Office-Based Interventional Labs: The Trend Is Growing

Christopher LeSar, MD, FACS
Vascular/Endovascular Surgeon
Medical Director/Principle
Vascular Institute of Chattanooga
Chattanooga, Tennessee

The Business of Peripheral Interventions
Disclosures

Speaker’s Bureau:
• Cardiovascular Systems, Inc.
• Phillips

Honorarium:
• None

Consultant:
• Cardiovascular Systems, Inc.
• Phillips
• Cordis/Cardinal Health

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• Vascular Institute of Chattanooga (VIC)

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• None

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• None
The Office-Based Interventional Lab is a Patient Centered, Alternative Care Model that can be the Ultimate Outpatient Experience for routine Vascular Care for both Physician and Patient.
• Can you sense the excitement and passion around a new discovery or technique?

• I have never lost this “lovin feeling”!

• There is always another mountain to climb.
Surgical Technique

• The mainstay operation for the treatment of severe claudication and patients suffering with critical limb ischemia

• Saphenous vein bypass is effective with long term patency
Limits of Surgical Bypass
Endovascular Revolution

Fig 1. Trends in endovascular interventions, major amputation, and lower extremity bypass surgery, 1996-2006. RR, Risk ratio; CI, confidence interval.
Subintimal Dissection and Angioplasty
Lateral Plantar Arterial Reconstruction
Healing Wounds: Two Weeks
Healing Wounds: Four Weeks

- Successful Limb Salvage!
- Note the ATK amputation of the Left Leg.
- Failure equals a Bilateral Amputee.
Timeline: January 2005

CMS approved physicians to perform peripheral vascular interventions in an out-patient facility.
Office-Based Endovascular Suite

Efficient
Safe
Convenient
Financially Sound
Attractive Work Place

Opened 12/2006
CMS approved reimbursement for endovascular interventions performed within an outpatient facility.
Advanced Arterial Therapy

- 218 interventions in 187 patients met inclusion criteria for CLI
- Atherectomy in 63% of patients
- All intra-procedural complications managed during same procedure
- 60 day limb salvage rate 100%
- Total limb salvage rate 96%
Timeline: August 2013

CMS proposed a 51% reimbursement cut for the top CPT codes for non-facilities, affecting multiple specialties.
Timeline: October 2013

A new society was formed.
The Outpatient Endovascular Interventional Society
Timeline: October 2013
Timeline: October 2013

CardioVascular Coalition
Joining Together for Patient Access
The Problem and Solution

- Washington had a limited understanding of PAD and PVI
- Urgent need for representation on the Hill
- Cardiovascular Coalition was Activated
- Grass Roots Advocacy
2014 Final Physicians Fee Schedule

After a five-month review period, CMS announced their decision to 
**postpone reduction of payment** for what they termed “over-valued” office-based surgical procedures, including peripheral atherectomy.

CMS acknowledged that **comments from professional societies, physicians and industry** gave them reason to delay finalizing their proposed policy at this time.
Office-Based Interventional Labs

As of July 2016
Where Do We Stand Today?

• The annual number of Office-Based Procedures are rising.
• 12 million (15%) of the 80 million outpatient procedures are now performed in the office, and the number is expected to grow.
• The number of Office-Based Procedures are expected to increase secondary to changing markets (new OBL’s) and patient demand.
• Reimbursement issues from Medicare and commercial insurances have settled and are becoming commonplace.
• Physicians have enjoyed increased Control, and Revenue
• Patients enjoy Safe, Efficient, Convenient, and Cost Effective Care.
Taking Control of your World
Taking Control of your World

- Define Patient Experience
- Control Lab Environment: Staff, Products, Equipment
- Get Control of my Schedule
Why an Office-Based Interventional Practice?

- **Patient Focused**: They have a better experience! Easy Scheduling, Safe, Continuity of Care with the same friendly staff and environment.

- **Physician Focused**: A customized working environment designed around Efficiency allowing Higher Productivity and Gross Income.

- **Outcomes Focused**: Successful procedures for the patient requires a Skilled Interventionalist with all the Right Tools, you can choose.

- **Cost Effective**: Costs are reduced for the patient, medicare, and private insurance.
How we will be graded: MACRA

MACRA will reward or penalize physicians based on the reporting of measures of quality, cost, practice improvement, and the meaningful use of EHR.
Patient-Friendly Environment

More Private Alcove

Education Room

Practice Improvement Project: MACRA
Patient-Friendly Environment

Design follows Function

Provider Wall
Continuity of Patient Care

Use of Technology to Teach Patients

Integrates with EMR: MACRA
Continuity of Patient Care

Use of Technology to Teach Patients
Integrates with EMR: MACRA

Ultrasound Team
Continuity of Patient Care

Quality Outcomes and Cost Defined: MACRA

See Patients between Cases
Increase Your Productivity

Large Pre-Op and Post-OP

Endovascular 1
Increase Your Productivity

Large Pre-Op and Post-OP

Endovascular 2
Fortifying your Revenue Stream

Procedures performed within the Office Lab are paid as a higher “global” fee including the traditional professional and technical fees.
COST
CONTAINMENT

PROFITABILITY

EFFICIENCY

VOLUME
PROFITABILITY

EFFICIENCY

COST
CONTAINMENT

VOLUME
WHEN
WHY
HOW
Are you **seriously** considering opening a Lab?
Tire Kickers!
There are more Docs **talking** about opening a Lab, rather than doing it!
Doctor Self Assessment – Be Honest

You may be a **Tire Kicker** if . . .

- Risk Adverse
- $$$ Over-Extended
- No Business Sense
- Control Freak
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Understanding Your-Self and Style

- Risk Tolerance
- Financial Bearings
- Business Understanding
- Confident Control
Office-Based Interventional Suite

Former Practice
2/2006 to 10/2015

Management Company
8/2013 to Current
Vascular Institute of Chattanooga

11 Weeks

LAB OPENS
Vascular Institute of Chattanooga

NEW PATIENT OFFICE VISITS

NOV JAN MAR MAY JUL SEP NOV JAN17 MAR17 MAY17
Vascular Institute of Chattanooga

ULTRASOUND SCANS

ULTRASOUND SCANS
Vascular Institute of Chattanooga

OBL GROSS RECEIPTS

- November 2016
- December 2016
- January 2017
- February 2017
- March 2017
- April 2017
Hire Professionals!
Hire / Build your Team!

- Business Coach
- Marketing / Development
- Legal
- Infrastructure / Product Management
- Office Manager
- Physician (Master Level)
Business Model

Independent Model

Ownership Model

Managed Model
Financial Planning and Management

• 5 year pro forma: revenues, costs, profits
• Detailed first-year monthly budget
• Forecast of cash needed to start business
• Secure financing from lender, SBA Loan
• Find broker, business umbrella insurance
• Turn-key accounting system
  • Accounts payable, book-keeping, payroll
Sweat the Small Stuff

Enjoy the Ride!
Physical Plant

• Engage reputable and aggressive real estate broker to support leasing needs
• Identify move-in ready temporary space, or negotiate flexible lease terms for final location
• Design process for permanent space and negotiated tenant improvement allowance
• Handle new account set-up all utilities
Credentialing and Billing

- Medical Malpractice Policies for Physician and Mid-Level Provider
- Credential “new entity” with government payers, and local commercial insurers
- Interview and negotiate contract with outsourced billing company
Technology/Business Support Services

- Negotiate a Managed IT services contract
- Computer/Network: obtain hardware, installation and ongoing support
- Sourced and contracted for a hosted phone system solution
- Implementation of a hosted EHR: PACS, Ultrasound Reporting, EMR, Invasive
All-in-One Data Management System
Never Loose Control of the Process!
Marketing and Development

- Contracting services for direct, on site, marketing and business development
- Creating Referral Physician Database and Market Demographic Tool
- Developing Website and Social Media Campaign
- Launching Didactic Educational Program
Office Lab - Infrastructure

- Capital Equipment: organize Financing, Lease Structure, and Service Contracts
- Identify and purchase all Durable Lab Equipment: Stretchers, IV poles, Chairs
- Contract Organize: Anesthesia Services, O2 Supplier, Radiation Safety Survey
Office Lab – Product Supply Chain

- Contracting operational accounts with Medical Device companies (~30)
- Development of the Ordering, Verification, and Payment process for medical devices
- Defining Policy and Procedure for Drug Handling, Ordering, and Dispensing
Staffing the Clinic / Lab

• Hire short term staff solutions while recruiting permanent team
• Employment Ads, Interview and Hire
• Implement payroll, time/attendance system
• Create Benefits package: health, dental, vision, life and short-term disability insurance, and 401K
Staffing the Clinic / Lab

- Develop comprehensive employee handbook and human resources policies
- Identify and hire onsite office manager: front office, ensure performance outside billing company, general physician support
Don’t Loose site of your Goals!
Population-Based Amputation Rates

For PAD within Hospital Referral Regions
Chattanooga Limb-Preservation Initiative
Landed Successfully
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