

Physician and Patient Benefits of an OBL or ASC

Experts share their experiences in opening and operating office-based labs and ambulatory surgery centers.

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coronary procedures, including transcatheter aortic valve replacement, endovascular aneurysm repair, and carotid stenting. However, patient needs and the market here have driven my new focus on vascular disease; predominantly in the legs, with an emphasis on critical limb ischemia and chronic venous disease. I started my OBL to reposition the patient/physician nexus back into the center of the health care equation. And, except for a very few procedures requiring the hospital, I have not looked back.

Dr. Comstock: One of my goals in going to medical school was to obtain the independence and autonomy that private practice would ultimately bring. Upon completing fellowship, like many of my colleagues who subspecialized in cardiology at the time, local market conditions strongly favored hospital employment. Student loan debt, the security of an attractive steady paycheck, and the comfort of a familiar hospital with all its ancillary service lines, were all barriers to entry into private practice in my local market that were initially too steep to overcome straight out of fellowship. Over time however, my increasing clinical proficiency and technical advances in interventional cardiology, coupled with a more accommodating regulatory environment, all emboldened me to start an OBL.

In 2019, we opened in Tulsa, Oklahoma. We are the only private practice OBL in the city, with the next closest cardiovascular OBL/ASC hybrid approximately 2 hours away. As the first to pilot the private practice office-based model in Tulsa, I could not be sure that prospective patients would opt for this model over the hospital. But that is now history—our success speaks for itself—we are revolutionizing the way that amputation prevention and cardiovascular care gets delivered in our region. We got off to a great start; so much so that we are planning to relocate to a larger

The office-based lab (OBL) and ambulatory surgery center (ASC) markets are rapidly growing. In 2019, they were valued at \$8.5 billion and are expected to grow at a compound annual rate of 7% through 2027, reaching \$14.5 billion.¹ With compelling benefits for physicians, patients, staff, and the health care system at large, the OBL, ASC, and OBL/ASC hybrid models are worth careful consideration. Below are the journeys of two physicians who have recently opened and operated OBLs.

Tell us about your lab and what prompted you to open it?

Dr. Dippel: We opened 4 years ago and honestly, I wish I had done this 10 or 15 years ago. We are in Davenport, Iowa and I believe we are the only OBL (or ASC) within hundreds of miles. A cardiologist by training, my early career included a host of vascular and

space to accommodate an OBL/ASC hybrid model and adjacent medical office building. If I had known we would achieve this kind of success so quickly, I would have started with the hybrid model at the beginning and reallocated investments accordingly.

What do you consider to be the strongest benefits of owning a lab for you and your staff?

Dr. Dippel: First, placing my patients back in the center of the health care system, being integrally involved in helping make their important medical decisions, and following through with treatments that result in high customer satisfaction are most important to me. Second, I handpick my staff and know them well. They are compassionate and well versed in the vascular care of patients. This helps breed efficient and effective health care. Personally, my daughter tells me I seem a lot happier now, and frankly I feel it too. I didn't recognize the burnout factor in my former employment but can see it now as I look back from my new perspective in the OBL. It makes taking care of patients much more pleasurable, rewarding, and I suspect, has made me a better physician.

Many of the benefits that apply to me also apply to my staff. We do work hard, but we're not doing cases in the middle of the night or on Saturdays, Sundays, and holidays. There are no callbacks and time off is more enjoyable. We are specialized, but within the boundaries of our OBL services, there is opportunity to expand one's experience and I encourage everyone to do so. In fact, this cross-functional training is a major key to our success.

Dr. Comstock: The strongest benefit of owning my own lab is the patient-physician relationship. Myself and our team members know our patients and vice versa. We know their names and their family, and they know us. My patients can contact me 24/7. This type of patient-physician relationship helps improve patients' trust and confidence. These relationships improve patient communication, and as a result directly impact patient outcomes. Autonomy and flexibility are also high on my list. If a procedure or process needs improvement, we change it. If we need a drug or a supply item to meet the demands of next week's schedule, or if I need a product or device to get the optimum outcome for our patients' procedures, we pick up the phone and make it happen. In the hospital it might take as long as six months to get a new product approved but we don't have that bureaucratic red tape here. As far as my quality of life, it is certainly more robust. You wear a lot of hats when you own your own practice and OBL.

How has your lab benefited your patients?

Dr. Dippel: Well, the patients love it. While building out the OBL, I went beyond the basics to make it an inviting, warm, and aesthetically pleasing office. They walk right in and get taken care of with little or no wait time. Patient satisfaction scores are through the roof—orders of magnitude higher than you get in the hospital. Every day we have patients that come in and say how happy they are to be seen here. They are human beings with names and life's challenges to contend with. If we can improve their health here, in a convenient, expeditious, and stress-free environment, it's mission accomplished!

Dr. Comstock: Our lab provides a patient centric experience often missed in a large health care center. I'm often asked, "is there a way you can do my pacemaker here? Can you do my heart cath here? How about a CT scan?" After experiencing an OBL, patients just don't want to go back to the hospital. We can help patients stay healthier by coming to an OBL or ASC. We can triage them sooner, see them sooner, intervene earlier, in a cost-effective way, and avoid hospital acquired infections. There's a lot to be said for the ASC/OBL environment. We know our patients well and provide high quality care, timely follow-up, and longitudinal tracking.

How did you set up your lab? Did you utilize any outside help?

Dr. Dippel: When I decided to leave the hospital and test the OBL waters, my Philips consultant was a wealth of knowledge. He walked me through the due diligence, including the regulatory, office space alternatives, outfitting and financing options, running the business side, and common pitfalls to avoid. I anticipated the need for some help managing the back office functions and Philips introduced me to several management companies that I interviewed and ultimately selected one. I knew my limitations (and predilections), so the lab management company takes excellent care of the billing, coding, insurance credentialing, and human resources and I get to focus on being a physician. It's an ideal division of labor and the management company is still with me.

Dr. Comstock: We had a lot of OBL puzzle pieces to consider. You need to plan, educate yourself, make a good proforma, and understand your case costs and cost benefit ratio. We set out alone, but quickly realized help was needed with some of the more complex issues including regulatory compliance (Clinical Laboratory Improvement Amendments/Commission on Office

BENEFITS OF AN OBL OR ASC

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Laboratory Accreditation, radiation safety, etc.), revenue cycle management, and logistics. We hired a consulting company to come in and provide guidance which was critical to our success.

For many physicians, including myself, the largest barrier to entry into private practice was the clinical equipment and how best to pay for it. That became our “make or break” issue until I was introduced to a Philips contact who was an expert in this area. He introduced me to the Philips SymphonySuite OBL Solution, including Phillips Medical Capital and the Cadence Reward Program. Through these programs, we were able to obtain the equipment required and get affordable financing. The entire program was customized to my needs, simple to implement, and enabled me to leave the hospital and become an independent practitioner.

What are your growth plans? What do you think the future for outpatient settings will be?

Dr. Dippel: We are constantly reassessing our operations, external factors, what’s driving changes in volume, and how best to respond. We have a lot of flexibility in the procedures that we can perform in the OBL, and I have additional space at my disposal if and when I want to bring on another physician. I think the future is extremely bright. This model is better for physicians and patients and saves the health care system money.

Dr. Comstock: As previously mentioned, we are planning to expand to an ASC/OBL hybrid on a new campus with an adjacent medical office building, as we have outgrown our current space. Our volume increased faster than we had anticipated. Initially, we started with the OBL model only for a few reasons. First was cost containment—building an OBL is much less expensive than building an ASC. Second, we needed a “proof on concept” that the Tulsa market would support an outpatient lab. Therefore, we took this phased approach to development and expansion.

It should be noted that none of this could happen without Medicare continuing to facilitate the transfer of cardiovascular procedures to the OBL and surgery center. The recent approval of percutaneous coronary intervention and coronary atherectomy highlights

Medicare’s commitment to expanding cardiovascular services within the ASC setting. I would anticipate that lower risk outpatient ablations will soon be done in the surgery center over the next few years.

What advice would you give to physicians looking to open their own practice?

Dr. Dippel: Planning, setting up, and running an OBL is not magic...or easy. You can’t just throw a dart at a map, open one up, and be successful. Your sources of patients, knowing where referrals can come from, and projecting income should be estimated with sufficient certainty before you start digging a hole, literally and figuratively.

Dr. Comstock: Partner with those that can help you. Reach out to other OBL owners and consider consultants. Management companies can be used where it makes sense and companies like Philips with their SymphonySuite OBL offering with the Cadence Reward Program and Phillips Medical Capital can help equip you with the latest technologies without drowning you in debt. Take a longer-term perspective. The investments required to make your OBL/ASC a reality are your investments! When you retire, you’ll be left with a tangible asset with real value. ■

The Philips Office-based Lab and Ambulatory Surgery Center Solution—SymphonySuite—has more of what physicians need in one trusted place. Offering a full range of industry-leading equipment and interventional devices with reward programs that help physicians start-up or reinvest in their lab by minimizing their equipment costs. Experts help guide physicians every step of the way, saving them time and money so they can focus on what matters most – their patients. Learn more at www.philips.com/OBL.*

1. Grand View Research. U.S. Office-based Labs Market Size, Share & Trends Analysis by Modality (Single Specialty Labs, Hybrid Labs), By Service, By Specialist, and Segment Forecasts, 2020 – 2017. Report Summary. December 2020. <https://www.grandviewresearch.com/industry-analysis/office-based-labs-obl-market>. Accessed July 9, 2021.

*Not all customers will qualify. Subject to program agreement.