



Issues in the Practice Transaction: Part II

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To cite this article: Dean H. Gesme Jr. & Mike Mohnsen (1996) Issues in the Practice Transaction: Part II, *Oncology Issues*, 11:6, 24-25, DOI: [10.1080/10463356.1996.11904647](https://doi.org/10.1080/10463356.1996.11904647)

To link to this article: <https://doi.org/10.1080/10463356.1996.11904647>



Published online: 18 Oct 2017.



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Something unusual, puzzling
and powerful is about,
and it shows no signs of stopping
or even abating its influence.

It is the phenomenon of change—
and it is gaining on us.

—Robert Gilbreath

Change is gaining on all health care professionals. Although oncologists have always welcomed change in the form of new technologies to treat cancer, less welcome are the changes in our practice style necessary to meet the expectations of the current health care milieu.

Last year Oncology Associates of Cedar Rapids entered into a management services arrangement with Physician Reliance Network (PRN), an oncology practice management corporation. (See March 1996, *Oncology Issues*.) PRN, based in Dallas, Tex., currently manages the practice of 265 physicians in oncology practices at 96 locations.

Affiliation with an oncology practice management organization should provide support, counsel, and expertise to enhance a medical

practice and improve patient care. Our own affiliation has done just that through the corporation's assistance in reorganizing our clinical/nursing staff, adding a licensed pharmacy to our clinic, expanding our research agenda, and much more.

MULTIPLE BENEFITS

At the time of our affiliation, Oncology Associates included five medical oncologists. In the past year a local radiation oncologist has joined Oncology Associates to serve as the medical director for radiation oncology for our practice. He will also serve as radiation director for Iowa Cancer Care, an organization that includes Oncology Associates of Cedar Rapids. A second radiation oncologist joined the Cedar Rapids practice six months ago. The radiation oncologists are involved in plans for a new equipment purchase within the hospital-based radiation oncology unit in our community. Affiliation has provided us with considerable support in selecting optimal equipment configurations.

Affiliation has facilitated reorganization of our clinical/nursing staff. Our practice has made extensive use of the medical and nursing procedure manuals that the corporate office developed and has adapted these to meet our needs. A nurse manager has been appointed within the office,

and she has attended quarterly national nursing meetings at the corporate office to share ideas for improved patient care and office efficiency. In addition, the oncology practice management organization recently retained a national nurse liaison who will work closely with our nurse manager to facilitate networking among the nurses throughout the management corporation. A clinical ladder has been implemented within the organization to promote nursing excellence and community outreach.

A National Medical Advisory Board meets quarterly with physicians in all the affiliated practices. This group provides a forum for discussion with corporate management about such issues as clinical guidelines, research, directions, and other mutually important topics.

Entering into a management services arrangement has afforded a unique opportunity to add a licensed pharmacy in our clinic. Today a full-time pharmacist and full-time pharmacy technician provide outpatient prescription medications. Prior to our affiliation, Oncology Associates was ethically and legally prohibited from providing this service to our patients. The new pharmacy, however, is owned and operated by the oncology practice management corporation. Its management falls under the oversight

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of the joint operating board, which includes equal representation from the physicians' practice and the management corporation. The prices within the pharmacy are competitive with other facilities in our area.

Because the pharmacy mixes chemotherapeutic medications, office nurses no longer have to provide this service and, therefore, have more time to spend with patients in treatment, education, and supportive care services. The convenience to patients of obtaining their medication during office visits and the ability to stock infrequently used medications has improved patient care. Our pharmacist takes calls 24-hours daily for patients undergoing home infusions.

Oncology Associates has a long-standing commitment to clinical research through affiliations with NCCTG, ECOG, and NSABP within the framework of a Community Clinical Oncology Program (CCOP). We continue to place a high priority on clinical research and have complemented our research agenda with a variety of new protocols through PRN that more fully reflect the spectrum of diseases that we see in our community.

A main objective for entering into a management services arrangement is to improve the success rate of negotiating managed care contracts. A physician practice management organization should be able to provide a market analysis and fee schedule review if capitated oncology carve-out care is under consideration within your area. Our own affiliation has provided:

- an analysis of demographic and fee information
- counsel in developing and negotiating contract language to optimize our opportunities and limit risk
- upgrades of the office management information system
- integration with the corporate computer system for billing, scheduling, financial management, and e-mail
- computer training for many of our staff members at corporate headquarters.

The concept of a paperless office includes consolidation of all clinical patient records as well as laboratory, X-ray, and treatment information from within and outside the clinic. Development, purchase, and implementation of such a vast system would have required considerable

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effort on the part of the physicians in our practice. Our management organization is exploring and negotiating with software suppliers and is conducting an alpha test that will obviate the expenditure of time and energy by our physicians.

We have only slightly modified the business office physical structure and job descriptions. Several changes have been adopted to allow for economies of scale, including centralized payroll and accounting through the corporation's central computer system. Medical supplies, drugs, and office supplies are obtained centrally with volume discounts. Employee benefits, including health, dental, disability insurance, and 401(k) plans, are also centralized. Human resources and legal counsel are available as needed from the corporate office. Policies and procedures for business office conduct have been implemented, relieving the physicians of a duty that they had always been reluctant to oversee.

DOING SOME THINGS DIFFERENTLY

In hindsight we probably should have approached several issues in a more constructive manner. The community learned of our affiliation much sooner than we had expected. Despite our attempts to provide information to other physicians and the community, the rumors and innuendoes were of greater magnitude than we had anticipated. Some

physician and community leaders thought our participation in a national network was a rejection of the local health care system. We have tried to accommodate local needs while still preserving the patient care objectives that a national network affords.

Many staff at the two hospitals within our community were more threatened by our national affiliation than we had anticipated. Their fear seems to be based on the erroneous assumption that control of our medical practice and medical contracting emanates from corporate headquarters rather than with the physicians in Cedar Rapids. We have tried repeatedly to inform and reassure the hospitals and local physicians that the autonomy of the physician is maintained by our management services contract.

In retrospect we should have expected that change would first be perceived as negative. Only grudgingly, and with time, would the affiliation be seen to have a local benefit. Fortunately, the patients in our practice have expressed only positive sentiments, and most perceive no significant changes in their health care.

Oncology Associates has benefited greatly from our affiliation. We continue to believe that the concept of a national network and the cancer carve-out will drive the aggregation of oncology practices in the years to come. The potential pitfalls of managed care loom large in our future, but we believe our affiliation provides us the assistance and expertise that will allow us to negotiate these managed care mine fields. The expansion of clinical research through PRN will offer the hope for improved treatment outcomes in the future for our patients and affords our physicians an exciting area for scientific endeavor. Most importantly, the day-to-day drudgery of managing a physician practice is no longer required of each oncologist in our organization.

Much has been said of the financial ramifications of "medicine for profit." We firmly believe that affiliation of physicians with a management services organization should not be founded on short-term financial goals and objectives, but rather on the long-term enhancements of medical practice and patient care that are afforded by this new organizational paradigm. ■