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Have You Made This Mistake Concerning Your Medical Practice?

I have a friend, a physician, Tom, who's always wanted to become a carpenter. Not the frame a house type carpenter, but one who builds beautiful cabinets and fine furniture. I've seen his work, and I can attest that he would have been the Leonardo Da Vinci of woodworkers.

If you wouldn't have gone into medicine, what would you have done? Let's pretend that, whatever it was, it was run out of a storefront located in a high-end mall. Maybe your store would sell only those Buscemi brand sneakers [I wrote about](#), you know, the ones that sell for \$800 a pair.

So you've got maybe \$250,000 in inventory. Perhaps another \$300,000 in computers and displays and other property. And, because you need to provide very high-end service to folks buying \$800 sneakers, you searched high and low and hired the best staff you could find; you trained them well.

But then your lease is terminated. Let's say it's because the mall manager doesn't like you. In fact, the mall manager has leased your store to one of your competitors, Soulless Soles. Can the mall manager simply lock you out, hand Soulless the keys and tell them they're free to keep the entire contents of your store, and your staff?

You'd be on the phone to me in five minutes: "Let's sue!"

But this is exactly what happens to medical groups when they don't protect their practices, including their staff, from being handed over by a hospital to a competitor as a result of an RFP process or simply as a result of a de facto lock-out.

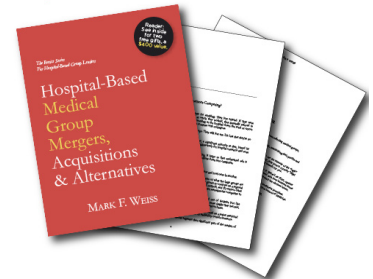
For example, consider the fictitiously named Jones Group, cardiothoracic surgeons who've developed a strong multi-physician practice based out of the fictitiously named St. Mark's Community Memorial Hospital. Under pressure from one of the members of the group who seeks more power, the hospital announces that that surgeon, together with some surgeons from across town, will become the new hospital-sponsored group working from the hospital-run cardiothoracic clinic. That new clinic will be located in the office space currently (well, for the next 90 days, the without cause termination period) leased by the Jones Group. The rest of the Jones Group docs are sent scurrying for new office space and new referral sources, or for new jobs across the country. The goodwill of the Jones group has essentially been pulled right out from under them.

Or, for example, consider hospital-based Smith Group that provided services at St. Mark's for 15 years. The hospital wants to consolidate Smith's services with that of another hospital-based department and awards the combined contract to another group. The new group offers to hire all of Smith Group's docs, except for its shareholders who are sent packing.

There are many tools available to protect your medical group's "store" from being turned over to the new "tenants," your competitor. Some, such as covenants not to compete, nonsolicitation provisions, trade secrets provisions, corporate opportunity provisions, and so on, can be used within the context of your group's structural documents. Others can exist within the context of agreements with third parties.

Of course, this means that you have to take action now to protect your group's future. Yes, this means you have to invest in yourself; but if you don't invest in yourself you're

Hospital-Based Medical Group Mergers, Acquisitions & Alternatives



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Some days, it seems as if everyone, from anesthesia groups to vascular surgery practices, is talking about selling their practice to a larger group, to private equity investors, or to a hospital.

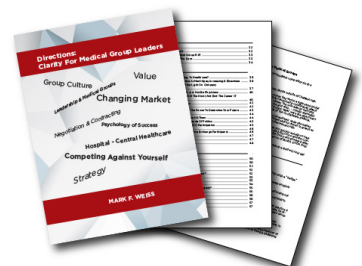
The reality is that some practices can be sold, some can never be sold, and some have nothing to sell.

The reality also is that there are a number of strategic alternatives to a practice sale.

A perfect storm of factors is accelerating the market for hospital-based medical group mergers and acquisitions.

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Directions: Clarity For Medical Group Leaders



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The healthcare market is changing rapidly, bringing new sets of problems.

How can you find a solution, how can you engage in the right development of strategy, and how can you to plan your, or your group's, future without tools to

simply investing in a structure that someone else will later take over for their own benefit.

Don't wait for a disaster to happen and then decide to do something about it. The damage will already be done. You'll have made it easier for your relationship to be terminated, easier for your business to be destroyed, easier for it to be handed over to someone else.



Wisdom. Applied. 77 - Understanding Price, Value And How To Use Them

Price is what you pay. Value is what you get. Learn how to leverage their relationship.

All Things Personal

I recently received a bill for my internist. It was printed on an odd-size piece of blue paper. It bore a minimal description of the service performed, their address and mine, the amount due, and the instruction to submit the "stub" with payment. But the stub wasn't really a stub. It was the area below an unperforated line.

It was a bill. But it was just a bill. It was also a lost opportunity to turn the contact into something that was positive and memorable.

For hospital-based physicians, whose patients don't always know that they received your services or that the charge wasn't already included within the hospital's charge, a properly constructed bill can reduce or avoid nonpayment and can speed up cash flow. In fact, although it is a rule most often followed in its breach, your bill should not be the first piece of paper the patient receives from you following the delivery of your services.

And, certainly, for office-based physicians, the bill can double as an advertisement for your other services and for referrals.

If a bill can repel, it can also be made to attract.

A bill is a terrible thing to waste.

Recently Published Blog Posts

Monday, May 25

Blog Post: [Have You Made This Mistake Concerning Your Medical Practice?](#)

Thursday, May 21

Podcast: [Pass the Bread and Get the Contract](#)

Wednesday, April 22

Videocast: [I See Zombies Every Day](#)

Monday, May 18

Blog Post: [Are All Hospitals Really Price Buyers?](#)

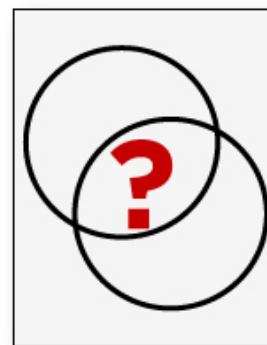
help clarify your thinking?

Directions is a collection of thoughts as thinking tools, each intended to instruct, inform, and even more so, cause you to give pause to instruct and inform yourself.

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Mark's article **Do You Make This Mistake Concerning Customer Value?** was published in the March 2015 issue of GeneralSurgeryNews.com. Read or download [here](#).

Mark's article **McDonald's and Delivering Anesthesia Group Value** was published on AnesthesiaNews.com on December 30, 2014. Read or download [here](#).

Mark was quoted in the article **Top 5 financial challenges facing physicians in 2015**, published in the December 2014 issue of Medical Economics. Read or download [here](#).

Mark was quoted in the article **Top 15 challenges facing physicians in 2015**, published in the December 2014 issue of Medical Economics. Read or download [here](#).

Mark's article **Bundled Billing or Bungled Billing?** was published in the October 2014 issue of Pain Medicine News. Read or download [here](#).