Contents

Developing & Managing Ambulatory Surgery Centers

- Introduction 1
- Acknowledgements 4

PART ONE 5 Pre-Development 5

- All ASCs are not the Same 6
 - **The Proforma** 7
 - Venture Structure 16
 - The Business Plan 24
 - Key Legal Issues 25
 - **The Letter of Intent** 42
 - The Offering 43
- Syndication and Raising Equity 48
 - **Financing:** 51 **A Lenders Perspective**
 - **Finalize Financing** 55
 - **Real Estate Considerations** 57
 - Facility Design 61
 - **Pre-development Summary** 62

CONTENTS

PART TWO Development	65
The 5 Cardinal Sins of Development	66
Building and Equipping the Facility	70
Governance	75
The Role of Anesthesia	77
The Procedure List	79
Risk Management	80
Insurance Matters	82
Licensing, Accreditation, Waivers and Permits	87
Human Resources	90
What Is HR Management?	93
Business Office System	97
Contracting with Payers and Optimizing Revenue	105
Ancillary Agreements	107
Developing an IT Strategy	109

Website-a Driver of Customer Service 113

Management 115

- Two Models of ASC Management 116
 - The System and People 119
- The 4 Cornerstones of Management 120
 - 1. Patient Care Management 120
 - 2. Business Office Management 129
 - 3. Enterprise Risk Management 132
- 4. Managed Care: Maximizing the Value of Contracts 138

CONTENTS

PART FOUR 145

Lessons from the Healthiest Hospital-Physician Partnerships	146
Effective Leadership: the First Principle	155
What Constitutes Physician Buy-in?	160
Physician Recruitment: the Cornerstone of Business Development	163
Establishing a Joint Replacement Program	166
Measuring Staffing Costs	173
What College Football Teaches about ASCs	178
Magic in the Culture: the Glue that Binds	182
What Disney Teaches about ASC Administrators	185
Effective Bonus Systems	189
Surgery Center Valuation	192
Case Study of an ASC Turnaround	203
Case Selection, OR Utilization and Block Time	210
Managing Physicians: All for One and One for All	217
Coping with Difficult People on the Team	222
It's a People Business: Hiring Good People	230
Financial Statements for Effective Management	232
Implants and Sound Financial Management	243
Accounting, Tax Strategies & Establishing a Sound Dividend Policy	248
Running Effective Board Meetings	252

Conclusion 254

Authors and Contributors 255