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What You Need To Know About Bedless Hospitals And Your Future

In my book, [The Impending Death of Hospitals](#), I make the point that hospitals as we know them are dying. [If you haven't already, follow that link to download your complimentary copy of the book.] Due to a convergence of factors from technology to payor pushback to the end of inefficiency, care is quickly moving from the inpatient to the outpatient setting.

And now it appears as if hospitals are essentially committing suicide: They are becoming *bedless*.

Take MetroHealth System, for example. It recently opened a \$48 million bedless hospital in Brecksville, Ohio, a Cleveland suburb.

Or, take Montefiore Medical Center's Bronx twelve floor hospital with no inpatient beds.

Or, take Children's Hospital of Michigan Specialty Center - Detroit. Again, no inpatient beds.

It sure seems as if hospitals no longer like to make the bed!

Reception area/waiting room? Check!

Operating rooms? Check!

Patient monitoring? Check!

Imaging? Check!

Physical therapy? Check!

Inpatient rooms? Heck no!

All of the overnight rooms are the patients' own rooms at their homes, so there's no need to build them. There's no need to staff them. And, there are no hospital infections lurking over at Ms. Smith's place.

In essence, except for an emergency room (which in some states can itself become a freestanding, although not Medicare participating, facility), these hospitals are simply large outpatient clinics.

So, what's the real difference between a bedless hospital (with all of the regulatory roadblocks to physician ownership, at least as far as Medicare is concerned) and an ASC? *Payment rates*.

But hospitals are moving to bedless because even private payors are balking at the bloated cost of inpatient procedures.

And, just as HOPD rates are slowly but surely being squeezed down to the ASC level, it's a fool's bet to think that bedless hospital rates won't soon be headed to the same destination.

Here are some very important takeaways for you:

1. As hospitals jettison inpatient care (the singular feature that distinguishes them from ASCs) the ability of physicians to compete via the ownership of facilities increases. If you're not already active in that space, you have to become so *immediately*.
2. As hospitals shrink there will be even less than the present (very little) safety that exists today in hospital employment for physicians. The safety is in being more in control of your destiny, not less.
3. For physician groups and even individual physicians (as well as for other organized groups of providers such as CRNAs and PTs) there's huge danger in becoming dependent upon a single hospital relationship. As traditional hospitals fail, those relationships will fail for no fault of your own. Broaden your business. Now.

Want more information? Want to run a "quick and dirty" analysis of whether an outpatient facility makes sense for you? [Contact me](#).



Wisdom. Applied. 93 - When You Fail To Set Strategy

The failure to set strategy could lead you to be as directionless as the jellyfish of the highway. You've seen them, too. Plastic shopping bags traveling a few feet off the ground, propelled by the wind of passing cars.

September 30, 2016

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NEW BOOK OFFER

The Impending Death of Hospitals



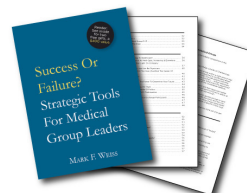
COMPLIMENTARY BOOK DOWNLOAD

Having fallen for the fallacy that there's profit in market share, hospitals have gorged on acquisitions and on employment and alignment of physicians. Many physicians have been willing participants through practice sales and in the belief that there's safety in hospital employment. But it's becoming evident that physician employment leads to losses and that integrated care delivers neither better care nor lower costs. And now, technology is about to moot many of the reasons for a hospital's existence. How can your practice survive and even thrive in the post-hospital world?

The Impending Death of Hospitals is available for purchase in hard copy or in Kindle format on Amazon or you can download a complimentary PDF version [here](#).

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Success Or Failure? Strategic Tools For Medical Group Leaders



COMPLIMENTARY BOOK DOWNLOAD

Today's medical groups must confront multiple challenges: The impact of Obamacare. Increasing commoditization. More competition, not just from other physicians and medical professionals, but also from hospitals, investor-owned groups, and disruptive ventures. Yet at the same time, the future of healthcare offers medical groups tremendous opportunity.

This small book is a collection of essays, of thoughts as thinking tools for your success. Read. Think. Succeed. Repeat.

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All Things Personal

For over 100 years, our country has had strong laws breaking up "trusts" -- monopolies -- to ensure healthy competition. And then there's the Postal Service, a government owned, government controlled monopoly.

About 6 weeks ago, I received a letter forwarded to me by the Postal Service. The envelope had one of those yellow forwarding stickers with my current address stuck to the front. The only problem was that the letter wasn't addressed to me at all, it was to someone we'll call "Janet."

I crossed off my address on the yellow sticker, drew a large arrow pointing to the return address on the envelope, wrote "Return to Sender" at the base of the arrow, and dropped it into the mail.

Fast forward about 3 weeks and the letter was again delivered to me at the yellow sticker address.

I researched Janet, located a phone number and called to say that I had her letter. I confirmed her address and then put the original envelope into a new envelope and mailed it to her.

Janet called me a few days ago to tell me that even though my envelope was postmarked the same day I spoke with her, it took 15 days to travel the 6 or so miles to her office.

Although a government controlled monopoly is supposed to guaranty coverage, the problem with a monopoly, especially one controlled by the government, is that there need not be any real service standards. You get what you get. After all, there's no longer any competition, or any real competition, to force a change to better service, better quality, better delivery. Like at the DMV, the county clerk, and even all too often from the judge at the courthouse.

And now, there's a push for "state option" health insurance and for single payer universal healthcare. Coverage for all -government monopolies.

What's missing from those equations is that coverage is just a little card you put in your wallet, while care is the actual delivery of what's needed. Two very different things.

As Ronald Reagan famously said, the most terrifying words in the English language are: I'm from the government and I'm here to help.

Recently Published Blog Posts

Thursday, September 29

[Do You Make This Mistake In English?](#)

Wednesday, September 28

[Why Free* Doesn't Mean Free](#)

Tuesday, September 27

[The Damage Caused By Disruptive Physicians](#)

Monday, September 26

[Are You Asking The Wrong Question About Your Future?](#)

Thursday, September 22

[The Odds Of Medical Group Survival](#)

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Forward This!

Feel free to forward this newsletter to your friends. They can sign up for their own copy [here](#).

Whenever you're ready, here are 3 ways I can help you and your business:

1. Download a copy of the *Success or Failure?* Book

My book *Success or Failure? Strategic Tools For Medical Group Leaders* provides you with a framework for thinking about your success. You can buy it on Amazon or, for free, download a copy at the following link - [Click Here](#).

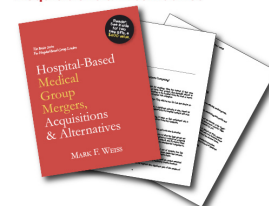
2. Be a guest on æWisdom. Applied. Podcast.æ

Although most of my podcasts involve me addressing an important point for your success, I'm always looking for guests who' like to be interviewed about their personal and professional achievements and the lessons learned. [Email me](#) if you're interested in participating.

3. If You're Not Yet a Client, Engage Me to Represent You.

If you're not yet a client, and you're interested in increasing your profit and managing your risk of loss, just reply to this message and put "One-on-One" in the subject line. I'll contact you to set up a call or meeting.

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.

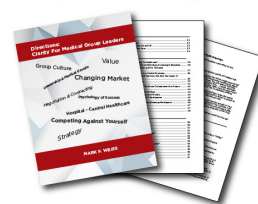
The reality is that some practices can be sold, some can never be sold, and some have nothing to sell.

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



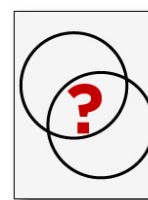
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The healthcare market is changing rapidly, bringing new sets of problems.

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 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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MFW Knowledge Products

If you're an independent learner or need a refresher on a current topic, click [here](#) to find out about our growing list of Knowledge Products.

Recent Interviews and Published Articles

Mark's article **OIG Advisory Opinion Secrets and Strategies** was published in the Summer 2016 volume of *Communique*. Read or download [here](#).

Finders keepers, losers weepers. Except in connection with overpayments from Medicare, then it's a violation of the federal False Claims Act leading to significant liability, that is, unless you repay the overpaid sum within 60 days. Read **CMS Resets the Clock for Return Of Medicare Overpayments** published on *AnesthesiologyNews.com* in May 2016. Read [here](#).

Mark's article **A New Strategy To Profit From Interventional Radiology**, co-authored with Cecilia Kronawitter, was published on *AuntMinne.com* on May 23, 2016. Read or download [here](#).

Three of Mark's blog posts were republished as a column entitled **Practice Challenges** in the Spring 2016 issue of the *Pennsylvania Society of Anesthesiologists Newsletter*, the *Sentinel*. Read or download [here](#).

Mark's article **Is There An Interventional Radiology ASC (irASC) In Your Future?** was published in the April/May 2016 volume of *Radiology Business Journal*. Read or download [here](#).

Mark's article **Impending Death of Hospitals: Will Your Anesthesia Practice Survive?** was published in the winter 2016 volume of *Communique*. Read or download [here](#).

Mark was quoted in the article **Practice Patterns Change While Outcomes Remain Steady Among Older Anesthesiologists**, published in the December 2015 issue of *Anesthesiology News*. Read or download [here](#).

Mark's article **Anesthesia Group Mergers, Acquisitions and (Importantly) Alternatives** was published in the summer 2015 volume of *Communique*. Read or download [here](#).

Mark was quoted in the article **Anesthesiology Acquisition Rate Still at Fevered Pace**, published in the July 2015 issue of *Anesthesiology News*. Read or download [here](#).

Mark's article **Seeking Certainty In Radiology: Mergers, Acquisitions and Alternatives** was published in June 2015 on *Imagingbiz.com*. Read or download [here](#).

Mark's article **Give Disruptive Docs the Boot** was published in the April 2015 issue of *Outpatient Surgery*. Read or download [here](#).

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