

Practice Diversification: A Key to Success

Workers Compensation : Employing An
Occupational Medicine Physician in your Practice

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- Disclosures

- None

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- Orthopaedic Director of US Healthworks Clinics Northern California 1998-2005. Managed 15 Orthopaedic Surgeons working at the clinics
- Orthopaedic Consultant Bay Medical Center
- Orthopaedic Consultant Workforce Medical Clinic
- 14 yrs experience with Workers Comp in Private Practice

Course Objectives

- Review the available strategies for Orthopaedic Surgeons to diversify their practice by increasing Workers Comp exposure.
- Evaluate the value of various Workers Comp scenarios, including the employment of Workers Comp Physicians in your Orthopaedic practice

Workers Compensation

- The first comprehensive workers' compensation law in USA was passed in Wisconsin in 1911.
- Nine other states passed regulations that year, followed by thirty-six others before the decade was out.
- The final state to pass workers' compensation legislation was Mississippi in 1948.

Workers Compensation

- An important component of Orthopaedic/Musculoskeletal Care
- Nearly 3.6 million occupational injuries and illnesses are treated each year in the United States (2006)
- Up to 85 % of Workers Comp cases are musculoskeletal

Workers Compensation

- Variable coverage in Orthopaedics
- Some Orthos see no WC
- Some practices are nearly 100% WC

Workers Comp Nationwide

- 20 percent of General Orthopaedist Practice
- 65 percent of Hand Surgeons Practice
- 90 percent of an IME's practice

WC roles for Orthopaedists

- Work Related Injuries-Treating Physician
 - PTP
 - Consultant

- Medical Legal Evaluations
 - QME
 - AME
 - AOE/COE

Workers Comp

- Adding Workers Comp exposure can :
 - Improve relationships with referral sources
 - Increase surgical volume
 - Improve your practice margins
 - Diversify your practice

Workers Comp

- Adding Workers Comp exposure can :
 - Complicate your practice
 - Stress your employees
 - Stress you
 - Destroy your relationship with referral sources, employees, spouse, etc
 - Diversify your practice

Attraction Of WC

- From residency we learn that, as a group, these patients are not the easiest to deal with.
- However currently there are additional compensation benefits for treating WC patients
- A separate Fee Schedule allows higher reimbursement than Medicare, HMO etc.
- Non contracted Surgicenters still accept WC

Official Medical Fee Schedule (OMFS)

- Frequently revised (decreased)
- CPT based
- Many attempts at reform, lastly in 2004, but attempts are on-going

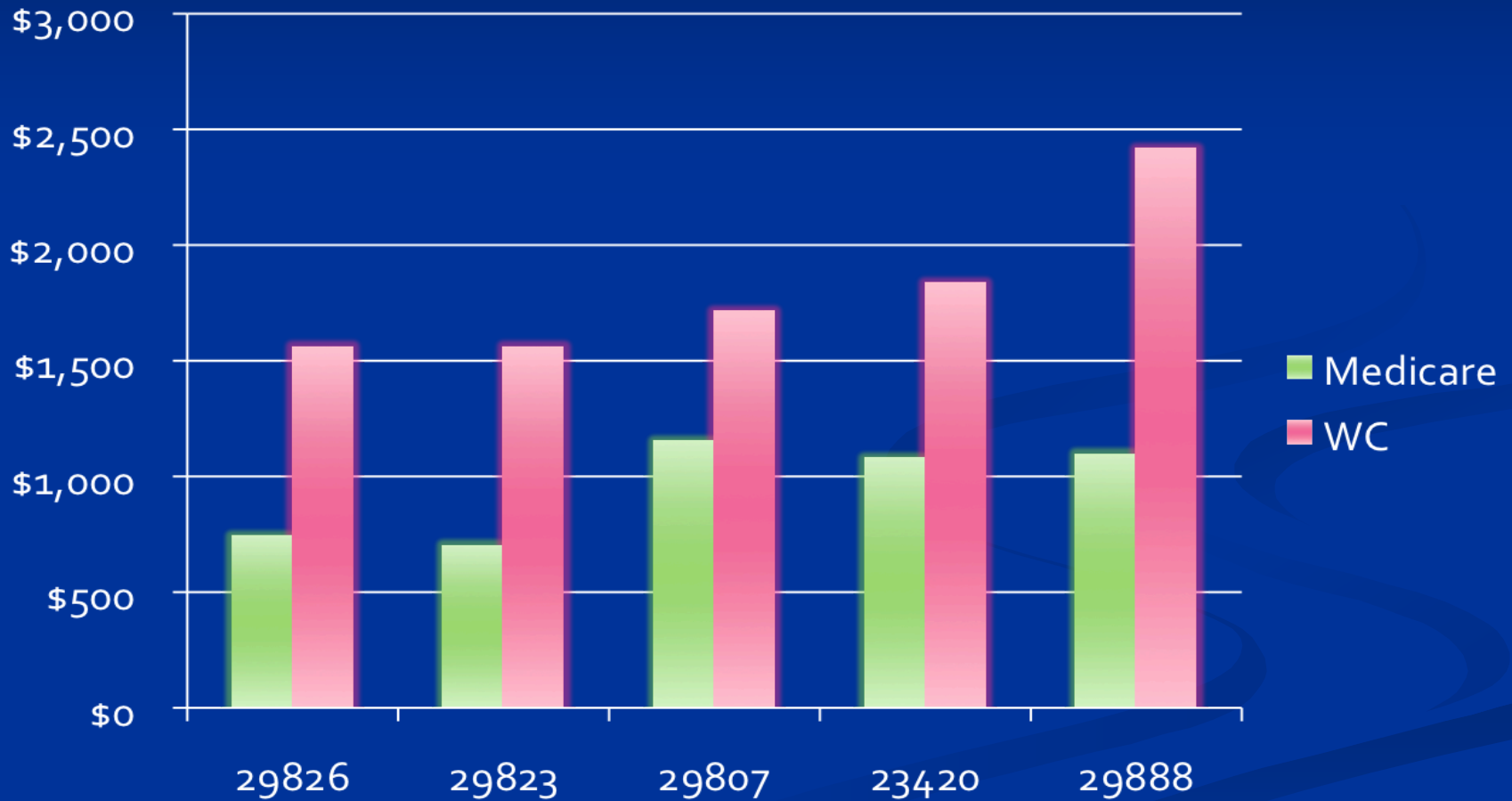
Workers Comp - Fee schedule

- In CA this has been, and currently remains, a separate entity from the RVRBS system (Medicare)
- Other states have converted from State official fee schedules to RVRBS
- Trends from these conversions may be seen in CA

Current Reimbursement

CPT CODE	Medicare	WC
29826	\$742	\$1560
29823	\$699	\$1560
29807	\$1150	\$1713
23420	\$1079	\$1836
29888	\$1096	\$2417
29881	\$719	\$1362

Current Reimbursement



Trends following Conversion to RVRBS –No big surprise

- Decreased specialist reimbursement
- Decreased specialist access

Sources of WC patients

- WC/Occ Med Clinics
- Insurance Company/Adjustor (MPN)
- Employer
- Attorney
- Self referral
- PTP

Strategies to increase WC Exposure

- 1. Increase marketing of your WC practice
- 2. Work part-time (full time?) at a WC/Occ Med Clinic
- 3. Employ an Occ Med Doctor in your practice
- 4. Open an Occ med clinic in or associated with your practice

Strategies to increase WC Exposure

First get on MPNs, then

- 1. Market your practice to:
 - Occ Med Clinics
 - PTPs
 - Employers
 - Insurance Companies
 - Attorneys
 - Other Specialists (Physiatrists, Chiropractors, etc)

Other methods to increase WC Exposure

- 2. Working at Occ Med Clinic
 - Independent contractor
 - Half day /full day/multiple days

Working at Occ Med Clinic

- Clinics/Physicians are of variable quality
- Two major players in the market
- Largely dependent on quality of Occ med doctors and management team
- Can generate a significant number of surgical cases

Occupational Medical Clinics

■ Concentra

- Bought by Humana in December 2010 for \$790 million
- 300 medical centers in 42 states
- \$800 million/yr in revenues

Occupational Medical Clinics

- US Healthworks
 - Raised \$175 million for acquisitions in 2010
 - 130 Medical Centers in 13 states
 - 2000 employees, 350 doctors
 - More prominent in Northern California

Working at an Occupational Medical Clinic

■ Pros

- High volume of Orthopaedic cases
- Secondary referral therefore higher relative volume of surgical cases
- Elective patient appointments and surgeries
- No call obligations
- No management responsibilities of the clinic
- “Decompression” of own staff

Working at an Occupational Medical Clinic

■ Cons

- Significant discount in both clinical and surgical fees. Currently 50-60 percent!
- No control of management/efficiency
- Having to travel to the clinic
- Loss of patient control
- Liability issues ?

3. Adding a WC physician to your office

- Occ Med Physicians tend to be of variable quality.
- Need to be sure of whom you are adding to your practice

Adding a WC physician to your office

- Basic numbers
 - Occ Med doctor \$80-\$120/hr -150-220K/yr
 - PA \$50-70/hr
 - New patient: \$125-\$200
 - Follow-up \$45-\$90

Adding a WC physician to your office

- Most employers/carriers want one stop shopping-clinic model
- They want screenings/physicals/injuries all in one place
- How many referrals would this generate?

Adding a WC physician to your office

- Could work if you have :
 - a large group with heavy WC exposure
 - an “anchor” client
 - No WC Clinics in your area
- Otherwise may be difficult to keep your Occ med doctor busy enough to be worthwhile.
- My opinion: For most Orthopaedic practices, simply adding an Occ Med Doctor to the practice wont work well.

Adding a WC Clinic to your practice

- A lot of work!

Starting/Adding a WC Clinic to your practice

■ Need

- Additional space
- Additional capital
- Additional personnel
- Additional equipment
- Additional certifications
- Additional patience

Starting/Adding a WC Clinic to your practice

- Space/capital etc will depend on the size you plan to become
- Personnel costs high-
 - Occ med MD
 - PA
 - certified employees

Starting/Adding a WC Clinic to your practice

- Need the ability to do
 - Physicals/Screening
 - EKGs
 - Stress tests
 - PFT
 - Blood tests
 - Hearing tests (booth)
 - Drug screens (certified techs)

Starting/Adding a WC Clinic to your practice

■ Benefits

- Higher volume of surgeries
- Added income from the clinic

■ Additional benefits

- PT
- MRI
- Surgicenter
- Referral doctors
- Pharmacy
- Preop H and P's

Starting/Adding a WC Clinic to your practice

- Additional revenue streams
 - Drug Screens
 - Physicals: DMV etc
 - Other specialists –Physiatry, Podiatry
 - Additional procedure-EMGs, Epidurals

Summary

Practice Diversification

- Do you want more WC ???

Summary

- If so, how much can you stand???

Summary

- A little:
 - Market your WC practice more extensively
 - Work part time at a WC clinic
- A lot
 - Simply adding an Occ med doctor to your practice may not work well-depends on your individual practice
 - May need to take the plunge and open a clinic

Summary

- Opening your own WC Clinic will allow the most control of your WC exposure.
- Depending on your situation (larger group, lots of extra space) this may be a relatively simple extension of your practice
- Lots of work but considerable benefits

Summary

- As Orthopaedic Surgeons, we should be able to manage the Musculoskeletal piece of WC better than the large chain clinics that currently dominate the market.

Summary

- Over the last 10-15 years Orthopaedic Surgeons have steadily increased their involvement in all aspects of the Orthopaedic service line. (think surgicenters, Imaging, PT etc)
- This should be our next frontier

Thank You

