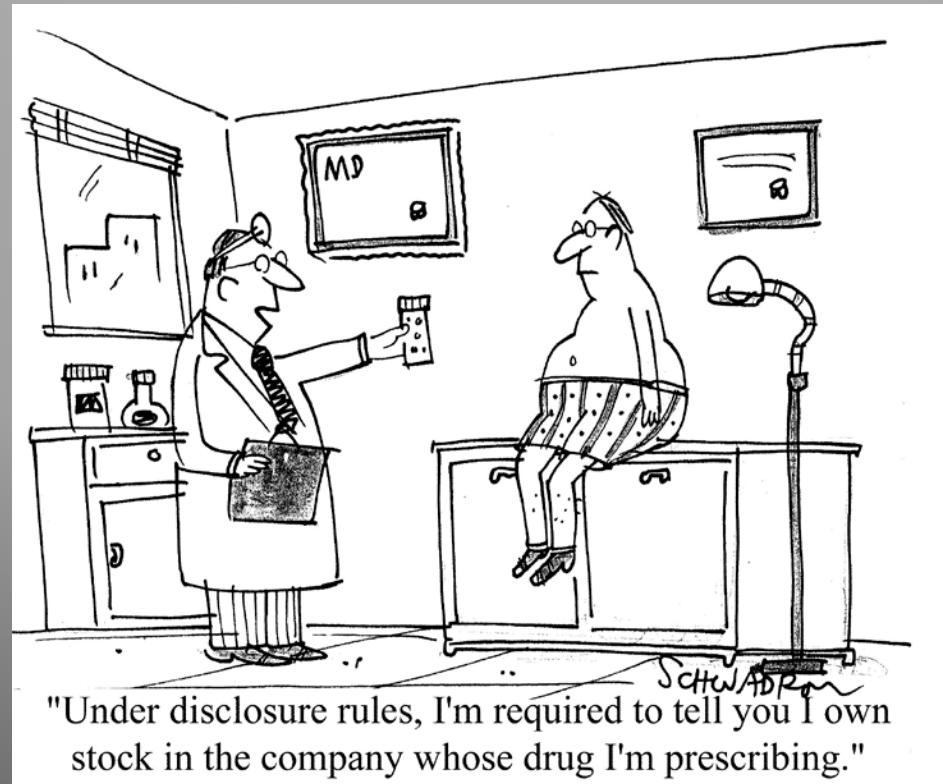


Orthopaedic Surgeons as Independent Contractors

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Disclosures

- ▶ I have nothing to disclose.
- ▶ I wish somebody would put me on some payroll somewhere, but I instead just earn a living by practicing medicine.



Goals of This Presentation

- ▶ Present Options
- ▶ Allay concerns
- ▶ Level The Playing Field



What This Talk Is Not

- ▶ Legal Advice
- ▶ Tax Advice
- ▶ Business Advice
- ▶ Life Advice



Healthcare Changes

- ▶ 10% Legislation
- ▶ 90% Regulation
- ▶ Increased administrative hassle



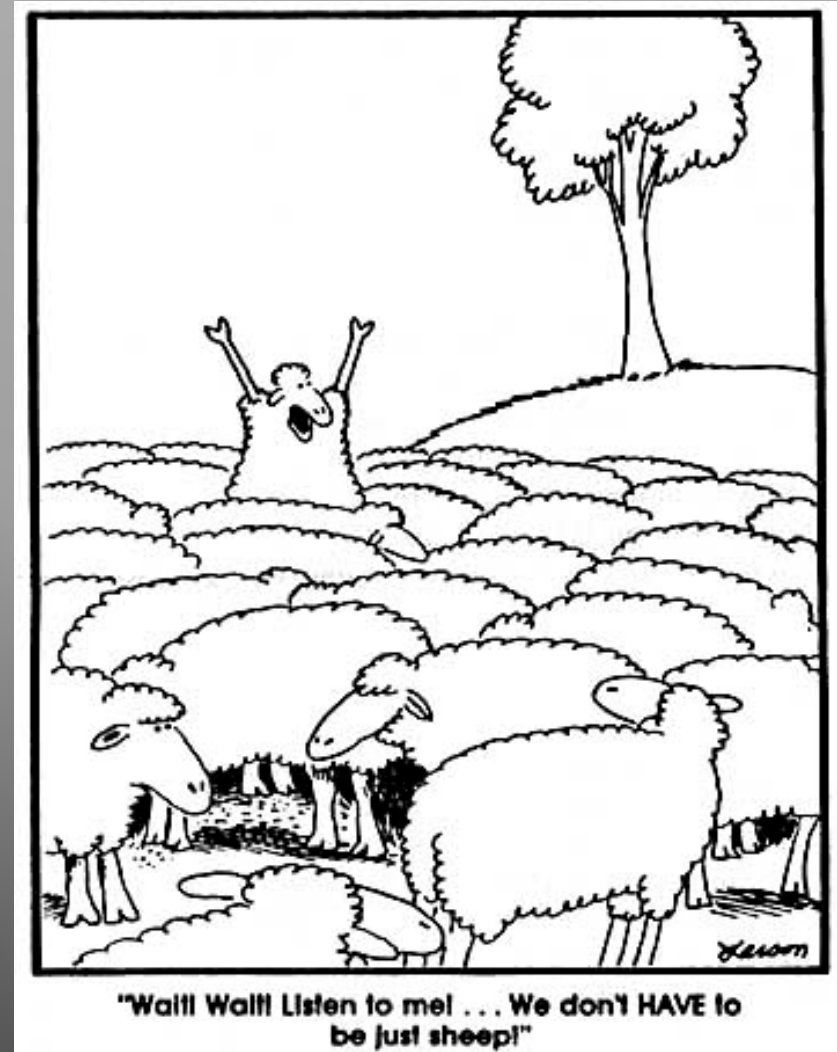
Healthcare Changes

- ▶ No one-size-fits-all
 - Primary care
 - Specialist
- ▶ Need to keep your options open



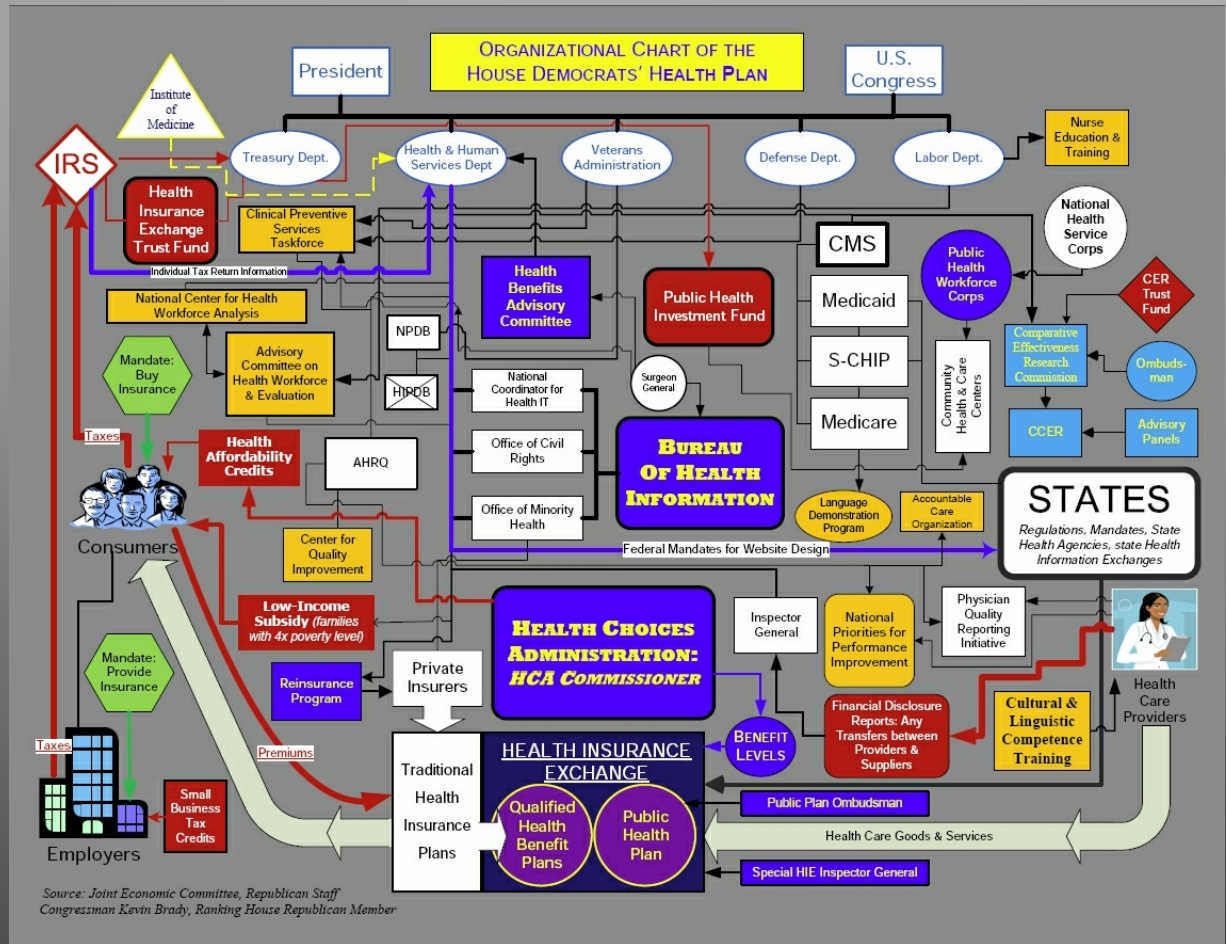
Practice Models (current)

- ▶ Solo / Small group Practice
- ▶ Hospital Employment
- ▶ Multi-Specialty Group



Practice Models (future)

- ▶ ACO
- ▶ Other?????



Diverse Payors

- ▶ Medicare/MediCal
- ▶ PPO/HMO
- ▶ Work Comp
- ▶ Kaiser (closed system)
- ▶ Insurance Exchange



Practicing Medicine

- ▶ Education in the Healing Art
- ▶ State Issued Medical License
- ▶ NPI Number
- ▶ Malpractice Insurance



Independent Contractor

- ▶ Provides Medical Service
- ▶ Not an Employee
- ▶ Not a Partner



Examples – – Acme Orthopedics

- ▶ Established three-person group consisting of:
 - Sports Medicine
 - Total Joint
 - Hand



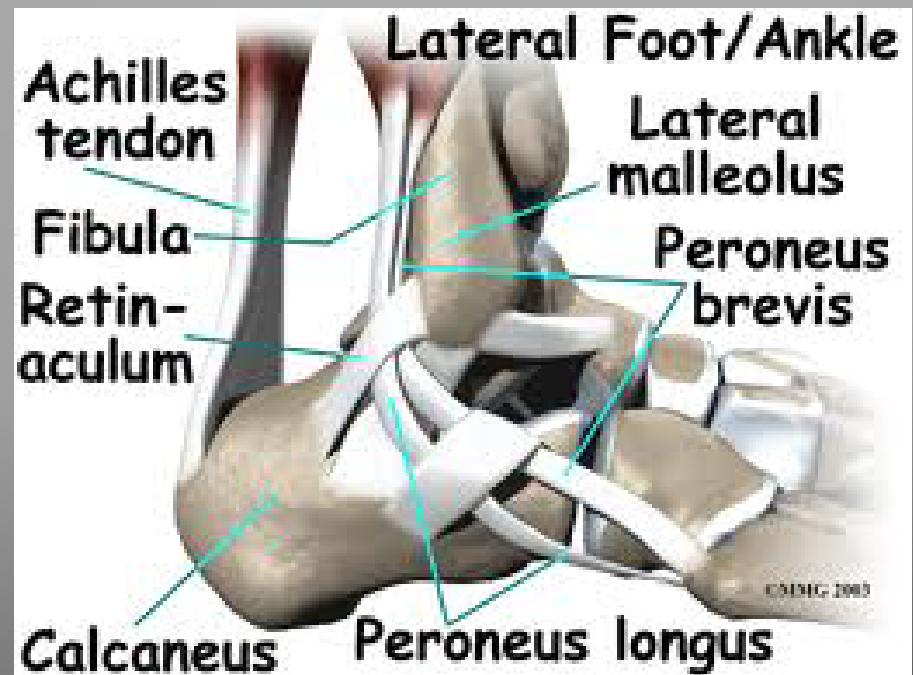
Example – – Acme Orthopedics

- ▶ Sending out their Foot & Ankle Surgery
- ▶ Wish to keep it in house
- ▶ Not enough volume to support another full-time Ortho
- ▶ Solutions?



Example – – Acme Orthopedics

- ▶ Solo Foot Surgeon in next town
- ▶ Comes ½ day/week to see Foot and Ankle patients
- ▶ Ancillaries kept in house
- ▶ Broader Service Line



Example – – Acme Orthopedics

- ▶ Win–Win Situation
- ▶ If and when volume merits, can recruit full time Ortho.



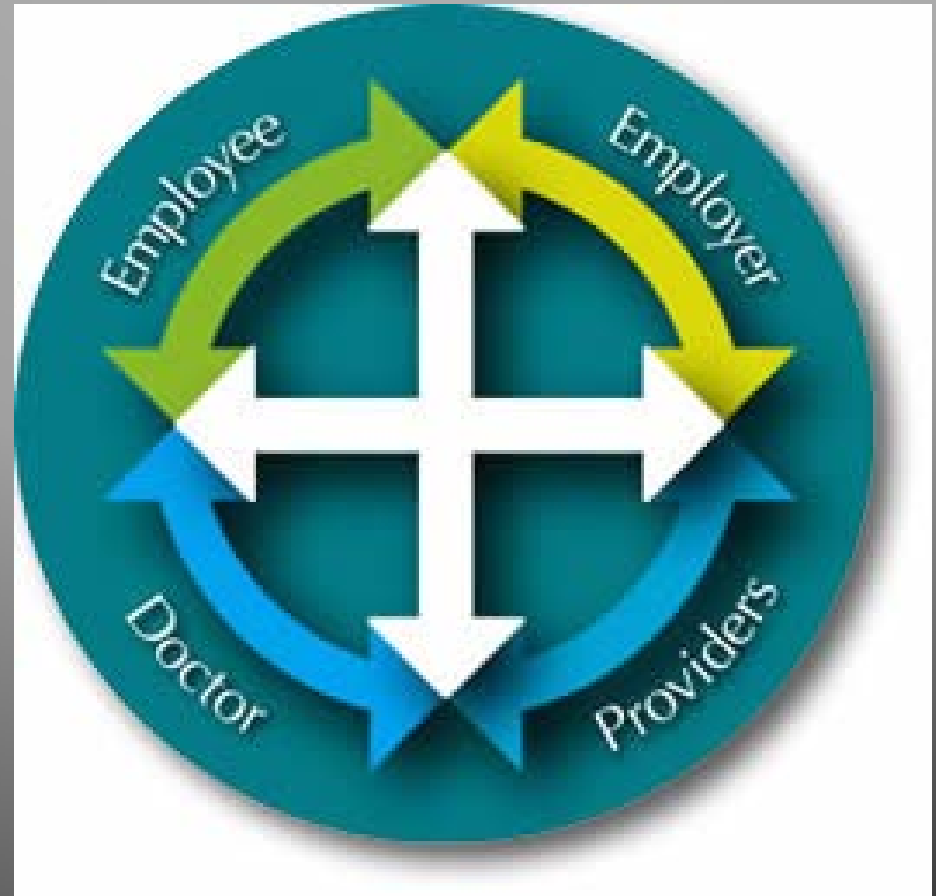
Example – – Dr. Hand

- ▶ Looking to increase volume
- ▶ Looking to offset practice overhead
- ▶ Looking to expand catch area without increasing overhead
- ▶ Options



Example – – Dr. Hand

- ▶ Local Occupational Medicine clinic in need of specialists



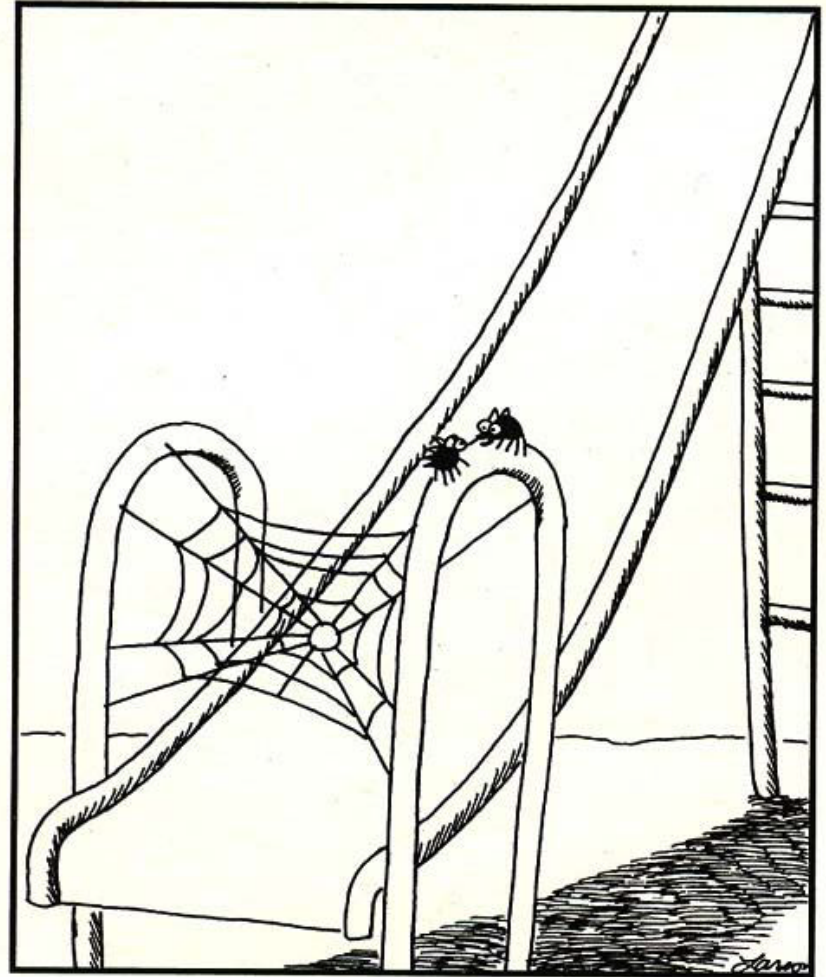
Benefits for Independent Contractor

- ▶ Access to Surgical Volume
- ▶ No administrative overhead
- ▶ Potential to drive ancillaries



Benefits for Group

- ▶ Provide specialty service even when volume is insufficient
- ▶ Kickstart new service lines
- ▶ Keep volume in house
- ▶ Drive ancillaries



“If we pull this off, we’ll eat like kings.”

Typical arrangements

- ▶ Must be fair market value
- ▶ Lower split for E&M and office based
- ▶ Higher split for surgery
- ▶ Ancillaries (Xray, DME, etc.) negotiable



Conclusion

- ▶ Keep options open
- ▶ Keep an open mind
- ▶ Keep a finger on the pulse of changes
- ▶ Keep on keepin' on





"Mr. Osborne, may I be excused? My brain is full!"