

At a Glance

Organization

Valley Anesthesia
Roanoke, Va.

- One 521-bed hospital
- One outpatient clinic
- Nine board-certified anesthesiologists, including two who are board-certified in chronic pain management; five certified registered nurse anesthetists

Solution Spotlight

- McKesson Practice Consulting Solutions
- McKesson Revenue Management Solutions

Critical Issues

- Practice startup
- Contracting assistance
- Recurring management
- Coding and billing

Results

- Successful organization startup and support for business expansion
- Maximized revenue
- Controlled costs
- Development of a strategic growth plan

Valley Anesthesia Flourishes with Startup and Practice Management Assistance from McKesson

Valley Anesthesia in Roanoke, Va., was created after nine anesthesiologists affiliated with a 120-physician, multispecialty clinic resigned to form a single-specialty group. The anesthesiologists were faced with the daunting task of developing a new practice from the ground up in 90 days. They needed expert guidance on all aspects of practice management, including day-to-day operations, human resources, compliance and legal standards, staffing, billing, coding and revenue management.

The anesthesiologists searched for a consulting firm that understood anesthesiology and the challenges surrounding a startup organization. After a thorough review of firms, the group chose to partner with McKesson Practice Consulting Solutions because of its success in helping develop other practices nationally as well as its expertise in anesthesiology coding, billing and compliance.

Challenges

Dan Podeschi, M.D., president of Valley Anesthesia, says the decision to separate from the multispecialty practice was made after it became clear that administrators didn't understand the unique challenges facing an anesthesiology practice or how services should be billed and collected.

"About two-thirds of every meeting was spent educating clinic administrators about how anesthesiology works," relays Dr. Podeschi.

Because the multispecialty group provided all practice management, billing and administrative services, the anesthesiologists needed to establish within 90 days an entirely new practice, complete with new governance standards, operational policies, compensation and benefit programs for staff, compliance regulations, coding, billing and revenue management standards.

"None of us had any experience in setting up a practice, since most of our physicians came straight out of residency into the multispecialty clinic setting," explains Dr. Podeschi.

Answers

The group identified several key operational objectives as it established the new practice. These objectives included developing an efficient, low-cost and accurate billing system; building new, group-designed compensation and retirement plans; and retaining expertise to assist in negotiating with third-party payors. To meet the requirements, the physicians turned to McKesson.

"McKesson was the logical choice and the only physician practice management company that tied it all together: group formation

Case Study

"McKesson is what I call a 'can-do' company. You ask them to take care of an issue, and they do it – without hesitation – and they do it right."

Dan Podeschi, M.D.
President
Valley Anesthesia

consulting services, billing and collections, and continued financial management support," says Dr. Podeschi. "McKesson had experience with other anesthesiology groups and understood what we needed."

At the outset, McKesson's consultants outlined a comprehensive plan that included all the steps required to form the new corporation. Key components focused on ensuring predictable cash flow and included:

- Developing a practice governance structure
- Writing corporate bylaws, employment policies and buy-sell agreements
- Meeting payor licensing requirements
- Designing and setting up compensation, benefit and retirement plans
- Negotiating hospital and third-party payor contracts
- Setting up group insurance coverage
- Obtaining lines of credit

"McKesson knew what we were talking about before we even mentioned it," says Dr. Podeschi. "McKesson's insight was a huge benefit that really cut time. We didn't have to educate McKesson about what we do — they already knew. There was hardly any disruption of business."

"McKesson is what I call a 'can-do' company," adds Dr. Podeschi. "You ask them to take care of an issue, and they do it – without hesitation – and they do it right."

Results

McKesson's relationship with Valley Anesthesia has expanded since the group was formed to include a full range of day-to-day practice management services in addition to medical billing and collections.

"We transferred all our financial and practice management headaches to McKesson," says Dr. Podeschi. "McKesson is unique in that the consulting team members are well-versed in anesthesiology practice management issues. Thanks to McKesson and its anesthesiology-focused package of services, our anesthesiologists will be significantly more satisfied – personally and financially – for many years to come."

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