

Preface



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Guest Editor

The addition of ancillary services is necessary and critical to an orthopedic group practice's financial success, as well as its ability to control the patients quality of care. As reimbursements from clients continue to decline, the orthopedic group must develop alternative sources of revenue while remaining cognizant of the difficulties associated with doing so.

In the past year, as many as 31 states have proposed legislation aimed at preventing physicians from owning and controlling their own ancillary services. Powerful lobbying groups at federal and state levels have encouraged legislators to pass bills that would, in effect, force all surgical cases to be performed at non-physician-owned hospitals, restrict physician ownership of MRI units, and prevent physicians from owning physical therapy departments. If this happens at federal and state levels, a monopoly in the marketplace will occur, and healthcare costs will dramatically increase.

Only physicians possess the knowledge and capabilities to determine what is optimal care for any patient! By owning and controlling ancillary services, the physician determines who will care for his patient at every treatment level.

This issue of *Orthopedic Clinics* describes what ancillary services are available to the orthopedic

surgeon, but, more importantly, it discusses how and when to determine if a specific ancillary service makes sense for the group practice. Feasibility studies and market analyses are critical aspects of determining if an ancillary service is appropriate for the group practice. The economics of developing an ambulatory surgery center, as well as whether to partner privately or with a hospital system, is discussed. Financing and managing cash flow for the orthopedic group and whether gain sharing is possible in light of the Stark regulations are other topics reviewed. Specific ancillaries, including MRI, physical therapy, occupational medical departments, durable medical supplies and physician-owned IME companies, are discussed in terms of the pros and cons associated with developing each service. The advantages and disadvantages of the electronic medical record and a discussion of the legal issues impacting ancillary services are thoroughly reviewed. The attack on physician ownership that is occurring at federal and state levels by those who wish to control healthcare delivery is discussed, and a summary of how to develop an efficient, profitable orthopedic practice is presented to conclude the issue.

Hopefully, these articles will help educate the orthopedist who is contemplating adding

additional revenue sources to his practice on how to avoid the complications and pitfalls associated with developing these service lines in today's medical environment. It is my hope that we can maintain our private orthopedic surgical practices now and in the future and afford our patients the highest quality of care by controlling how care is delivered, as opposed to someone

else telling us where, how, and by who it is delivered.

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