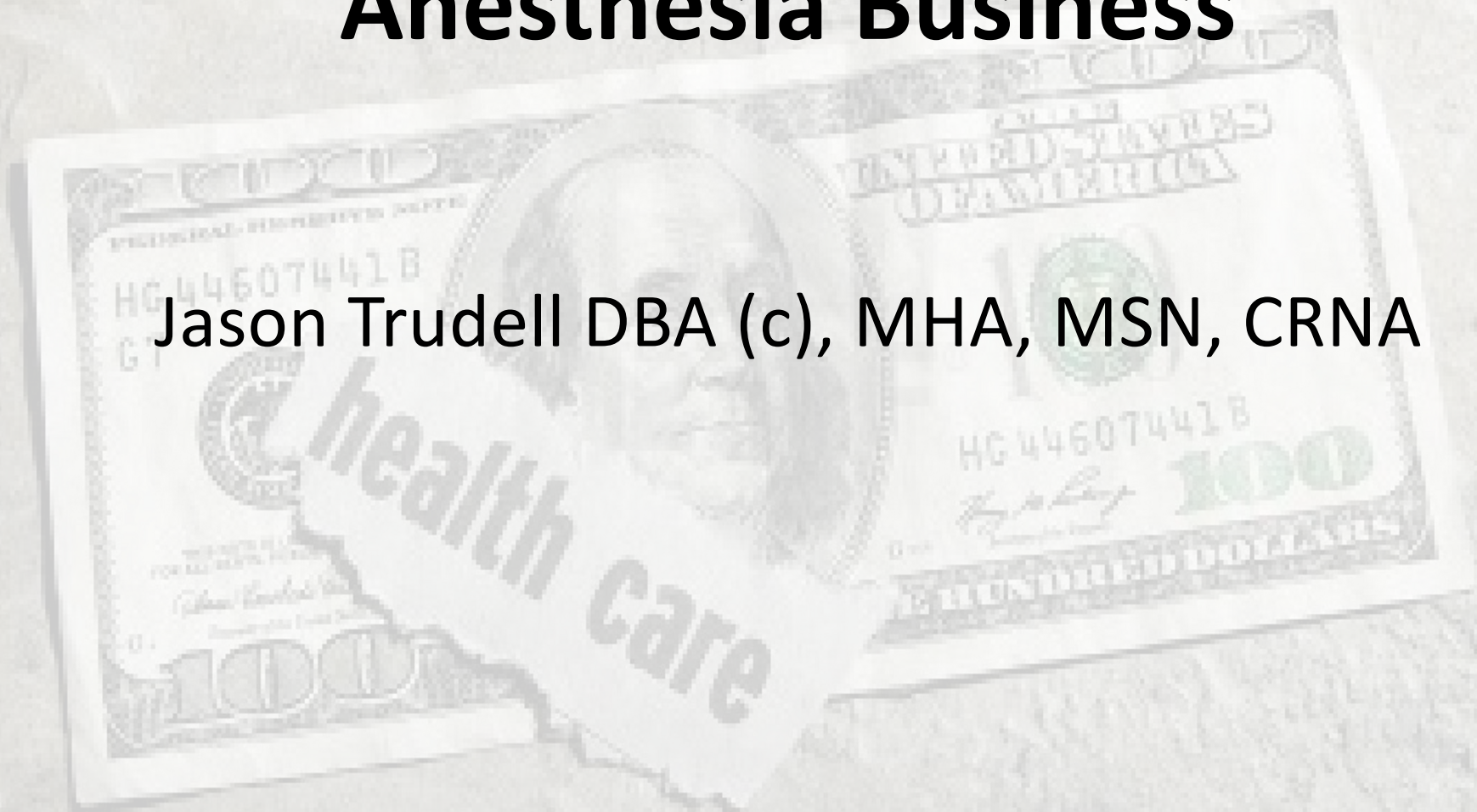


Operational Fundamentals of Anesthesia Business

Jason Trudell DBA (c), MHA, MSN, CRNA



Conflict of Interest Disclosure Statement

Jason Trudell DBA (c), MHA, MSN, CRNA, FACHE

I have the following relationships to disclose.

- *I am the Chief Executive Officer for Executive Anesthesia, Inc.*
- *The views expressed in this presentation do not reflect official policy or position of Executive Anesthesia, Inc.*

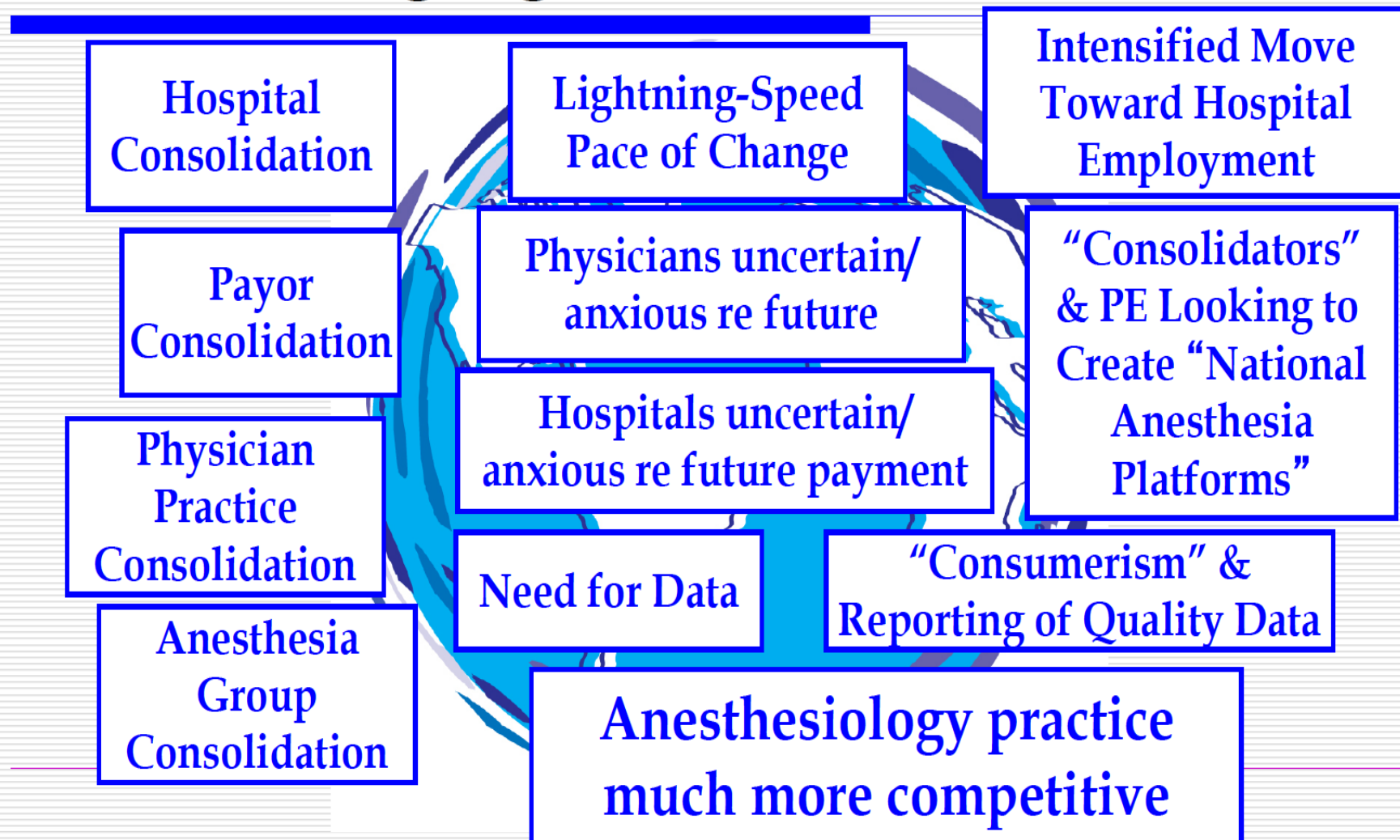


Learner Outcomes

- Strategy vs. Operations
- Be able to differentiate between anesthesia practice models
- Understand the various functions of business operations in independent practice
- Be able to describe the vendor/client dynamic in anesthesia practice

Strategy

Changing Health Care Market

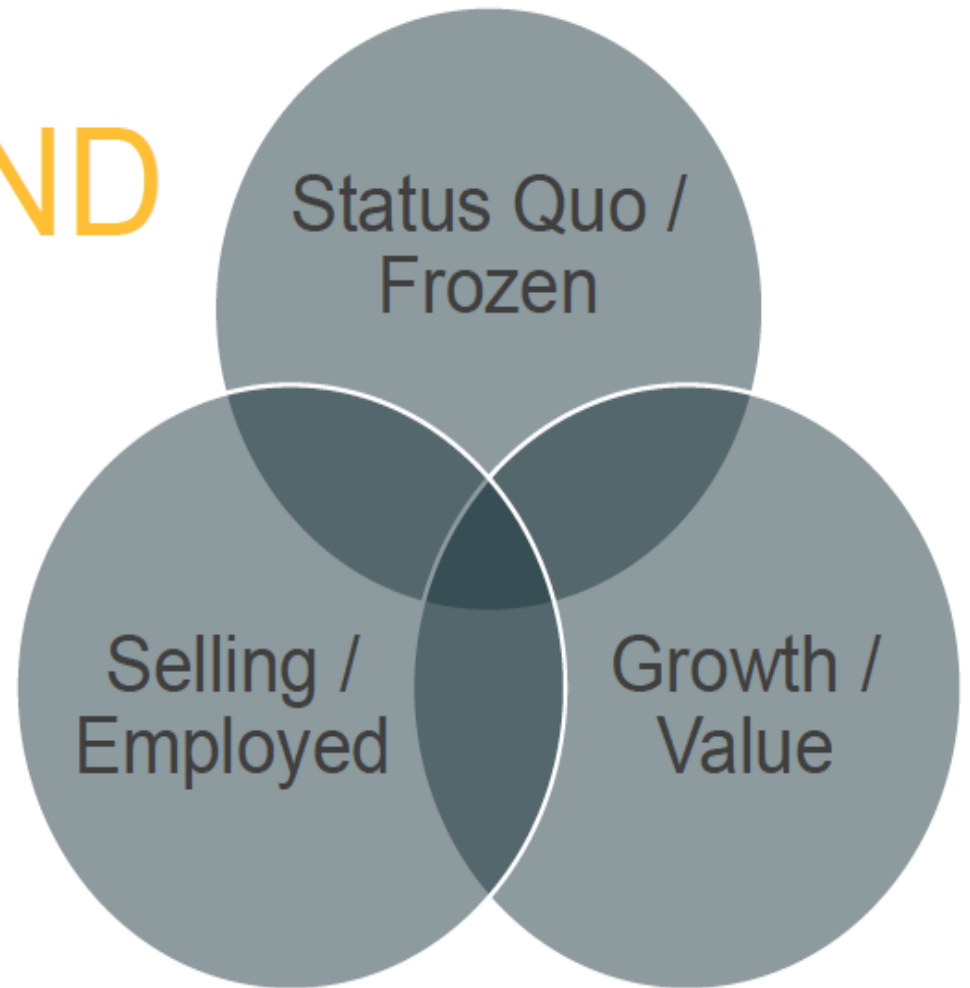


Strategy

ANESTHESIA GROUP FRAME OF MIND

Three Group Categories:

- Overlap, blurred lines
- Pros / cons unique to the individual and group
- Varying strategies and planning required to transition between categories



Strategy

WHAT'S
IMPORTANT

Understand how
to illuminate
your value

Find leadership
opportunities
perioperatively
and beyond

Invest in
leadership
development

Solve your
problems or
someone else will

Clinical
peer-to-peer
leadership

Culture of
collaboration,
not negotiation

Hospital must
understand your
value

Don't always come
to the table with
your hand open

What Your Facility Administrator Wants



A word cloud illustrating the priorities of a facility administrator. The words are arranged in a circular pattern, with larger words indicating higher priority. The words include:

- Alignment with mission
- Collaboration
- Tech savvy
- Problem solving
- Leadership
- Performance
- Service
- ACCO participation
- Transparency
- Efficiency
- Loyalty
- Post-op pain coverage
- Deliver
- Quality
- Payor Participation
- Cooperation
- Predictability
- Leadership
- OR management
- Open New ORs
- Specialized training
- Offer New Services
- Add-on coverage
- No cost
- Availability
- Coverage
- Accountability
- High scores
- Consistency
- Cost-effective
- No cancellations
- Alignment with mission
- Service orientation
- Service
- Patient Satisfaction

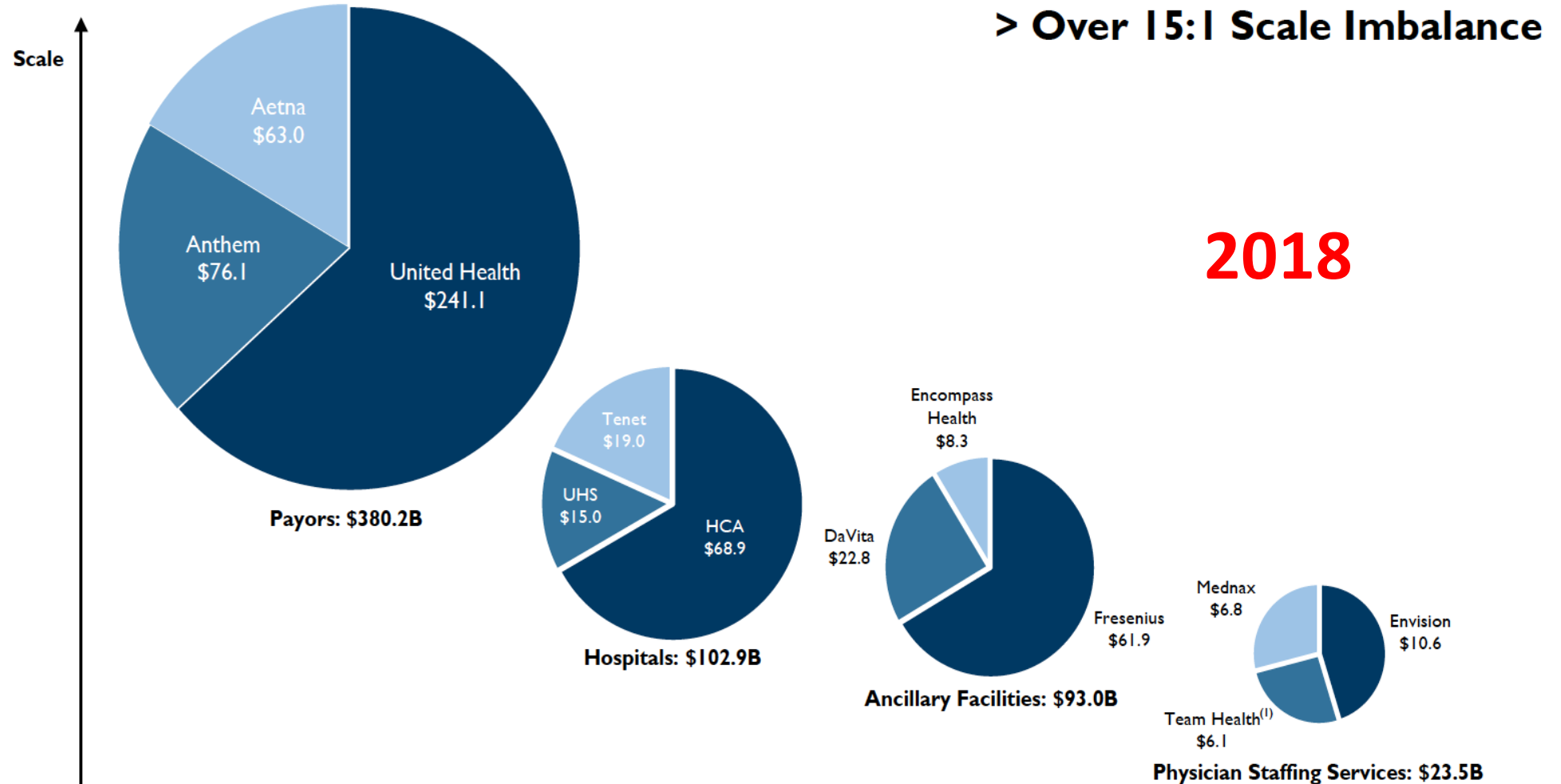
What Your Facility Administrator ***NEEDS***

A word cloud consisting of the word "Leadership" repeated many times. The words are in a black, serif font. They vary in size, with some being very large and prominent in the center, and others being much smaller and placed towards the edges. The words are oriented in various directions, including horizontally, vertically, and at diagonal angles, creating a dynamic and textured visual effect. The background is plain white, which makes the black text stand out.

Strategy Lessons

(\$ in billions)

Relative Enterprise Value of the Three Largest Players in Each Sector

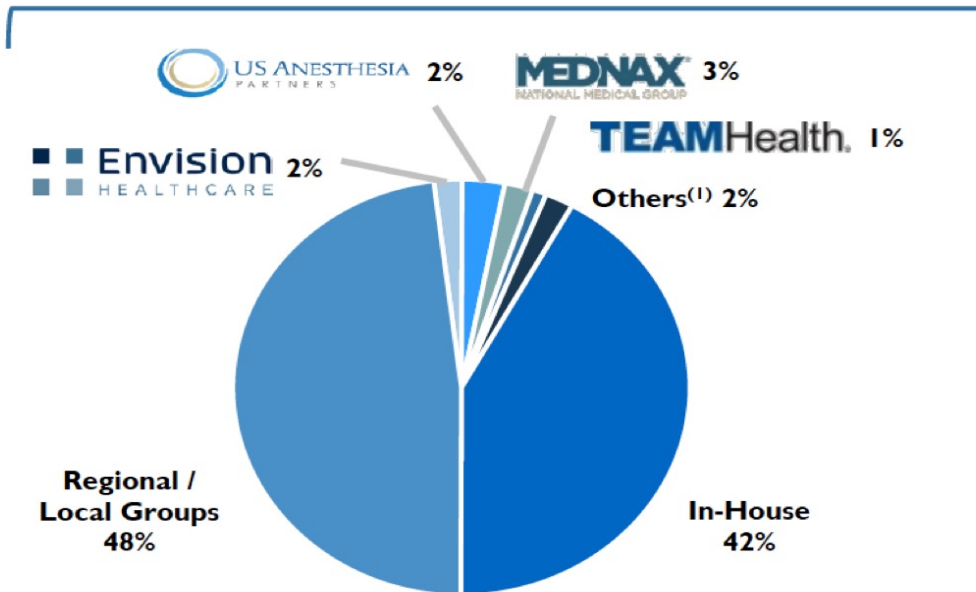


Strategy Lessons

Anesthesia Consolidation History

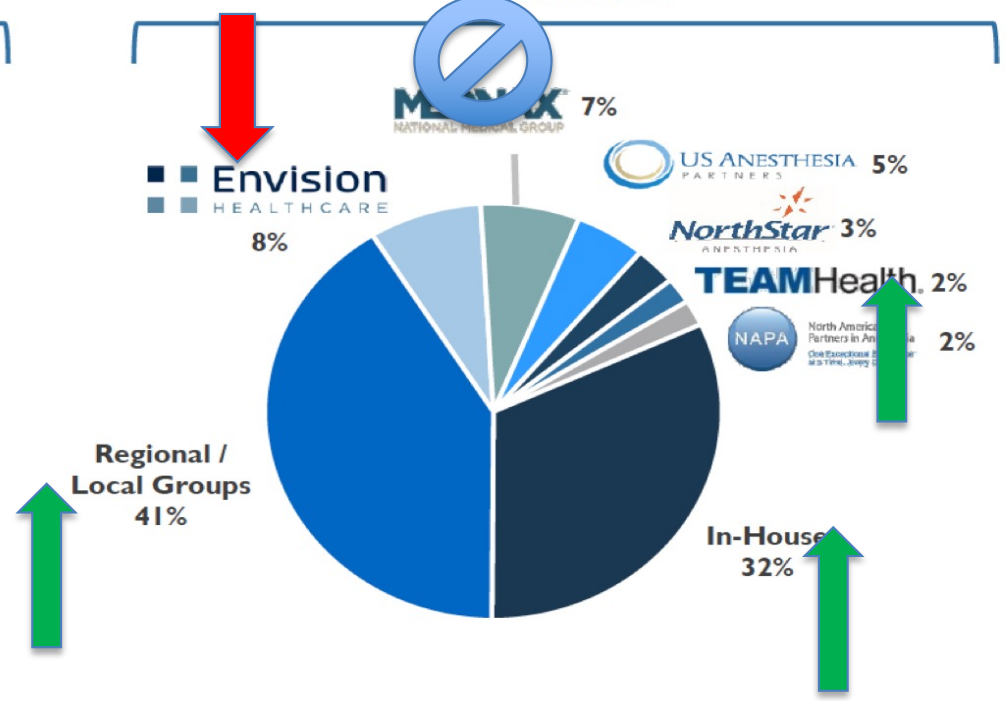
2015

Combined: 10%



2018

Combined: 27%

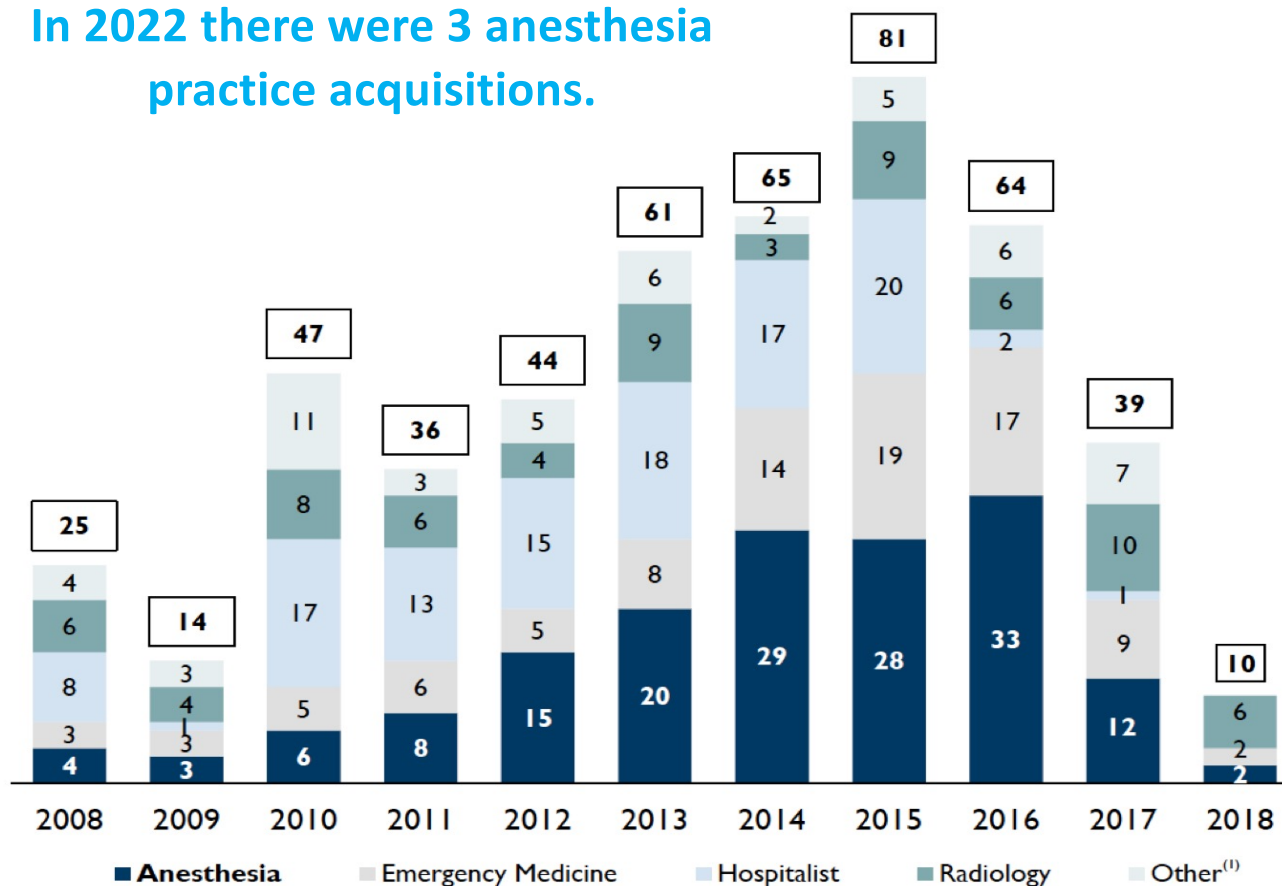


Strategy Lessons

Anesthesia Consolidation is Responsive to Broader Trends in Healthcare

Transaction Volume by Hospital Specialty 2008-2018YTD

In 2022 there were 3 anesthesia practice acquisitions.



- Average of ~25 anesthesia transactions per year the last four years
- 110 anesthesia transactions from 2013 – 2016
- Current activity level is typical post-peak

“You don’t want to be the last independent specialty in one of our hospitals”

Undisclosed consolidator

(1) “Other” transactions include selective NICU, ENT and intraoperative monitoring.

Practice Structure Summary

Military

- Clinical Operations
- Tactical Operations

ACT

- Clinical Operations

Independent

- Clinical Operations
- Business Operations

Anesthesiologist only

- Physician administers all anesthesia

CRNA only

- CRNA's administer all anesthesia

Anesthesia Practice Models

Anesthesia Care Team (ACT)

- MD medically directs 2-4 CRNAs

Collaborative

- MD & CRNA work together

Owner/Operator

Business Operations

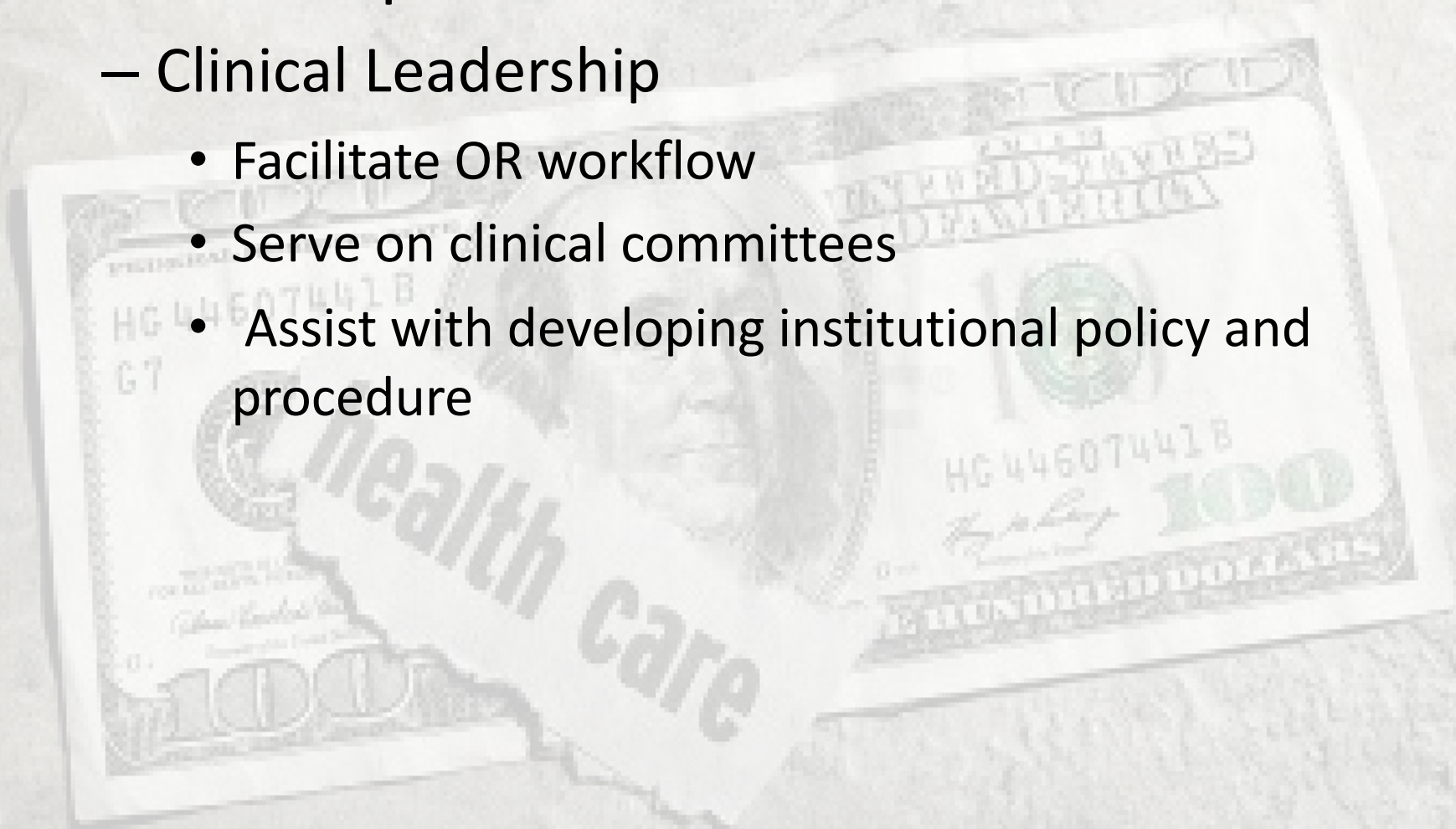
- Leadership
- SWOT Analysis
- Corporate Structure
- Contractual Relationships
- Benefits
- Policies and Procedures
- 3rd Party Contractors
- Relationships

Clinical Operations

- Leadership
- Service Deliverables
- Data Metrics

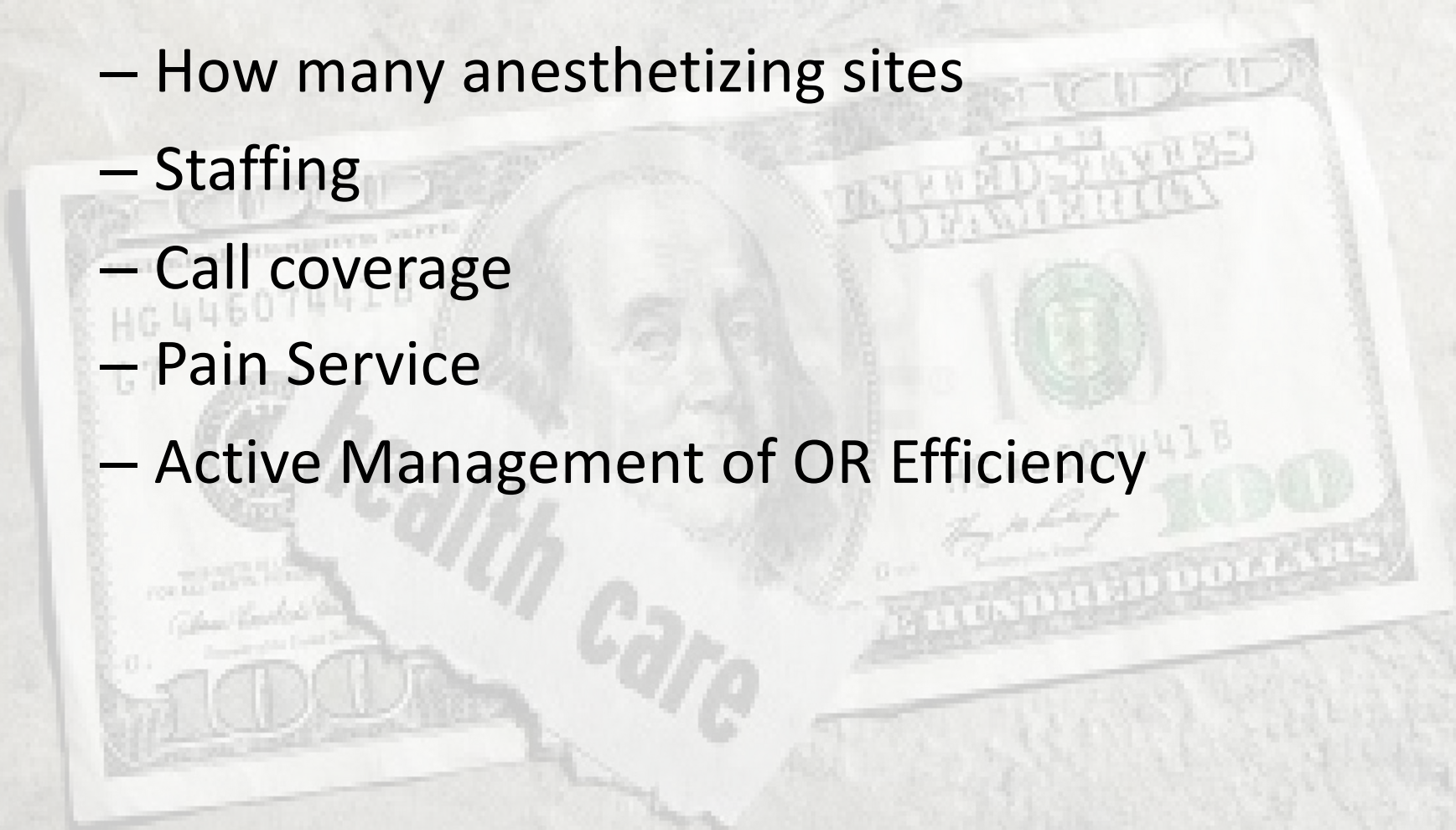
Clinical Operations

- Leadership
 - Clinical Leadership
 - Facilitate OR workflow
 - Serve on clinical committees
 - Assist with developing institutional policy and procedure



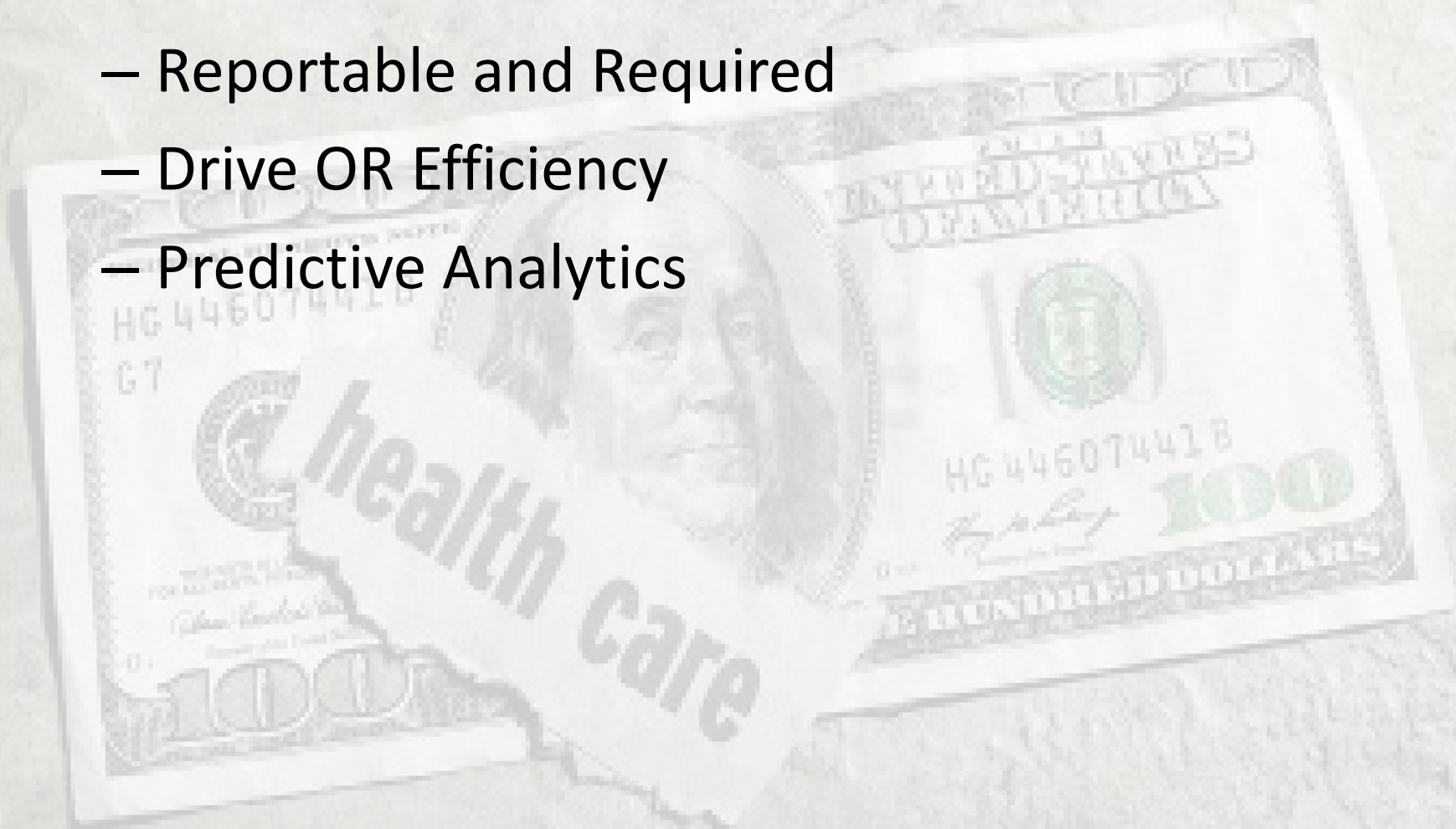
Clinical Operations

- Service Deliverables
 - How many anesthetizing sites
 - Staffing
 - Call coverage
 - Pain Service
 - Active Management of OR Efficiency



Clinical Operations

- Data Metrics
 - Reportable and Required
 - Drive OR Efficiency
 - Predictive Analytics



Business Operations

- SWOT Analysis
 - Strengths
 - Weaknesses
 - Opportunities
 - Threats

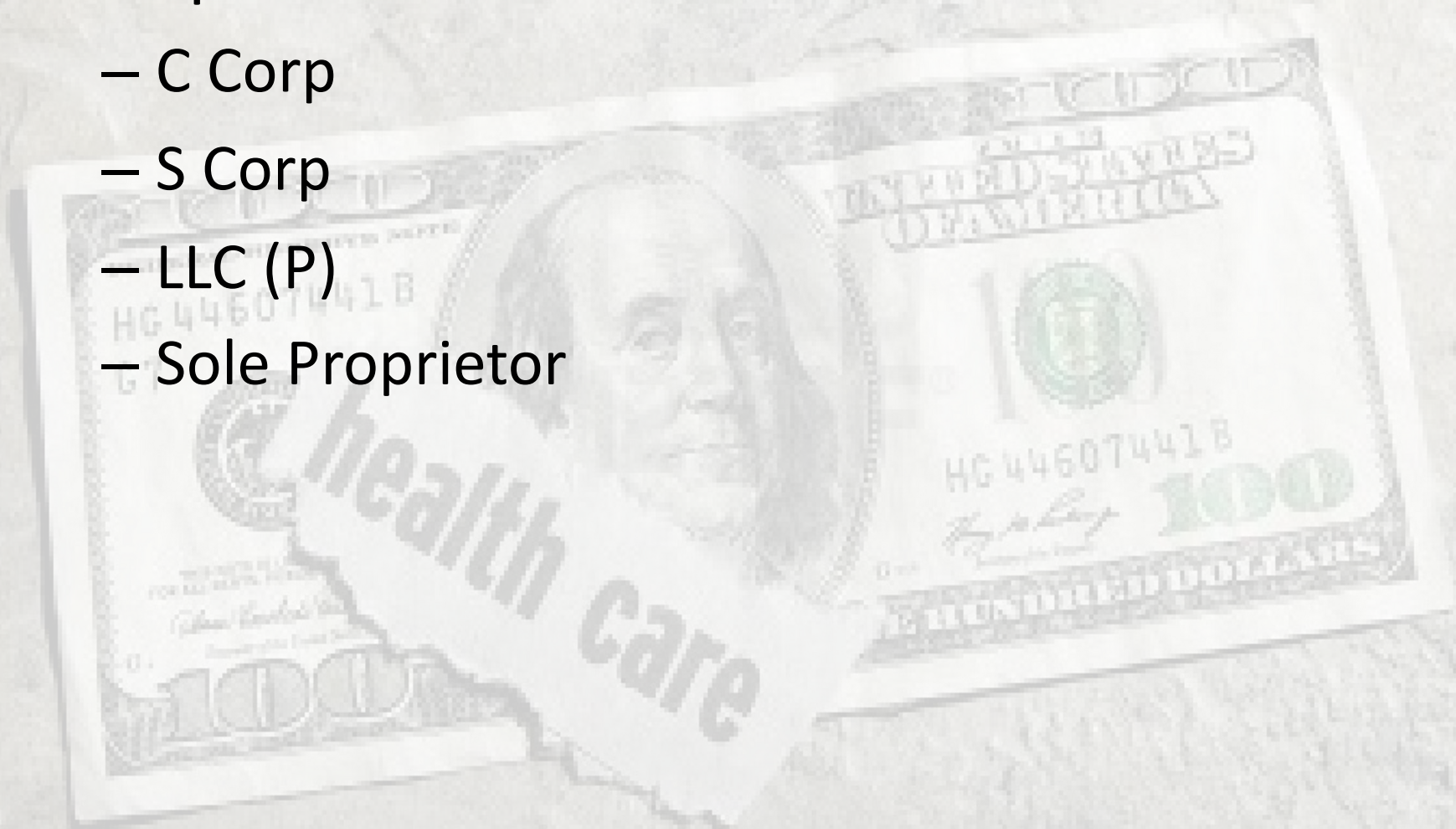
Politics, Practice, Payors, Policy

Health Care

Business Operations

- Corporate Structure

- C Corp
- S Corp
- LLC (P)
- Sole Proprietor

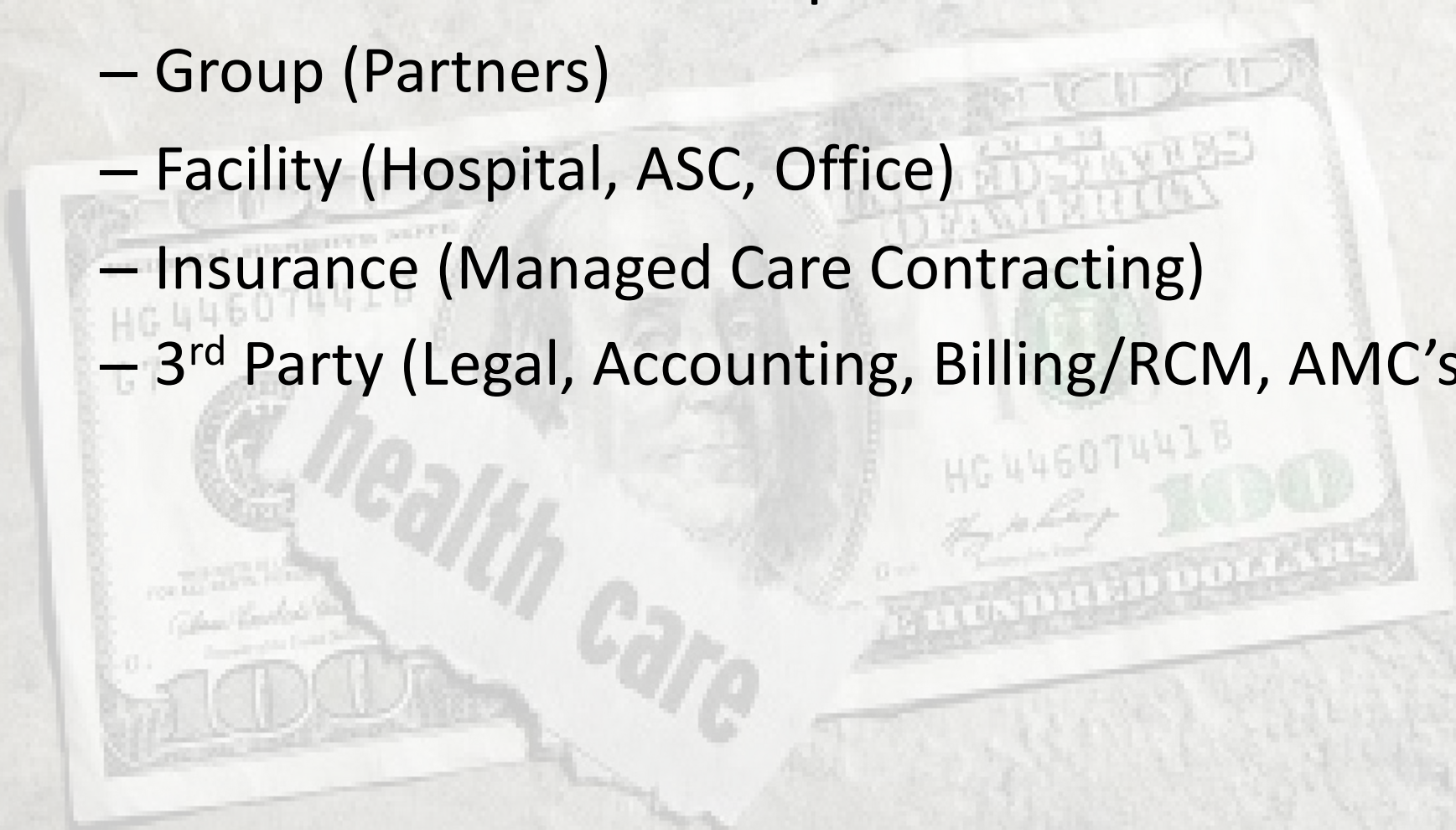


Business Operations

- 1099
 - IRS qualifying criteria (20 point test)
 - Pay for own benefits
 - Deductions
 - Pre-tax dollars
- W-2
 - employee
 - Benefits
 - taxes withheld
 - (FICA, SS, income)
 - Minimal deductions

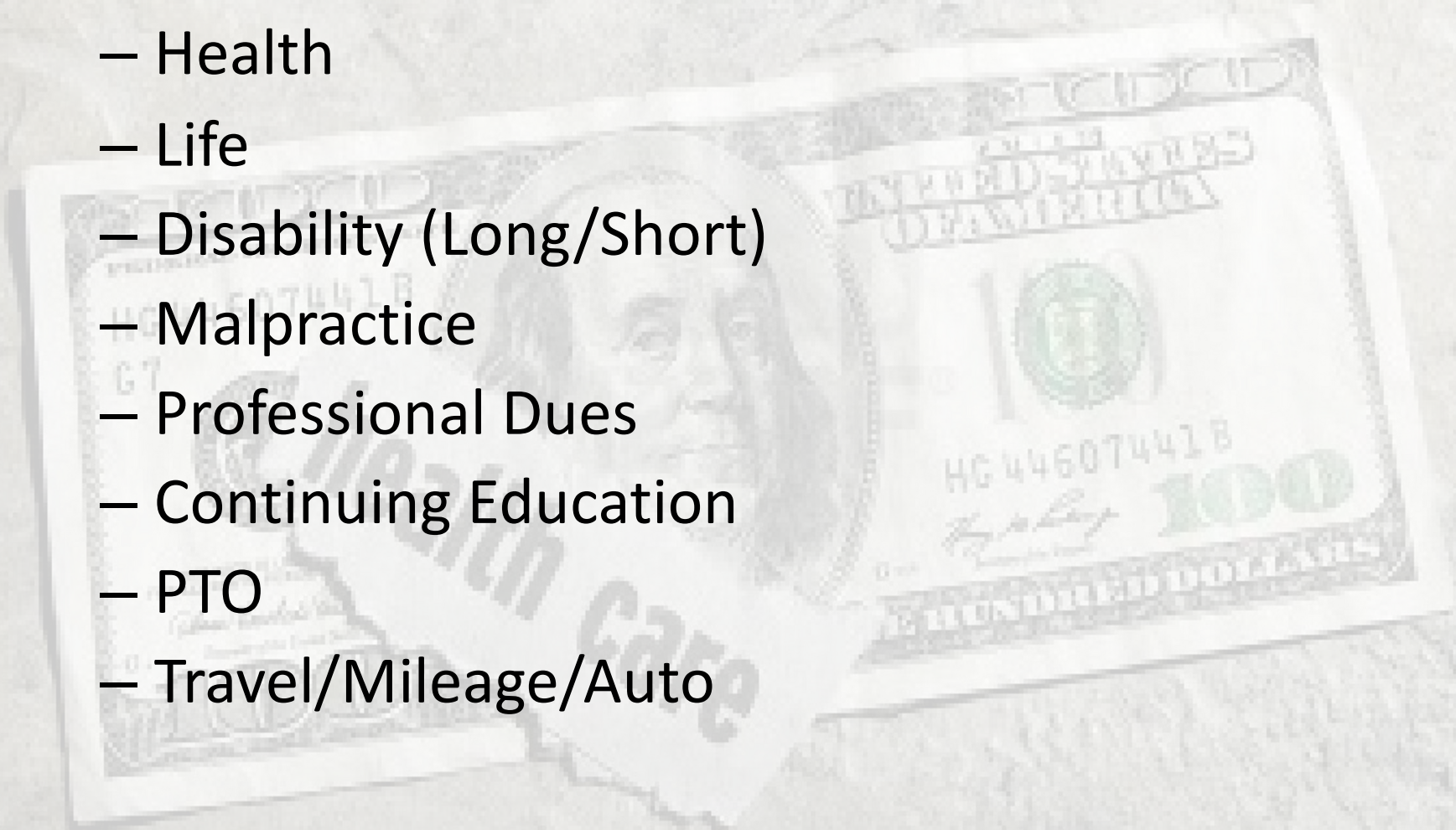
Business Operations

- Contractual Relationships
 - Group (Partners)
 - Facility (Hospital, ASC, Office)
 - Insurance (Managed Care Contracting)
 - 3rd Party (Legal, Accounting, Billing/RCM, AMC's)



Business Operations

- Benefits
 - Health
 - Life
 - Disability (Long/Short)
 - Malpractice
 - Professional Dues
 - Continuing Education
 - PTO
 - Travel/Mileage/Auto

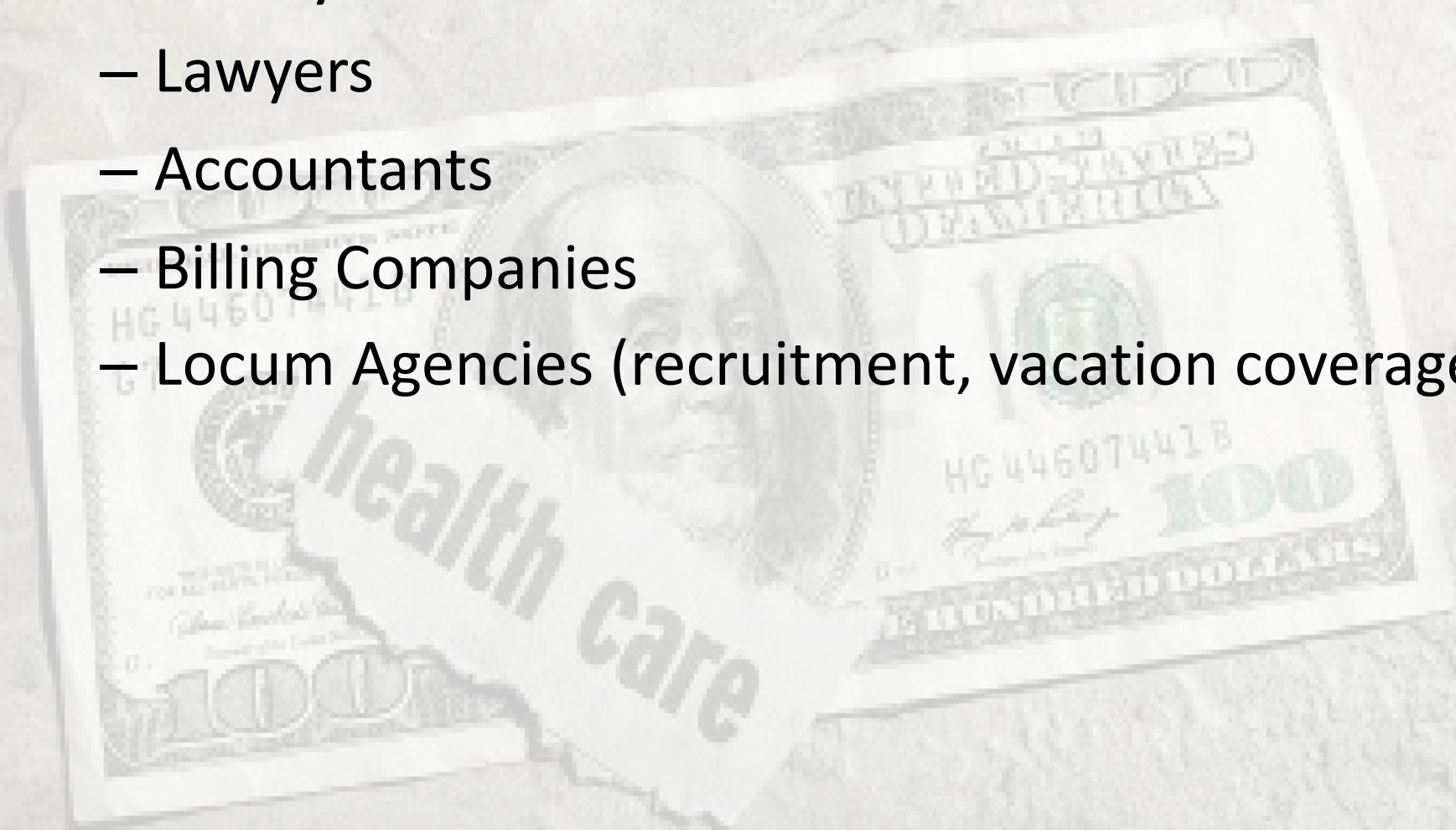


Business Operations

- Policies and Procedures
 - Consistent with Accrediting Agencies (JCAHO,DNV, AHCQ, AAAHC, OSHA)
 - Non-restrictive
 - Due process
 - Approved by partners
 - Create a standard of care (liability?)

Business Operations

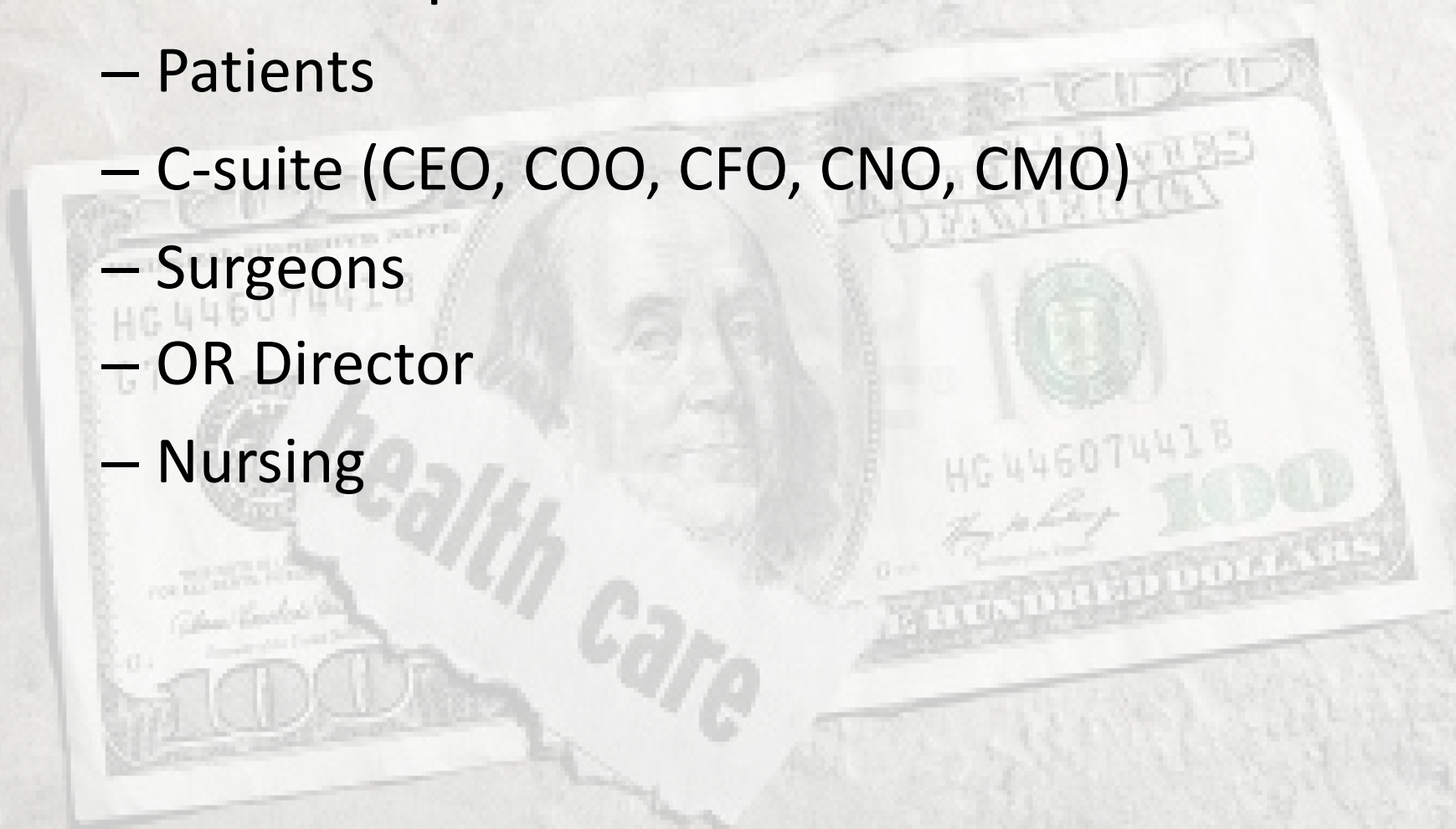
- 3rd Party Contractors
 - Lawyers
 - Accountants
 - Billing Companies
 - Locum Agencies (recruitment, vacation coverage)



Business Operations

- Relationships

- Patients
- C-suite (CEO, COO, CFO, CNO, CMO)
- Surgeons
- OR Director
- Nursing

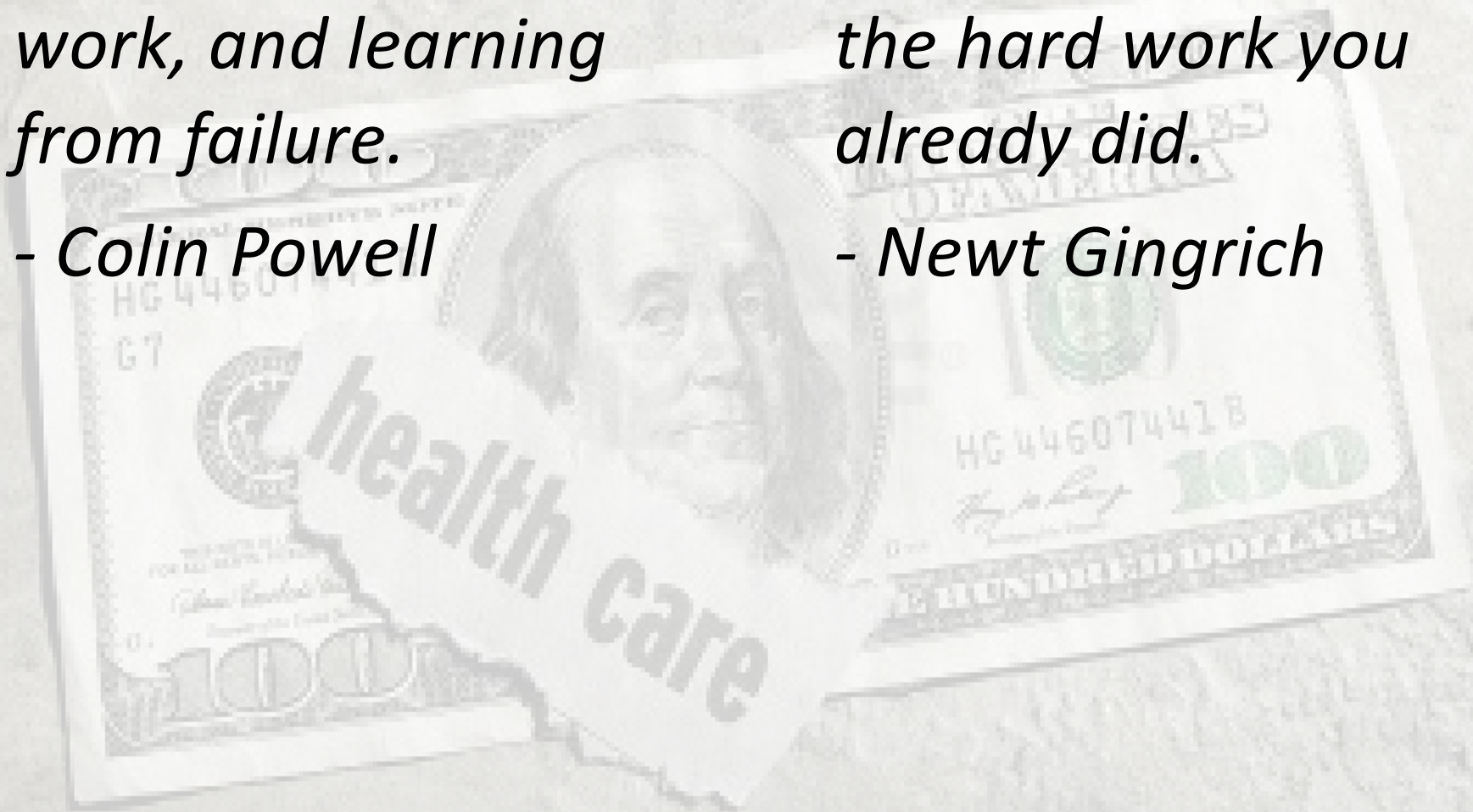


There are no secrets to success. It is the result of preparation, hard work, and learning from failure.

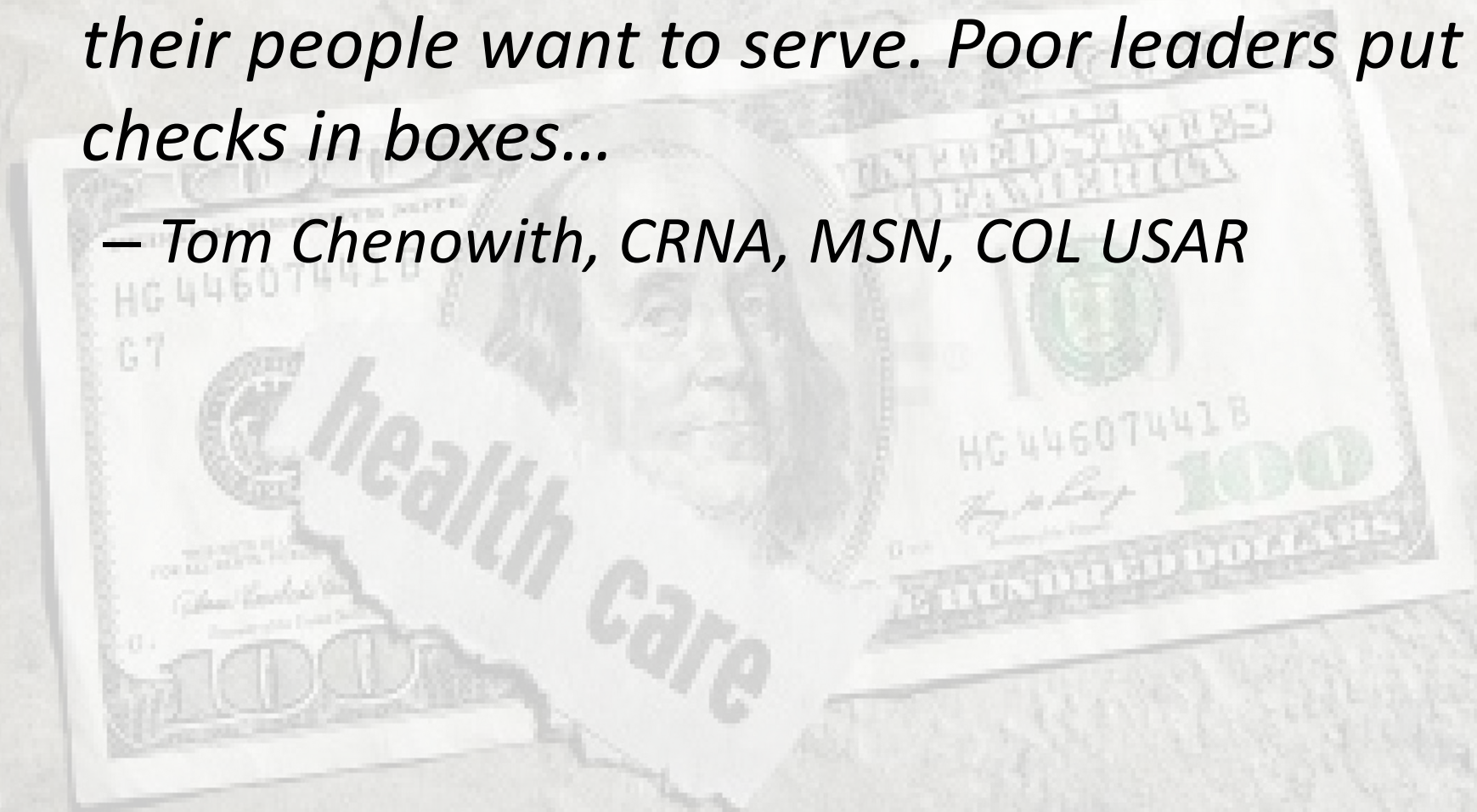
- Colin Powell

Perseverance is the hard work you do after you get tired of doing the hard work you already did.

- Newt Gingrich



- *..Good leaders take care of their people. Poor leaders take care of customers.*
- *Good leaders create an environment where their people want to serve. Poor leaders put checks in boxes...*
 - *Tom Chenowith, CRNA, MSN, COL USAR*





Prices tumble for debt backing KKR's \$9.9bn Envision buyout

US BUSINESS

Healthcare provider stumbles as support grows for medical billing reform

RECENT POSTS

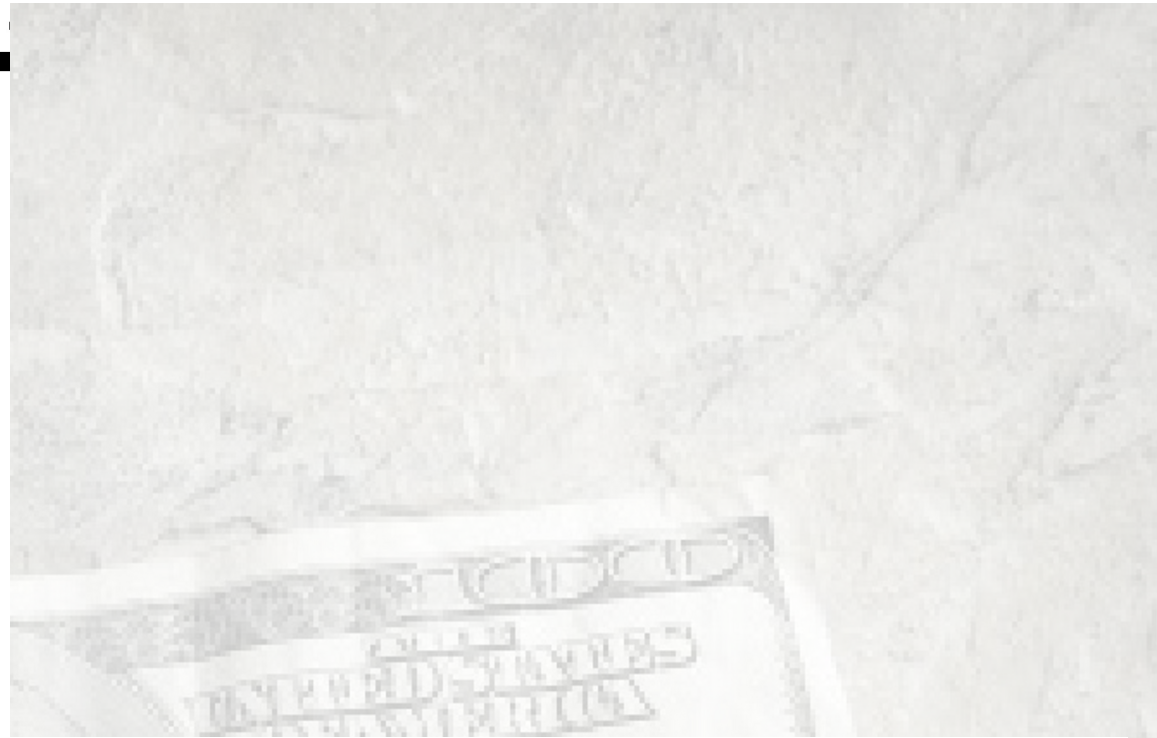
- [Man pretends his finger is a gun, stops suspect](#)
- [Deputies: 8-year-old boy found dead behind home](#)
- [4 teens indicted on murder charges after crime spree](#)



Atrium and Mednax part ways after months-long battle

By David Mildenberg Posted July 30, 2018 In August 2018

Share this story:



Southeast Anesthesiology Consultants has no plans to drop its lawsuit against [Atrium Health](#) — despite failing to block the health-care system's switch to a new anesthesia provider.

An N.C. Business Court judge denied Southeast Anesthesiology's request for a preliminary injunction on Friday.

Southeast Anesthesiology, an affiliate of [Mednax](#) (NYSE:MD), had sought that legal relief, alleging Atrium and Scope Anesthesia founder Dr. Thomas Wherry obtained and attempted to use its proprietary information without permission.



Mednax, Inc.

Rosen Law Firm, a global investor rights law firm, announces the filing of a class action lawsuit on behalf of purchasers of the securities of Mednax, Inc. (NYSE: MD) from February 4, 2016 through July 27, 2017, inclusive. The lawsuit seeks to recover damages for Mednax investors under the federal securities laws.

If you purchased shares of Mednax between February 4, 2016 and July 27, 2017 and would like to join the action, please click "[Join This Class Action](#)" above.

Press Release

EQUITY ALERT: Rosen Law Firm Announces Filing of Securities Class Action Lawsuit Against Mednax, Inc. – MD

New York, N.Y., August 29, 2018. Rosen Law Firm, a global investor rights law firm, announces the filing of a class action lawsuit on behalf of purchasers of the securities of Mednax, Inc. (NYSE: MD) from February 4, 2016 through July 27, 2017, inclusive (the "Class Period"). The lawsuit seeks to recover damages for Mednax investors under the federal securities laws.

To join the Mednax class action, go to <https://www.rosenlegal.com/cases-1378.html> or call Phillip Kim, Esq. or Zachary Halper, Esq. toll-free at 866-767-3653 or email pkim@rosenlegal.com or zhalper@rosenlegal.com for information on the class action.

NO CLASS HAS YET BEEN CERTIFIED IN THE ABOVE ACTION. UNTIL A CLASS IS CERTIFIED, YOU ARE NOT REPRESENTED BY COUNSEL UNLESS YOU RETAIN ONE. YOU MAY RETAIN COUNSEL OF YOUR CHOICE. YOU MAY ALSO REMAIN AN ABSENT CLASS MEMBER AND DO NOTHING AT THIS POINT. AN INVESTOR'S ABILITY TO SHARE IN ANY POTENTIAL FUTURE RECOVERY IS NOT DEPENDENT UPON SERVING AS LEAD PLAINTIFF.



HEALTH CARE

Health groups backed dark money campaign to sink 'surprise' billing fix

By **RACHEL ROUBEIN** | 09/13/2019 03:03 PM EDT | Updated 09/13/2019 04:57 PM EDT



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A group calling itself Doctor Patient Unity has spent nearly \$30 million on a campaign designed to kill the leading congressional legislation that would make it harder for hospitals and doctors to spring massive, unexpected bills on patients.

Its funding source has been secret thanks to the rules surrounding this “dark money” group, but multiple sources tell POLITICO that doctor staffing firms Envision Healthcare and TeamHealth are significant sponsors — showing just how powerful corporate medicine has become in trying to derail changes to a system that has put thousands of Americans in debt.

Two sources affiliated with Doctor Patient Unity confirmed that Envision Healthcare and TeamHealth are funding a portion of the \$28.6 million campaign that runs from July 30 to Sept. 17 in states including Alabama, California, Colorado and New Hampshire, according to Advertising Analytics. The sources wouldn't say who else is involved but confirmed the two companies are funders.

References

- <https://www.irs.gov>
- <https://www.healthcatalyst.com/the-best-way-to-maximize-healthcare-analytics-roi>

