

The Hidden Costs of Opening an Ambulatory Surgery Center On Your Own

Introduction

As a practicing physician, you spend long hours caring for patients, conferring with colleagues, and communicating with your staff about patients, personnel, equipment, billing, and scheduling issues. Add in commute time, and your schedule may already lack sufficient time for enjoying your family, friends, and personal interests. Nevertheless, you'd like to earn as much as possible from your efforts.

Owning an ambulatory surgery center can be an excellent way to increase your income, without adding to your workload. Acquiring *passive* income through facility fees is a good business decision. And while it might be tempting to think that you will earn even more if you open a center on your own, without involving a management company, ***there are hidden costs with this approach.***

When considering developing a center on your own, there are some pitfalls you should try to avoid, including:

- **Increased Workload**

Planning, developing, and operating a successful center is a complex undertaking that requires a unique set of skills, knowledge, and experience in areas such as law, finance, real estate, construction, licensing and accreditation, staffing and personnel management, equipment and supply procurement, payor contracts, and billing. Adding to your workload in order to overcome the steep learning curve required to open a center on your own is *not* a good use of your time and talent.

- **Greater Stress**

The right management company can provide you with a turnkey solution that is hassle-free. Allowing an experienced team with all of the required skills and knowledge to plan, develop, open, and manage your center can save you a lot of headaches. Working on your own, you can make costly mistakes that require much of your time and energy to correct. A center should provide increased income, without increasing your stress level.

- **Lower Reimbursements**

Negotiating favorable contracts with payers is critical to obtaining the highest reimbursement rate for the services provided at your center. A team with a thorough understanding of managed care methods, group plan contracts, legal and liability issues, and a record of successful fee schedule

negotiations can be invaluable. Trying to handle these negotiations yourself – or assigning them to someone on your staff – can lower your income stream.

- **Higher Costs**

Obtaining favorable pricing from equipment, supply, and service vendors can yield significant savings that directly impact your bottom line. Procurement professionals working for a management company can obtain favorable pricing through contract negotiations and bulk purchasing discounts. They also can evaluate vendor performance and implement inventory control measures to contain costs without sacrificing service quality.

Conclusion

Business decisions should be made on the basis of obtaining the best possible return on the time and money invested. It's important when opening your own center that you make a wise, long-term decision that takes all factors into account. The benefits of working with a management company that brings valuable services to the partnership can far outweigh the revenue shared. Owning your own center should enhance your lifestyle by giving you greater income and increased control over your time – without headaches and added work. A good partner can make this goal a reality.