



Experience. Excellence.



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California Orthopedic Association

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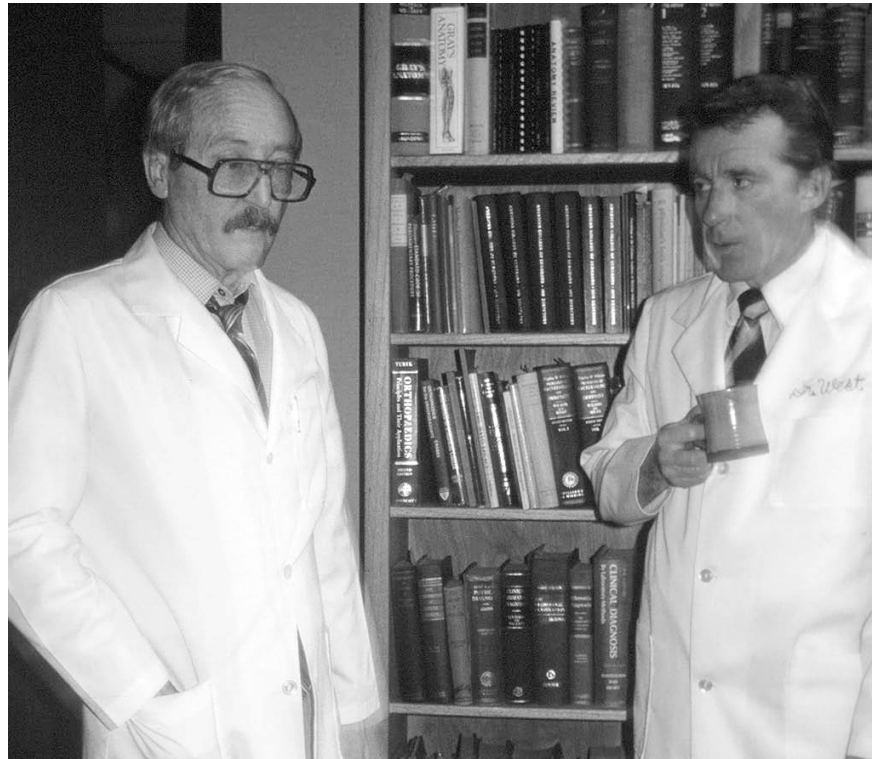
Revitalizing a Dysfunctional Group

RECOGNITION

- Understand why there is dysfunction
- Have the courage to move beyond to create function
- Build on it, for long-term growth and success

Webster's Historical Overview

- Founded in 1939 in Oakland
- Started as a two physician group, grew to five and then remained stagnant for over 40-years.
- In and out of various markets in the East Bay. Unable to grow in all markets due to constant ebb and flow of physicians.
- We were floundering → Dysfunctional



What Created Dysfunction

- Lack of Common Vision
- Lack of Clear Objectives
- Lack of Group Transparency
- Inability to hold each other accountable

Result: Lack of Trust

What created Lack of Trust

We argued about:

- Expense Allocation and Overhead
- Partners focused on themselves, not on the group
- Building ownership
- Investing in infrastructure (such as ancillaries and technology)

Result: When there is lack of trust and constant discussion about overhead, partners fear investment because they don't trust the long-term viability of the organization

NO TRUST → BARRIERS

BARRIERS

Barriers stunted our ability

- To create a SHARED VISION
- To establish CLEAR OBJECTIVES
- To achieve GROUP TRANSPERANCY
- To hold each other ACCOUNTABLE
- To move forward toward COMMON GOALS

RESULT: We had to address the LACK OF TRUST

Moving from Dysfunction to Function

IMPROVE TRUST

- Trust doesn't naturally happen overnight for a group of individuals
- Trust has to be built
- We created a structure that was tangible and visible
- This provided the foundation to take the initial steps to become a functional group

Establish a Foundation

Strengthen Governance

- Physician Contracts
 - Ancillary Distribution
 - Buy-Sell
 - Tough to come in – Tough to go out
 - Slow-down methodologies
- Governance Structure
 - Executive Committee Meetings – increased frequency
 - Shareholder Meetings – incentivized to attend

Improved Physician Recruitment and Retention

- New contract structure allowed us to match the new recruits to the culture we were developing
 - dating process is 2-years
- Easy way to cut our losses if the fit did not match the vision/culture

Shareholder/Partner Responsibilities

- Participate in Monthly Shareholder Meetings to foster Open Democratic Process
- Constructive collaboration
- Transparency of information for a basis of trust
- Move toward → Group Think

Take Financial Risks

Invest in the practice

Technology

- Practice Management Systems and Digital Imaging
- Wide Area Network – interoffice connectivity

Ancillary Revenue Streams

- Physical Therapy, MRI and Surgery Centers
- Invigorated market presence / office locations

Result → Position the group to attract the
physician talent that fit our vision

Create the Vision

- A select few made the decision to be the “WE” in Webster
- The “WE” were the champions for change
- The Vision was created for long-term success

Vision – Lesson Learned

When you create a vision two things will happen

- Those who support the vision will stay
- Those who do not will leave

We experienced both and survived

Sustain the Vision

- Recruiting MD “Fit” is only one element
- The group must foster ongoing communication with all the partners
- The group must deal with conflict - respectfully and swiftly

Invest in Practice Resources

Build a Leadership team that consists of internal and external resources

- CEO/Administrator
- Legal Consultant
- CPA and Financial Support
- Strategic Consultants
- Marketing
- Contracting

CEO/Administrator

- We recognized that each phase required a different CEO focus and skill set
- We hired to match the current initiatives of the group
- We have been fortunate to have several long-term CEO's that partnered well with the Physician Leadership to implement the initiatives around the vision
- Continuity has been one of the keys to our success

General Counsel

- Our historical challenges proved that we needed a legal perspective to keep us on course
- We have outside General Counsel who specializes in healthcare law
- We have benefited from a long-term relationship that has spanned a decade and has provided continuity
- Our General Counsel attends all Shareholder meetings

FINANCIAL

- As the group has grown, the internal and external requirements have necessitated a more focused financial approach
- We now have a CFO in-house
- We contract with a national healthcare CPA Firm to support us
- We recently transitioned to an S-Corp
- The group financial culture is absolute transparency

Strategy

- We invest in annual strategic planning
- We hire external strategists that have a view of Orthopedics across the country
- We have learned that strategic thinking is vital to ensure a global perspective instead of an insular one
- On a regular basis, we invite healthcare leaders to our Shareholder meetings

Marketing

- Our group acknowledged the importance of Marketing
- We were surprised to learn that who we thought we were and how we were perceived in the market - did not match
- We completely reinvented our Brand, our Service Expectations and Market Presence
- Social Media is a major factor in our market

Insurance Contracting

- We are a medical group that did not understand our reimbursements
- Correct Coding and Contracting are now a major emphasis for our group
- We implemented contracting software to analyze our contracts - we now know every dime that is due to Webster - we go after it
- We are able to target silent PPO activity
- We have the knowledge to communicate in an informed manner with the Payers

The route to Long Term Growth

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- Increase transparency and hold each other accountable for achieving the objectives that support your VISION
- Embrace opportunities that allow for growth aligned with your VISION
- Be open to relationships with hospitals
- Continue to expand marketing presence
- Upgrade our facilities to increase efficiencies and improve the patient experience

Hold every employee and physician
accountable for the
promise of service to all patients

Most importantly
listen and respond to your patients

Webster Today

- 15 physicians covering all subspecialties,
- Ancillary providers of 1 NP, 10 PA's
- 80 employees
- Oakland, San Ramon, Pleasanton, Livermore
- Recently added Berkeley and Walnut Creek
- In the coming months we will add????





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www.websterorthopedics.com