

## Why Hiring a Surgery Center Consultant May Not Be the Right Decision

### **Introduction**

When launching your own ambulatory surgery center, it's important to realize that this is a complex, long-term undertaking requiring a unique set of skills, knowledge, and experience in areas as diverse as legal regulations, accreditation, and insurance billing. While a consulting team may be able to provide reasonably priced services for facility planning and set up, the need for expert assistance doesn't end when your center opens for business. In fact, successfully managing the daily operations of your facility will probably be the most challenging aspect of owning a center.

There are several problems associated with using a consultant group to help plan and develop your surgery center, including:

- **Here today, but gone tomorrow**

Consultants can be a good source of information and guidance about how to set up an ambulatory surgery center. However, a roadmap isn't enough. A functioning facility requires the installation of personnel and systems to get the work done, day in and day out. Ongoing issues, such as staffing, accreditation, and contracts with payors and vendors must be addressed with speed and efficiency. Unfortunately, once the center is open and the contractor has departed, the responsibilities of managing day-to-day operations usually falls to an already overworked physician. At that point it becomes apparent that hiring a consultant was a thrifty, short-term solution for a situation that actually requires a long-term commitment and could prove to be more costly in the long term.

- **Overtaxed resources**

Consultant groups typically have a team of one to four people with expertise in various aspects of surgery center development. However, if any member of the team is unavailable due to illness or commitments on other projects, your center's needs can be ignored for days or even weeks at a time. In contrast, a management team like Surgery Center Partners can draw upon its large pool of experienced personnel to quickly resolve urgent matters. Redundancy is built into our system, so we can promptly respond to the operational issues of every facility.

- **Misaligned interests**

Consultants are hired to perform a specific set of assignments and then leave. Their continuing success often requires that they simultaneously attend to the needs of multiple current and prospective clients. And because they have no vested interest in the success of your surgery center one, five, or ten years

after it opens, their planning may fail to address issues with long-term consequences. In contrast, the financial success of our company is directly tied to the well being of our partners' facilities. If your center is thriving, so are we. As a result, we always think about your short- and long-term needs.

- **Increased physician workload**

After the consultant's assignment ends, you will be responsible for running your surgery center. But you should ask yourself if you have the skills, knowledge, and experience required to efficiently manage a center. It's a complex, thankless job that requires expertise in many areas outside a physician's training. While over time you might be able to acquire the necessary capabilities, doing so would involve many hours of your time and perhaps some costly mistakes. Moreover, this is not the best use of your time and talent. The hours you spend managing a center are not spent seeing more patients – and generating more income. After all, the reason for opening your own center was to increase the income you receive on the services you already perform, *not* to add to your workload.

- **Higher costs and less revenue**

Initially, the cost of services offered by a consultant can be very financially attractive. But this lower price tag may prove to be costly in the long term. Surgery Center Partners has the bargaining power of multiple centers, allowing its procurement professionals to obtain favorable pricing through contract negotiations and bulk purchasing discounts. We also have a record of successfully negotiating fee schedules with payors to obtain the highest reimbursement rates for our partners' facilities. Consultants cannot match these supplier discounts and fee schedules, so higher operating costs and lower fees may impact your center's profitability.

## **Conclusion**

Opening your own surgery center is a wise financial decision *if* it increases your income stream without adding to your workload. To realize the benefit of increased passive income, you must make strategic business decisions that provide long-term solutions to the complex challenges of operating your own facility. Otherwise, your center will become a source of additional demands on your time and energy, which is the last thing that any busy physician needs. Plan for the long term. Select a management services partner that will meet your needs today – and far into the future.