



Case Study

Customer improved efficiency, stability and profitability with Physician Group Management Services



Customer

Orlando Anesthesia Consultants in Orlando, Florida



Challenge

The independent anesthesia group was looking to refine its business strategy and evaluate growth opportunities.

The group aimed to renegotiate payer contracts, improve employee compensation while also with turnover needed applying for pandemic-related loans and HHS provider relief funds to cut labor costs during the pandemic.



Product

Physician Group Management Services



Results

- Improved financial stability, resulting in less employee turnover and improved working conditions.
- Boosted efficiency, with business focused on profitable endeavors.
- Increased reimbursements from payers.
- Received pandemic-related loans and HHS Provider Relief Funds.
- Lowered labor costs during the pandemic by furloughing certain employees.

“The younger workforce doesn’t want to take calls and work weekends. They want to work more predictable, daytime hours – the updated employee compensation and working conditions reflect these preferences.”

Dr. Mark Addonizio.

Orlando Anesthesia Consultants

The customer:

Orlando Anesthesia Consultants (OAC) is an independent anesthesia group with several practice locations in the Orlando, Florida, area. OAC practitioners include anesthesiologists and certified registered nurse anesthetists.

The challenges:

In early 2018, OAC was providing anesthesia services at one acute-care facility and several outpatient centers, including 3 ambulatory surgery centers (ASCs).

The group elected not to respond to a request for proposal (RFP) from its sole hospital site. OAC also realized it needed to improve its overall financial condition and devise a business strategy for continued success. Although it was working with a billing company, it realized this vendor would not be able to provide them with the required guidance and support.

Meanwhile, physician turnover was high, due to below-market compensation packages and work demands at the hospital site. OAC determined the importance of improving its compensation and benefit package to be able to attract and retain high-quality anesthesia providers. To accomplish this transformation, it required assistance from a skilled and experienced vendor.

The solution:

OAC began working with Optum Revenue Cycle Management (RCM) team for billing, practice, and financial management services in February 2018. Since then, Optum has been providing many key practice and financial management services to OAC.

1. Optum has been advising OAC on whether to pursue various business opportunities.

Thanks to their input, OAC has avoided some possible service sites that would have proven unprofitable.

One case in point: A new hospital requested OAC be its exclusive anesthesia provider. On guidance from Optum, OAC indicated it would only move forward if the hospital agreed to OAC's proposed subsidy mechanism. The hospital did not agree to this proposal, which was fortunate since projected case volumes have not materialized.

Optum advised OAC to terminate its relationship with one of its ASCs due to it being unprofitable.

Optum helped OAC respond to RFPs from other ASCs. It was also instrumental in negotiating the terms and conditions of service agreements with these sites.



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Dr. Mark Addonizio.
Orlando Anesthesia Consultants

2. Optum has been continually negotiating payer contracts to seek higher rates of reimbursement.

For example, in anticipation of the No Surprises Act (which would enable payers to pay much lower rates to out-of-network providers), Optum proactively negotiated a new payer contract.

The result: OAC is now in network and benefits from favorable rates. Additionally, due to advice from Optum OAC avoided a proposed significant decrease from a major commercial payer, who felt OAC should be paid less since the group was working in ASC settings only (and no longer in an acute-care facility).

3. Optum has helped OAC improve anesthesiologist compensation packages.

“The younger workforce doesn’t want to take calls and work weekends. They want to work more predictable, daytime hours,” says Dr. Mark Addonizio. The updated employee compensation and working conditions reflect these preferences.

4. Optum provided critical assistance during COVID-19.

Optum helped OAC apply for, and secure, PPP loans and several rounds of Provider Relief Funds. It also helped OAC receive funds from the Employee Retention Credit program and put employee furloughs in place, reducing labor costs. “When COVID-19 hit, all our case volumes went down 10%–20%, so we had to figure out what to do,” says Dr. Addonizio. “Those loans really saved us.”

“The anesthesiologists are now being paid more, consistent with market levels. Their lifestyle has also improved since service sites don’t require on-call hours and weekend and holiday staffing. This has contributed to group stability.”

Dr. Mark Addonizio.
Orlando Anesthesia Consultants

The result:

Thanks to vital assistance from Optum OAC is growing and on solid financial footing.

- Successfully navigated COVID-19. Thanks to employee furloughs and governmental assistance, OAC was able to withstand pandemic pressures.
- Fixed the turnover problem. “The anesthesiologists are now being paid more, consistent with market levels,” says Dr. Addonizio. “Their lifestyle has also improved since service sites don’t require on-call hours and weekend and holiday staffing. This has contributed to group stability.”
- Increased profitability. By concentrating on profitable ASCs (rather than hospitals), OAC has flourished financially. Thanks to renegotiation of payer contracts by Optum OAC has also been receiving higher terms of reimbursement.



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