

A SELF-DIAGNOSTIC FOR HIGH-PERFORMING ANESTHESIA GROUP LEADERS

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Although the editor, bless her heart, steadfastly refused to let me have a sneak, pre-publication peek at the other articles that appear alongside this one, my educated guess is that each of them purports to give you *answers*.

I know that's why you usually read *Communiqué*. In fact, nearly every one of the hundreds of other articles that I've written falls into the "answer" category.

But what if the authors, me included, don't know you, don't know your group and don't know your particular circumstances? How immediately valuable, then, are those answers?

Often, questions—questions that you ask yourself, about yourself, about your anesthesia group, about your circumstances and about your business—are far more powerful than generalized



answers that are akin to "take two aspirins and call me in the morning" when your right femur is broken.

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Below are some of the important questions that every high-performing anesthesia group leader should be asking themselves. These questions are designed to help you discover whether (you and) your practice's business engine could be running more efficiently, more effectively and more profitably *for you*.

Note that in recommending that you ask these questions, I'm not assuming that you or your business is damaged in any way or that you're not already successful. Rather, I know from decades of experience posing these questions that they drive insight, value and opportunity that can unlock even more results, more peace of mind and more profits for you.

Two points before we start: first, you'll notice that some of the questions seem to be similar, and you'll be right. They come at the same underlying point from slightly different angles to expand your mindset. And, second, you'll notice that the questions are not strictly organized by subject, and you'll be right, again. Some of the questions circle back to a topic to help you shake out your best thinking.

So, here goes:

1. What do you want from your practice's business?
2. What's your optimal ratio of owners to patient-facing non-owners?
3. What's your group's governance structure?
4. If the governance structure includes a Board of Directors or an equivalent:
 - a. How many members sit on the board?
 - b. Does the board involve itself in day-to-day operations or does it permit that responsibility to be exercised by the officers?
5. How much time and effort do you commit to management as opposed to practicing as an anesthesiologist?
6. In addition to time spent managing, how much time and effort do you commit to thinking, strate-

gizing and focusing on ways to improve your group's position, profits and strategic perspective?

7. At how many facilities does your group provide services?
8. At what types of facilities does your group provide services?
 - a. How many of each?
 - b. Have you considered the impact of the ratio?
9. What's your growth strategy (or are you content not to grow)?
10. Do you have a target list of facilities to approach?
11. What's your offer to those facilities?
 - a. How does your offer vary from that of your competitors?
 - b. Is that offer as irresistible as possible?
 - c. What guarantees do you make?
 - d. How do you approach the target facilities?
 - e. How many ways do you make contact with them?
12. Do you respond to requests for proposals (RFPs)?
 - a. Why?
 - b. Why not?
 - c. If so, what do you charge?
 - d. Do you know the average cost incurred to prepare a response?
 - e. What percentage do you "win?"
 - f. Has an RFP "win" ever generated a financial loss?



13. What's your competitive advantage?
 - a. How do you make it known?
14. What objections have been leveled at you by facilities that have rejected your overtures?
 - a. What strategies have you developed to defeat those objections?
15. How have you created an Experience Monopoly™, e.g., a monopoly in terms of the experience that the group provides to its "customers," i.e., hospitals, referring physicians and patients?
16. What annual or other periodic events, seminars and conferences does your group produce and implement each year to distinguish itself from others?
 - a. At each hospital?
 - b. In the community?
 - c. Have you protected the intellectual property generated by those efforts?
17. What's the group's relationship with each facility's CEO?
18. How long has each CEO been in office?
 - a. What's the per-facility turnover rate of CEOs over the past seven years?
19. What's the group's relationship with medical staff leaders?
20. How active are you and your colleagues in medical staff activities and leadership?
21. How often do you meet with each facility's CEO?
22. Do you have a written plan to further cement the group's relationship with each facility and each facility's CEO and other leadership?
23. What's your biggest opportunity for growth and increased profit?
24. Do you have an ongoing process to expand your group's reach to other facilities?
25. Right now, today, how many potential new service sites are in your development queue?
26. How do you incentivize the development of new business?
27. Do you have a written succession plan for your group's leadership?
28. Do you have a written plan to deal with manpower in the event of a facility closure or a drastic reduction in the facility's scope of services?
29. What are your group's recruitment efforts?
 - a. Why would a recruit want to work for/with you?
30. What factors are considered in the hiring decision?
31. How competitive is your group's compensation structure?
32. What does the compensation plan incentivize?
 - a. Is it limited to maximizing production?
 - b. Do you use compensation to maximize conduct and behavior?
33. Does your group receive a stipend from a hospital?
 - a. Are you trying to increase it?
 - b. Are you trying to decrease it?
 - c. Do you have the right to renegotiate stipend support based on defined changes in circumstances?
34. Does your group offer a route to ownership (partnership, shareholder status, etc.)?
 - a. If the answer is "no" and your group is not captive to an investment entity, is that a result of a conscious business decision by the group's leaders? What's behind that decision?
35. What would your group do if a hospital it serves closes? If the hospital drastically cuts back its service lines?
36. Do you have the ability to cut staff in the event that demand for your services drops precipitously?
37. Do you have the ability to jettison facilities if their demand for your services drops precipitously?
38. Do you have the ability to cut services within a hospital if demand drops?
39. Do you have any system-wide exclusive contracts?
 - a. If not, have you sought them?
 - b. If so, do you have the right to jettison hospitals and other facilities in the system if demand for services or profitability drops?
40. If you're the leader of a site for a regional or national group, what plans do you have if the group pulls out or loses the exclusive contract?
 - a. What if the hospital refuses to renew with the regional/national group? What's your plan to re-start on a local basis?
41. How often do you analyze all of your payer agreements, both for reimbursement level and for competitiveness of terms?
42. How many physicians or nurse anesthetists has your group fired in the past five years?
 - a. If the answer is zero, is your group tremendously lucky, or does it put up with actions no normal person would?



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43. When did you last conduct a full-scale anti-kickback audit?
 - a. What tactics did you use in conducting it? Did you use an inside team or an outside team?
44. Do you have a written general compliance plan?
 - a. Is it implemented on an ongoing basis?
45. Do you have a written HIPAA privacy and security compliance plan?
 - a. Is it implemented on an ongoing basis?
46. Do you have a billing compliance plan?
 - a. Is it implemented on an ongoing basis?
47. Do you have general liability insurance in addition to professional liability insurance?
 - a. How recently did you shop the policy in terms of both coverage and price?
48. Do you have cyberliability insurance in addition to professional liability insurance?
 - a. Did you aggressively negotiate it using someone other than the broker who sold it to you?
 - b. How recently did you shop the policy in terms of both coverage and price?
49. Do you have a directors and officers and related business coverage policy?
 - a. Did you aggressively negotiate it using someone other than the broker who sold it to you?
 - b. How recently did you shop the policy in terms of both coverage and price?
50. In connection with your exclusive or even nonexclusive contracts with facilities, have you negotiated for protective covenants?
51. How many formal programs do you have in place to protect and expand the group's relationship with referral sources?
 - a. How often do you evaluate each program's effectiveness?
 - b. How many new programs have you tested over the past 24 months?
52. Do you know the marginal value of each referring physician/person/entity?
53. Do you have an answer to a hospital CEO who asks, "Why you? Why your group?"
 - a. If so, what's the answer?
54. Do you have an overall business development strategy or are you simply tactical?
55. What's your turnover rate with regard to owners/employed physicians/employed CRNAs or other mid-level practitioners/staff?
 - a. Do you know the cost of turnover?
56. Do you have a retention plan?
 - a. Is it implemented?
57. How are you spending your time?
 - a. Is that how it should be spent?
58. If you had one wish from a genie, how would you use it on your practice?
59. What's your long-term strategy for the business?
 - a. Do you see the business continuing forever?
 - b. Do you want to sell the business?
 - c. Do you see it running until a stopping point?
60. In regard to that same strategy:
 - a. What's your one-year goal?
 - b. What's your five-year goal?
 - c. What's your 10-year goal?
 - d. How much farther out do you project strategy?
61. Again, in regard to that same strategy, how are you going to achieve it?



62. Does your group operate any ancillary business lines?
 - a. How many?
 - b. How many more have you considered?
63. Where do you see anesthesiology as a specialty in five years?
64. What's your biggest danger?
65. What's your biggest opportunity?
66. What's your greatest strength?
67. What's your attrition rate by job category?
68. Do you track referrals by source?
69. How do you (absolutely legally, of course) incentivize, promote and strengthen referral relationships?
70. What's the lifetime value of a referral relationship?
71. What's the lifetime value of a facility relationship?
72. How do you (in a legal manner, of course) incentivize, promote and strengthen facility relationships?
73. Do you have an active strategy and consistent tactics to market to new referral sources and facilities?
 - a. How many concurrent strategies and tactics do you deploy?
74. Do you have a system in place to capture, on an ongoing basis, testimonials, endorsements and similar/dissimilar evidence of support?
 - a. How do you use them?
 - b. Is it on an ongoing or sporadic basis?
75. Do you have a system in place to follow up with referral sources and facilities on a regular basis to cement relationships, expand opportunities and avoid missteps?
76. When was the last time that you engaged a "red team" to test the disruption of your business?
77. If you use covenants not to compete, should you?
 - a. If you *don't* use covenants not to compete, should you?
 - b. If covenants not to compete aren't enforceable in your locale, how many alternatives do you have in place?
 - c. Why?
 - d. Why not?
78. Do you know the lifetime value of a patient relationship?
79. Do you know the *postsurgical value* of your patient relationships?
 - a. Do you understand the implications of the question?
80. What marketing efforts do you deploy beyond the walls of the hospital?
81. Do you know the return on investment of each of your marketing/business development efforts?
82. How do you maintain a relationship (note: sending bills is not maintaining a relationship) with patients postsurgery?
 - a. Do you have an active email list?
 - b. How do you utilize it?
 - c. How often?
83. Do you have a website?
84. Does your website provide value to patients, referral sources, facilities and prospects?
 - a. How?
 - b. If not, why not?
85. What actions have you taken to protect your group's intellectual property?
86. What actions have you taken to develop your group's intellectual property?
87. What actions have you taken to license or otherwise exploit your group's intellectual property?
88. What kind of competitor research do you perform?
89. What do your competitors offer that you don't?
 - a. Why do they offer it?
 - b. Why don't you?
90. Does your group provide compensation for leadership work?
 - a. If not, why not?
 - b. If so, is the amount sufficient in light of the size and profitability of the business?

Congratulations!

If you asked yourself, *and then earnestly considered*, even 80 percent of the questions, you're probably ahead of 93 percent of your colleagues in anesthesia group leadership positions.

And instead of just reading someone's answers to generalized problems, you've written answers to issues completely on target with your group's issues, interests and concerns. Or, at the very least, you've been spurred on to ask yourself and your colleagues essential questions that go to the heart of your group's business.

Now, go do something about it. 

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