

## Medical Practice Trends Podcast 58

### Welcome to Medical Ancillary Trends, with Vivien Hudson and Michael Berg

**Mike:** Hello, this is Mike and Viv, and welcome to the Medical Ancillary Trends podcast, where we help practices stay independent by showing you how to grow revenue, improve practice loyalty, and find new patients utilizing medical ancillaries.

**Viv:** Today, we're going to share with you why it's a good time to consider medical ancillaries, and highlight some of the findings from ProCare's 2015 survey that was conducted with independent physicians. We'll also give you the formula for finding the right ancillaries using the three key things that physicians look out for when considering an ancillary product or service.

Before we do that though, we'd like to tell you a little bit about ourselves. Mike, how about you tell me a bit about your background and how you found yourself in this space?

**Mike:** Viv, I've been in the healthcare space for over a decade. I started out with big pharma, and as a drug rep, I got to know a lot of the independent physicians, and many of them had opened up to me about their struggles in maintaining their independence in the new healthcare economy.

It was their overwhelming frustration that set me on a quest to find solutions for them, which led me into the medical ancillary space about eight years ago. During that time, I found that most independent practices were not taking full advantage of programs that could not only improve their bottom line but also help with their meaningful use scores and provide better objective data so that they could treat their patients better.

How about you, Viv?

**Viv:** In Australia, I was a pharmacist for many, many moons, and I owned my own businesses. It was through that time that I really got to understand what it was like to be a health professional and running a business as well, because I don't know about medical school here in the U.S., but they certainly don't tack on an MBA when you're doing your degree.

Anyway, it was finding new ways of growing profits. That was really a constant challenge for me. I only wish that I had some of the opportunities that we have for physicians.

So, Mike, I know you've read a bit about ProCare's survey. What did you learn?

**Mike:** In 2015, ProCare surveyed independent physicians and determined that about half of them expected to have to sell their practice within the next few years. And it wasn't because they wanted to, but more because of economic and regulatory changes. In fact, a full 73% of survey respondents said that they would prefer to remain independent rather than sell their practice.

Nearly all the physicians surveyed, 94%, thought that the marketplace ought to offer new practice models to ensure independence and sustainability for the new healthcare economy. 51% of them said they would consider innovative practice models supporting the expansion of services.

This is where medical ancillaries fit in. Fortunately, medical ancillaries are giving physicians an opportunity to gain confidence in remaining independent. Ancillary services help retain patient loyalty

and reduce the need for outsourcing referrals. They also help attract new patients as well as enhance revenue.

Viv, could you share with our listeners what a good ancillary looks like?

**Viv:** A good ancillary is anything that is good for the practice, the patient, and the pocket. When looking at ancillaries, many physicians are reticent to jump on board until all three of these boxes are checked.

The ancillaries must be compliant. No doctor wants to take on an ancillary that does not satisfy Stark and anti-kickback laws.

Ancillaries that help with macro scores are also at the forefront. Physicians would prefer to be rewarded rather than punished for the work that they do, as I'm sure you are too, Mike.

The second is that it must be good for the patient. This could be that it perhaps aids the diagnosis or treatment, saves the patient time or money, or helps retain the patient in the practice by growing practice loyalty.

The third is that it must generate revenue. If anything is going to take up the practice's time, their money, or attention, it must reward the practice with additional revenue.

So, Mike, how would you define the different ancillary categories?

**Mike:** Medical ancillaries are divided into three categories. There is diagnostic, therapeutic, and custodial. Custodial refers to things like hospice or nursing care, so most of the ancillary programs that we'll be discussing will fall under the other two categories of diagnostic or therapeutic.

Examples of these would be programs like lab testing, diagnostic testing services. It could be chronic care management, allergy and immunotherapy programs, and dozens and dozens more.

In this podcast, we're going to take a deeper dive into the medical ancillary marketplace and explore some of the available programs, as well as keep you up to date on trends in the sector.

**Viv:** If you are staying with us to the end, please subscribe by texting the word TRENDS to 38470, and we will send you a link to our free ancillary checkup to see what ancillaries could benefit your practice.

Thanks, and we look forward to sharing more with you in the coming weeks.