that they just don't have time to do a good evaluation of the EMR software providers. Get the help of your management company, if you have one or an outside consultant to aid you in the process. The larger management companies have spent thousands of dollars in research and clinical criteria development tools that enable them to make a much more informed decision as it relates to features and functions that will be required. Seeking these recommendations can drastically reduce the time and cost required to select a system and provider. When seeking an outside consultant, make sure they are not directly connected to a software provider and are free to recommend the proper system and not just the one they are selling. Develop a joint plan on what the consultant can

provide to you from their experience and what methods they will use to uncover your specific needs.

Another selection criterion may include where your new system will be located. Many providers now offer both an on-site installation and a hosted model. The on-site installations require putting servers (computers running the EMR software) in your location and making sure you have someone to maintain them. Selecting the support provider enters into this decision almost as much as what EMR system you choose. The EMR system will become the most critical computer system in your facility and making sure it is up-and-running will be paramount. A hosted system offers the benefit of having the server located at an alternate facility. This alleviates the need to make sure the data is backed up in a compliant manner as all of this is handled by the hosting provider. Once again, your management company or consultant should be able to provide you some good options and recommendations based on your specific needs and support capabilities.

For most, pricing is a very important factor when making this long-term decision. Traditionally there has been a large upfront cost associated with purchasing an EMR. These costs are made up of more than just the software but also include the computer hardware like servers, desktops and tablets, training, travel expenses and additional IT support. Many EMR companies have creative pricing plans that can make implementing an EMR possible at even smaller medical facilities. Look for pricing mechanisms that fit your needs. Many of these companies can create a plan that will make it work both financially and functionally.

As a facility looks to implement an EMR, staff must remember that it is a large task. It is a change in the way you do your clinical practice and will require diligent effort from all parties to make it a success. The single most important factor is getting the buy-in from your staff and physicians. Involving everyone in the evaluation process can make this more likely and acceptable. 

Nueterra Healthcare Adds Value Every Day

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in the legislative process at the federal and state level. Through its participation in the ASC Association and the newly formed ASC Advocacy Committee, Nueterra is working to keep ASCs from being impacted by the significant cuts planned for Medicare and reduce the impact of health reform provisions on the productivity adjustment and cost reports for ASCs.

In terms of physician-owned hospitals, Nueterra has been aggressively working to defeat, or postpone, the planned restrictions on the growth of physician-owned hospitals.


Increasing Reimbursement

One of the most critical services Nueterra provides is ongoing reimbursement support. Nueterra has developed a proprietary system of contract analysis, which allows for better modeling and projections of the impact of contracting efforts. In 2009, Nueterra's Reimbursement team negotiated dozens of contracts that generated significant additional annual net revenue compared to 2008. The Reimbursement team also evaluated and retained out-of-network status for facilities where accepting managed care contracts, which resulted in significant savings.

Clinical Services

Clinical services support was especially important in 2009 because of the major regulatory changes that occurred. Nueterra's clinical services team served on a special AORN task force to review changes related to survey and infection control guidelines, and develop recommendations to CMS for implementation. The Operations Design team, which includes clinical services, completed a thorough review of current Nueterra facility practice and policy to ensure compliance with the extensive changes.

Supply Chain

In 2009, the Nueterra Supply Chain team developed, implemented and monitored a formalized Supply Value Analysis initiative. The initiative uses facility-specific SVA teams that review supplies used at their facility and then look for savings opportunities through product standardization, utilization reduction or lower priced alternatives. 

■ PLANNING & STRATEGY

Physician-Owned Hospitals Not Impacting Community Hospital Financial Performance

Data recently released by the American Hospital Association shows that community hospitals continued to see growth in operating and net revenues in 2008, despite the growth of physician-owned hospitals. This data is further proof that physician-owned hospitals do not hurt community hospitals.

Community hospitals had a combined profit of \$17 billion in 2008, despite a \$4.5 billion loss on investments. During the past 15 years, operating revenue has grown on average 6.1 percent annually. In 2007 and 2008 it grew 6 and 6.4 percent, respectively, with a total operating revenue in 2008 of \$648 billion. Even accounting for the recent investment losses, hospitals showed growth in net revenue for a total of \$643 billion, a 2.8 percent growth from 2007. In addition, community hospitals experienced increased admissions in 2008.

Other highlights of the AHA report show that in 2008 community hospitals had:

- an increase of more than 400,000 in admissions, growing to more than 35 million
- an increase in inpatient days of more than 1.5 million to more than 196 million
- an increase in emergency room visits of 1.8 percent.

Preliminary data for 2009 shows the trend continuing. According to a study by Thomson Reuters, 80 percent of the nation's hospitals were in black in the second quarter of 2009. The average total profit margin for U.S. hospitals hit 8.4 percent in the second quarter of 2009, up from 0.37 percent in the third quarter of 2008. ■

Look for Nueterra at Industry Conferences

Nueterra Healthcare will be managing and participating in a variety of conferences during 2010. If you are planning to attend one of the industry conferences, please stop by and see us at the Nueterra booth.

- American Association of Orthopaedic Executives, May 2-4, Anaheim, Calif.
- Ambulatory Surgery Center Association, May 19-21, San Diego
- Physician Hospitals of America, Sept. 23-25, San Francisco
- Becker Hospitals and Health Systems Improving Profitability and Business and Legal Issues, April 13-14, Chicago
- Pennsylvania Orthopedic Society, May 20-22, Amelia Island, Florida
- Pennsylvania Orthopedic Association, Oct. 28-30, State College, Penn.
- American Physical Therapy Association, June 16-19, Boston

If you know that you will be attending and would like to contact us in advance of a conference, please send an e-mail to info@nueterra.com.

Nueterra Supports Relief Work in Haiti by One5 Foundation

In the aftermath of the devastating 7.0 earthquake that hit Haiti, Nueterra has redoubled its effort to support the One5 Foundation, which was started several years ago by Nueterra founder and Chairman Dan Tasset. For a country still recovering from the damage caused by hurricanes in 2008, this additional natural disaster has been a devastating blow. Medical supplies and medical services continue to be in great need.

Nueterra has long believed in the importance of giving back to the community. That's why Tasset created One5. Even before the earthquake hit on Jan. 12, One5 had been working with orphans in Haiti and Africa to provide medical care, build clinics and hospitals, and provide education to help decrease the risk of mother-to-child transmission of HIV. One5 recently provided 2000 Permethrin-treated mosquito nets to distribute to all ESMI/C3 orphanages in efforts to prevent malaria and dengue.

Once the earthquake hit, Brad Gautney, medical director of One5 Foundation, headed with a team to Haiti to help provide medical and logistical support to the relief efforts. That first team was on the ground within two days after the earthquake, and One5 continues to rotate in multiple medical teams. One5 personnel are actually running



one of the surviving hospitals in Haiti, treating 200-300 patients a day.

One5 has received thousands of dollars in donations, including several matching contributions, but donations of cash and medical supplies are still needed. If you would like to help, you can donate by going to the One5 website, www.one5.org, or by texting One5 to 85944. We sincerely appreciate your financial support to an already beleaguered country as we continue to build hope on a foundation of health during this current disaster. ■

■ CASE STUDY

Outpatient Surgical Center of Ponca City

An existing facility in Ponca City, Okla., was more than 20 years old and being managed by its physician owners, who hadn't seen a distribution in seven years or an employee raise in five. The salaries, wages, benefits and equipment costs were too high compared to industry averages, and fixed expenses were well above the national average for facilities of this size. Many physicians had become disheartened with the return on investment potential given the history of the facility, which resulted in lower case volumes. Some investors were no longer performing cases at the center, so the operating entity needed to be resyndicated to divest physicians who no longer worked at the facility.

With numerous challenges facing the physician owners, they decided to bring in a corporate partner—Nueterra Healthcare. The existing entity was set up as an S Corp. so the existing investors needed to find a way for Nueterra to come in without affecting the S Corp. status and, therefore, the investors' tax classification. Nueterra needed to evaluate wages, benefits and salaries to increase net revenue without significant layoffs of local employees. The company also needed to get existing owners to commit to increasing their case volumes.

Changes implemented by Nueterra quickly resulted in increased profits. Nueterra implemented its proprietary supply value analysis and group purchasing organization strategies, which significantly reduced inventory costs. After conducting a thorough review, Nueterra also moved the facility under its insurance umbrella, resulting in \$16,000 in savings annually, and transferred billing operations to its regional billing office, resulting in a reduction in the average AR days and giving the facility the ability to bill

CASE STUDY

Outpatient Surgical Center of Ponca City Ponca City, Okla.

QUICK FACTS:

- 5,000 sq. ft.
- 2 OR, 1 PR beds
- Resyndication
February 2009

SPECIALTIES:

- Ophthalmology
- Gynecology
- ENT
- Orthopaedic
- General Surgery
- Endoscopy
- Urology
- Podiatry

within 24 hours and collect within 45 days. Finally, Nueterra purchased the interests of non-performing physicians, reconfirmed volume commitment from existing physicians and identified potential new physicians to increase volume.

The changes at the facility resulted in it becoming profitable within a year after resyndication. The center also had a 95 percent patient satisfaction rating in 2009 and an infection rate of less than 2 percent.

“For many years we have not been profitable and a lack of raises affected morale”, said Dr. Ron Kregar. “The quality of Nueterra’s

supervision, guidance and resources has led to a significant improvement in efficiency and morale leading to profitability. This has resulted in improved esprit de corps that has been noticed by patients, staff and physicians.”

The State of Oklahoma started surveying all operational facilities in 2009 and Ponca City passed its state survey, which it would undoubtedly have failed without Nueterra’s operational expertise. Physician owners received their first distribution in seven years in 2009, nine months ahead of schedule. In addition, employees received their first raise in five years.

Dr. Terrence Boring, chairman of the Board of Managers, said, “Our affiliation with Nueterra saved our outpatient surgery center from almost certain closure. Now we are on our way to financial recovery with a sound business footing. We surgeons are able to do what we do best—provide outstanding patient care—while Nueterra does what they do best—provide a great management team to run the business side of our organization.”

Now, with Nueterra’s help, the facility will continue to conduct long-term business planning. New goals include further reducing supply costs and increasing case volume. Moving forward, Nueterra has the infrastructure to sustain a competitive advantage throughout the lifecycle of the facility. Nueterra is able to drive quality outcomes while controlling expenses in ways that result in increased patient satisfaction, physician satisfaction, cash flow and profitability. The company’s business lifecycle management can ensure the continued growth of the facility and provide the visionary thinking needed to ensure success into the future. ■



Outpatient Surgical
Center of Ponca City



Read inside and find out how you can stay ahead and take advantage of the newest developments in healthcare.

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Since 1997, Nueterra has been pioneering and developing innovative business models that allow our partners to proactively respond to opportunity.

We're the nation's largest ground-up developer providing development and management solutions for more than 1,200 physicians and 90 surgical and outpatient facilities across the country. We pioneered the idea of physician majority ownership and continue to be the visionaries in developing business models that advance the healthcare community. We have the infrastructure and forward thinking that brings best practices and best care together.

From creating healthcare business ventures to providing capital management assistance and real estate development solutions, we work with a 360-degree perspective that considers every aspect of your unique situation both personally and professionally.

For more information on any of our articles or about Nueterra Healthcare, contact Denise Mayhew at 913-387-0670 or dmayhew@nueterra.com or visit us at www.nueterrahealthcare.com.



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Keeping you in touch with trends and opportunities in the healthcare industry