

**Endoscopy Center of
Western New York, LLC**

60 MAPLE SUITE 2

ALL PROCEEDS
TO HELP
OF BUILDING

ENDOSCOPY CENTER OF WESTERN NEW YORK

Four Key Strategic Changes

Hheavy snow was falling on opening day, March 16, 2004, at the Endoscopy Center of Western New York located in Williamsville, NY, just outside of Buffalo. By 10:00 a.m. that morning over 14 inches of the powder littered the surrounding areas. Remarkably, every patient booked for opening day arrived on time for their procedure—not a single cancellation occurred and not a single patient ran late. On that very first day of operations, the “Can Do!” attitudes of true Western New Yorkers established the culture and tone of the new facility for years to come. Growth has been remarkable in the past six years and adopting a long-term business strategy has been critical to the success of the center—with a focus on four key elements of change.



**Christopher
Bartolone, MD**

Long-term, Strategic Space Evolution. From the very beginning, the facility was designed for modular growth. While the original CON approved three procedure rooms, a fourth room had been pre-designed (but not built), so in 2007 the ASC applied for a CON expansion which subsequently allowed the fourth room to open in 2008. This modular construction approach for both the expansion of the ASC, as well as the adjoining professional practice, ensured that neither center nor practice operations would be comprised to any significant degree during construction, nor would it require either entity to close down for more than a day or two during expansion transitions.

Aggressive Managed Care Contracting. Overall, reimbursement in the greater Buffalo, NY market is not nearly as robust as many other parts of the country. Four major payers comprise more than 85% of the GI group's

payer mix, so it was critical to implement an aggressive long-term plan to address three of these payers (the fourth was Medicare).

"Over the past three years, our Medicare ASC facility fee has been cut over 16%, yet our collections per procedure have continued to increase every year since we opened in 2004. Coordination of efforts between our local management team and the talented people at Physicians Endoscopy has yielded solid reimbursement increases from more than half our payer mix," states Christopher Bartolone, MD, who serves as medical director of the facility and is a member of its board of managers.

Dedicated Physician Recruitment Efforts.

Concurrent to expanded capacity at the ASC, the practice invested significant time to recruit new doctors and grew their provider base from 8 to 11 physicians. "We spent untold hours creating a plan to recruit new providers to our group. Strategically, we agreed that new providers were critical to our long-term growth and success. Although at times it felt like recruitment was a burden that we all shared, the plan worked and we grew our provider base by 20%. With newly opened clinical space coupled with new providers, our procedural volumes began to expand in late 2008," states Ken Hoffman, who serves as the administrator over both the ASC and professional practice.

Practice Re-Engineering. "Our case-load slightly increased in 2008 compared to 2007; the expense of adding on the fourth room caused a momen-

tary dip in our income per procedure metrics. As a result, our practice held a retreat to develop a new strategic plan that would enhance our utilization of the endoscopy center," offers Dr. Bartolone. Essentially, one of the physician partners decided to become a full time hospitalist at the one hospital with the greatest coverage obligation. This strategy allowed physicians within the center the ability to schedule a full day of procedures without any hospital responsibilities. "Our procedural volume increased 16% in 2009 as a result of this practice re-engineer-

ing. Downstream we enjoyed a 39% increase in ASC income as a result," stated Mr. Hoffman.

Named One of the 15 Great Single-Specialty ASCs

Endoscopy Center of Western New York was featured in *Becker's ASC Review* Nov/Dec 2009.

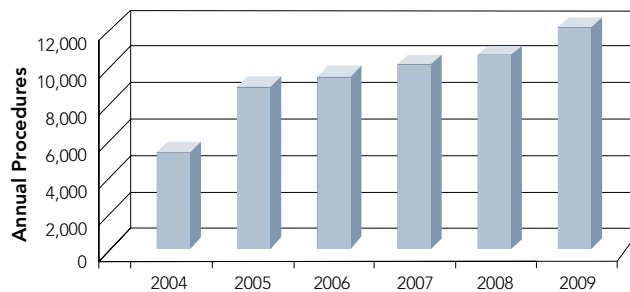
Endoscopy Center of Western New York opened in March 2004 and is managed by Physicians Endoscopy. The ASC performs over 11,000 procedures annually and specializes in endoscopic retrograde cholangiopancreatography, upper endoscopy/EGD, colonoscopy and sigmoidoscopy. The 7,300 square-foot center features four procedure rooms and has 11 physicians on staff. The ASC enjoys strong and positive relationships with local hospital systems in Buffalo, with the physicians providing full-time clinical GI coverage to four of the hospitals in the area.

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Christopher Bartolone, MD. Dr. Bartolone has been the medical director at the Endoscopy Center of Western New York since its opening in 2004. He received his Doctorate in Medicine from the State University of New York at Buffalo, School of Medicine and Biomedical Sciences. He completed his internship and medical residency in internal medicine at the State University of New York at Buffalo School of Medicine and Biomedical Studies and his fellowship in digestive and liver diseases at the University of Illinois at Chicago.

Kenneth Hoffman, CPA. Mr. Hoffman has been the administrator of the Endoscopy Center of Western New York since its opening in 2004. He is also the practice administrator for Gastroenterology Associates, LLP, the medical practice located in the same building as the Endoscopy Center of Western New York. He is a certified public accountant and was a partner in a national accounting firm prior to joining Gastroenterology Associates, LLP.

Procedural Growth



Income Per Procedure

