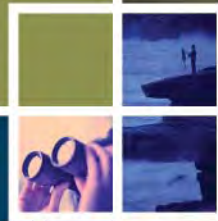


# POINT *of* VIEW



## ■ FROM THE CEO

# Nueterra, Trade Associations Work to Impact Healthcare Reform

One of the valuable services that Nueterra Healthcare brings to each of our facilities is our active involvement in the legislative process at the state and federal levels. Nueterra works daily with major industry associations and independently to protect your interests and your investment.

Earlier this summer, Nueterra executive and physician representatives traveled to Washington, D.C., to participate in separate rounds of legislative meetings coordinated by the ASC Association and the Physician Hospitals of America. These meetings followed earlier, private meetings that Nueterra arranged with staff members for key elected officials.

“For too long, our industry has been inwardly focused while our opponents have developed sophisticated and well-funded lobbying campaigns,” said Nueterra CEO John Schario, who serves on the boards of the ASC Association and the ASC Coalition. “The physician-owned industry needs to rapidly come together to provide funding and grassroots support for the efforts of our trade associations.”

During all of these meetings, Nueterra representatives stressed to elected officials and their staff the important role that physician-owned surgery centers and hospitals fill in the healthcare spectrum. Meeting in the



midst of the national debate on healthcare reform, Nueterra made it clear to everyone in these meetings that physician-owned facilities are healthcare reform ... providing quality, efficient and cost-effective care in an environment preferred by both patients and physicians.

Specifically, the meetings followed two paths: one involved proposed legislation to prevent ASC reimbursement from declining further, the other focused on combating the latest effort to ban physician-owned hospitals.

David Ayers, president of Nueterra’s Surgical Facilities Division and a member of the PHA Board of Directors, said the messages received a cordial reception but no commitments.

“We clearly have a lot more work to do and not a lot of time to do it in if we want to influence the current healthcare reform debate,” Ayers said. He urged everyone associated with physician-owned hospitals to get involved with grassroots efforts to defeat the latest attack.

Nueterra Healthcare has a dedicated Public Affairs Web site that contains a wealth of information on physician ownership as well as links to national and state associations and their grassroots lobbying tools ([www.nueterrahealthcare.com/pa](http://www.nueterrahealthcare.com/pa)). The Web site is maintained by Nueterra’s Public Affairs team, and contact information for the team can also be found there.

As a final indication of Nueterra’s commitment to you and the company’s expertise in the industry, while Nueterra is aggressively working to protect your interests on several fronts, the company is also taking steps to prepare for a new industry dynamic should the proposed hospital legislation pass.

Nueterra Chairman Dan Tasset said, “Since our inception, Nueterra has always been a leader in the development of innovative ways to partner with physicians and that will never change.”

John Schario, CEO,  
Nueterra Healthcare

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## ■ TRENDS

# Strategies for Successful Physician Recruiting

### Getting Started

Hospitals and surgical centers desiring to hire physician(s) should use tactics that effectively manage and grow their strategies, especially in high demand, low-supply specialties. Organizations that are proactive and strategic will be better able to recruit the best physicians, maintain and increase revenue and market share, and increase physician loyalty and participation in quality improvement and care/cost management initiatives.

A formal physician recruitment strategy should be developed and reviewed on an annual basis. This plan should start by having a neutral third party conduct a physician workforce assessment that investigates physicians' perception of the hospital and their ideas on potential opportunities and challenges. It is also important to assess quality, availability of care, and current and future recruitment needs based on physician age and their specialty in order to plan for future shortages.

Review your compensation plan and look at such benefits as salary, salary plus bonus, and/or productivity. It is not uncommon to have an employed physician start out salaried and then over time (perhaps two years) become a partner in the facility, obtaining more benefits and having shares in the organization. Other common incentives include paid relocation, CME, and health/malpractice insurance. Increasingly, relocation allowances, loan forgiveness and signing bonuses are used. A unique benefit might be the assignment of a preceptor for assistance in socializing into the hospital family and culture.

Lastly, try to maintain a consistent physician contracting and compensation program, and review your package to see if you are competitive with the current market. It is costly to maintain individual contracts and inconsistent practices are often cause for a high percentage of physician turnover rates. If a new physician is going to be an employee of the hospital or practice, make sure there is an employee contract in place that spells out all obligations and agreements. This will help prevent issues from arising in the future.

### Physician Recruitment

Start early and prepare for the long-term. You should start hiring for a physician one-to-three years prior to your need. Even better, project future needs three-to-five years out. Have a long-term plan by projecting which physicians might leave the area or retire and assess which specialists might be best to serve your area in the future.

Resumes should be closely reviewed. If there are gaps in their employment history or a candidate moves around a lot, further investigation should be done. Be sure to get the physician's spouse or life partner involved in the hiring process to be sure the candidate's family will feel comfortable in the community and culture. This factor can be very important to the retention of the physician.

Clearly define which community demographics might be attractive to potential candidates. Positive community features include proximity to big-city amenities, low Medicare/Medicaid population, and high-

income areas with high population growth. Other considerations include the area cultural and recreational activities. If there are any negative community attributes, prepare one interviewer to deal with this potential issue. Make sure they are honest but prepared to provide alternatives to overcome any negative attribute.

Know the psychographics. Generation X physicians will have different employment values from Baby Boomer doctors. Items most important to younger physicians now are balance for time for family/personal life, flexible scheduling, up-to-date technology, no or limited on-call requirements, minimal practice management responsibilities, career/income, practice income, long-term income potential and the opportunity to advance professionally. Things to consider when recruiting include utilization of the Web, emphasis on the organization's vision for the future and the availability of job sharing, flexible schedules and part-time positions, and information regarding call schedules.

### Retention

Retention is just as important as recruiting. It will be increasingly important to hold onto the physicians you have because recruiting new physicians will become more difficult in the coming years due to physician shortages. Once a candidate is hired, assign a mentor to them for at least one year in order to help him through the initial transition. And introduce him to other physicians in the community, particularly those in his or her specialty. Plan a detailed orientation program. Make sure he knows which resources are available throughout the organization.

Interview or survey staff physicians to determine what they like about your facility and what they would like to see enhanced. The hospital leadership should regularly review physician relationships, including specifics for each major specialty, with the hospital and make recommendations for future engagement opportunities. Once recommendations are decided, initiatives should be assigned to specific leaders throughout the organization. ■

Kim Krause, group vice president,  
Nueterra Healthcare

## Physician Search Firms

There are a number of respected physician placement search firms to assist hospitals, surgery centers, and practices looking for potential physician employees. Their goal is to help create permanent matches between healthcare organizations and providers. They also provide valuable information to physician recruiters regarding staffing issues, challenges, and trends. Some top industry search firms include:

- Merritt Hawkins & Associates, [www.merrithawkins.com](http://www.merrithawkins.com)
- CHG Healthcare Services, [www.chghealthcare.com](http://www.chghealthcare.com)
- Maxim Healthcare Services, [www.maximhealthcare.com](http://www.maximhealthcare.com)

## ■ PLANNING & STRATEGY

# First Year of Operations: Transitioning from Development to Successful Operations and Steady Financial Management



The long-awaited opening of a new facility can be an exciting time. Although it is cause for celebration, it is also a time for transition and proper fiscal management. Keeping tabs on the following items will go a long way toward financial success of your new facility: meeting (or exceeding) budgeted volumes, managing by the numbers, revenue cycle management, and cash monitoring and forecasting.

Case volume is the primary driver of a facility's success because without proper volumes, a facility can fail no matter how well all the other areas are managed. Meeting targeted volumes by physicians in the first few months of operations is imperative to ensure the facility gets off to a strong start, as it can be difficult to make up for shortfalls later in the year.

It is important for physicians, not only to utilize the new facility immediately after opening, but to actively engage other colleagues as well to ensure everyone is on board. Physicians should work with their schedulers to ensure that all appropriate cases are given the opportunity to be scheduled at the new facility. It is a common occurrence for schedulers to choose the path of least resistance since making the transition to the new facility requires a change in process for them. Therefore, it is imperative that proper communication occurs with the schedulers from the beginning. Investors in the facility should also consider allowing non-investors to have the preferable surgery start times in order to attract and retain non-investor volumes to the facility.

Managing by the numbers means adjusting expenses to case volumes. Certain expenses are variable in nature and some can vary more than others with differences in volumes over time. For example, if no one is watching expenses such as salaries and they are left unflexed to the surgery case volume, the results will be less than ideal. A proactive approach is required, such as utilizing the Nueterra staffing model templates to match the right amount of staff to the number of cases on a daily basis. Salary and benefits are typically the largest single area of expense for a facility as they average 30 to 40 percent of total expenses. Proper control of this cost, along with inventory management and optimum supply utilization, will keep expenses in line and result in the best financial results possible.

Proper revenue cycle management is critical for your facility to meet cash needs and its return on investment goals, which should have been established during the forming of the project. A physician can help facilitate this by timely dictating, so the claim can be coded and billed as quickly as possible. Nueterra will handle the rest of the process to ensure that receivables are turned into cash at the appropriate rate and claims are being paid correctly.

Nueterra also will monitor the facility's cash on a daily basis to ensure there is an adequate amount to meet cash demands and make necessary transfers between the line of credit and the operating account on an as-needed basis. Cash flow forecasts will be continually updated and monitored to ensure targets are realistic, and to identify any potential cash shortfalls early enough to develop and implement a plan to address the potential shortfall. This process also results in the ability to forecast the amount and timing of future distributions based on actual volumes, revenues, and expenses, which should assist the investors with their own personal cash planning.

These are just a few of the most relative steps involved in managing the financial success of an organization. As your partner, Nueterra's involvement should move your facility through the following steps at the most optimum pace: quick volume ramp-up, collecting cash, paying off line of credit, distributing excess cash and celebrating success! ■

Jim Morse, vice president, Finance  
Nueterra Healthcare

## ■ TRENDS

# 10 Questions for Your IT Provider—and Yourself

The first question you might ask as a non-technical professional is, “Can I become ‘IT-savvy’ without years of training?” The short answer is no. But you can learn how to utilize the resources already within your reach to maximize your IT prowess. You can learn to ask the right type of questions, make the best possible decisions and have a strong impact on your facility, all without getting a computer science degree.

### Four Questions to Ask Yourself

Start by reviewing your environment. There are questions you need to ask yourself and your board prior to engaging an IT provider:

**1. What are our current technology needs?** Simply put, start with what you have today. Do you have enough servers, computers, printers, scanners, phones, networking, etc., to effectively run your operations? How old are they? Are they under warranty?

If you haven’t done so already, start by taking an inventory of all of your technology including make, model, serial numbers, service tags and to whom they are assigned. You will also want to track the purchase date and warranty expiration date for all equipment. Luckily, if you don’t have this handy, this can be created fairly quickly. Most computer companies give you the ability to find out a computer’s age and warranty from their Web site.

You will also want to track all of your software. However, there are a few freely available software tools online for this task. Try searching online for Belarc Advisor, a free software tool for building a detailed profile of your installed hardware and software on each system.

Once you survey all of your equipment, evaluate the “health” of your systems. Are they all up-to-date with software patches? Do they have enough memory? Are they all working correctly?

**2. What is our facility’s five-year plan for technology?** Now that you have a sense of where you are today, where are you headed? How often do you plan to upgrade your systems? Did you know

you need to upgrade your systems? Is your facility or its needs expanding in the future?

You should plan to upgrade or replace your computers and servers every 3-5 years. And that’s if they last that long. High-use systems, such as a computer used by the nursing staff every day, might only last 2-3 years.

**3. How much IT support do we use currently and is it enough?** Rather than look at your IT costs first, start with how much time your IT provider spends on-site or working on your systems. When you have an issue, is it resolved quickly? Do you feel like they respond adequately and provide you with appropriate resources? How would you rate the quality of the IT support you receive?

Once you have a sense of service quality, take a look at your expenses. Do you find you’re running out of support hours each month? Or do you pay by the hour/issue? Do you feel like you’re spending more each month but getting less in return? This could be an issue with your provider, but it could also be a sign that you are attacking your issues individually rather than holistically. If all of your systems are five years old, expect your IT support costs to grow monthly.

**4. How much can we “self-support” our IT issues?** Many facilities have a “super user” who is able to solve issues that might typically fall to your IT support company. While this can be a great solution to everyday problems, what happens if that person leaves? And who’s covering their job while they’re fixing technical issues?

There is always a real cost to self-support, even if it is a “sunk cost.” Every moment spent dealing with technical issues is a moment taken away from primary job tasks. Unless you have a portion of someone’s position dedicated to IT support, you should replace the self-support with support from your IT provider.

### Six Questions to Ask Your IT Provider

Now that you have a better sense of your IT infrastructure, it’s time to turn your attention to your IT provider.

**1. Based on our internal review, how well do you believe we are meeting our needs and goals?** Start your conversation with your current or potential IT provider by reviewing your existing systems. Focus on showing your provider how seriously you take this issue and how committed you are to finding the right answers, not whether or not you are technically-savvy. Keep an open and engaged mind and don’t be afraid to ask questions.

**2. What experience do you have supporting ASCs and other medical facilities?** While your provider may have extensive experience with other businesses, there are unique challenges to supporting medical facilities from an IT perspective. For instance, if your provider has little understanding of how HIPAA affects their work for you, you might want to look elsewhere for support.

You want to make sure your provider is equipped to meet your specific needs as an ASC. If it is struggling to resolve your issues, the clock is probably still running. It’s better to pay an experienced tech a higher rate to solve an issue quickly than end up paying your local provider a lower rate for something that will take them much more time overall.

**3. Can you support my applications or just my hardware and operating system?** There is a huge difference between supporting your applications and supporting the servers on which the applications live. When your clinical applications aren’t working correctly, you need a provider who can help you diagnose the problem fully. If they only support “the box” (servers), there’s little chance they can fully resolve your issue without contacting your software provider first — and costing you more money.

## ■ CASE STUDY

# Kansas' Newest Hospital Opens In Great Bend

Great Bend Regional Hospital, the newest hospital in Kansas, opened July 7, 2009 to provide residents in the central part of the state with exciting new options for obtaining healthcare services. The hospital was developed through an expansion of the former Surgical and Diagnostic Center of Great Bend.

The new hospital features 33 beds, private labor and delivery rooms, dedicated pediatric facilities and an emergency room that will be open 24/7 to serve the community. The facility includes 17 private patient rooms, four private labor and delivery suites, four private post-partum rooms, four dedicated pediatric beds and four ICU beds. It was developed as a joint venture between area physicians and Nueterra Healthcare.

“Providing a state-of-the-art hospital for residents of central Kansas has been a dream of mine ever since we opened the Diagnostic Center in 2001,” said Dr. Roger Marshall, chairman of the hospital’s Board of Managers. “As an OB/GYN, I am especially excited to be able to provide expectant mothers and their newborns with a new level of care in our private birthing suites, Level II nursery and dedicated pediatric beds.”

The hospital will also provide patients with the convenience of being able to get all of their healthcare needs in one location



through its full-service laboratory and imaging services.

Daniel Tasset, chairman of Nueterra Healthcare, said the fact that company’s first acute-care hospital is opening in Great Bend has special significance. “We founded Nueterra in Dodge City, Kan., less than 100 miles from Great Bend, with the goal of increasing access to the quality, efficient healthcare services,” Tasset said. “To be able

to bring the level of care that this hospital will offer to residents of central Kansas is very gratifying.”

Great Bend Regional Hospital is located at 514 Cleveland St. More information about the hospital is available at [www.greatbendregionalhospital.com](http://www.greatbendregionalhospital.com).

Brian Levinson, vice president, Marketing  
Nueterra Healthcare

## 10 Questions for Your IT Provider—and Yourself cont. from page 4

**4. How large and experienced is your team?** Let’s face it: Sometimes the best techs in the world don’t have all of the answers. You want to know what resources your provider can call upon to meet your needs. If it is a two-person shop, it may not be available when you need them. But even the largest companies may struggle to meet your needs if they constantly send out new techs to support you. Look for a balance of size and experience that meets your needs.

**5. Who on your team will work with us to define our needs and verify they are met?** Talk with your provider about your need for a “technology

advisor” who can help you to make good technology decisions both now and in the future. Your provider should be willing and able to meet with you annually to review your technology needs and goals, how well it meets your expectations and requirements, and what it can do to improve in the coming year.

Be sure to ask your provider about its service level agreement (SLA). This is the written commitment to you for how quickly and completely it will meet your needs. If you need around-the-clock support with a minimum response time of 30 minutes, your needs should be documented in the SLA.

**6. Can you provide us with three references from ASCs or medical facilities?** Just like with a potential hire, references are a time-consuming yet critical step in your process. While few companies are likely to send you a bad reference, it does happen. Make sure to ask the references how well the provider helped to define and meet their needs. Ask about response times, overall quality of support, and how satisfied they are as a client. Ask also about the provider’s understanding of the specific issues related to medical facilities. ■

Stephen Campbell, COO, Mavacor  
Mavacor, [www.mavacor.com](http://www.mavacor.com), is a leading ASC technology management company



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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](mailto:dmayhew@nueterra.com) or visit us at [www.nueterrahealthcare.com](http://www.nueterrahealthcare.com).

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