

White Paper

A New Model for Neurosurgical Practice Management Addresses Market Challenges and Benefits Constituents



The idea of clinical contract management is not a new concept—many hospitals and physician groups are familiar with this model that has been used for decades for specialties like emergency medicine, hospital medicine and anesthesia. However, this model has never been applied to the specialty of neurosurgery—until now. Introducing the Neurosurgical Hospitalist.

Challenges Facing the Practice of Neurosurgery

Historically, neurosurgeons have been practicing under one of two models—either as a physician in a private physician practice or as an employee of the hospital. The recruitment of qualified neurosurgeons is a growing challenge for both practices and hospitals alike. Due to those leaving practice for other roles or retirement, the number of practicing neurosurgeons has steadily been declining, while the number of incoming and matriculating residents has remained relatively static.¹

For Trauma Centers and Comprehensive Stroke Centers in particular, the shortage of neurosurgeons has proven to be a challenge. Other factors affecting the availability of neurosurgical services include issues related to perceived medicolegal risk, disproportionate reimbursement relative to work effort in comparison to elective cases, and increased malpractice premium rates for inclusion of trauma within the scope of practice. These issues have caused many neurosurgeons to abandon trauma care or relinquish craniotomy privileges at their facilities. The resultant lack of neurosurgical care for trauma patients has placed a significant burden on Level I and Level II Trauma Centers. Even at these facilities, which by definition are committed to providing trauma care, full neurosurgical support is often absent or is difficult and costly to maintain.²



As more hospitals seek Trauma Center designation or Comprehensive Stroke Center status to offset revenue streams moving toward outpatient practices, the need for full-time, round-the-clock coverage by neurosurgeons increases, yet fewer are available to answer the call.

The Neurosurgical Hospitalist Model

Surgical Colleagues is a company committed solely to providing solutions in specialty surgical services. They are the first practice in the country to apply this model to neurosurgery, covering emergency department visits as well as admitted patients. The group recruits and manages a full complement of permanent, full-time neurosurgeons who serve as a dedicated hospital-based practice, providing 24/7/365 coverage along with a follow-up clinic. This broadened scope of care supports an elective component that augments specialty coverage for hospitals that want/need to improve patient access, and the integration of emergent and elective cases has demonstrated tighter physician alignment, new revenues, lower costs and recruiting advantages.

In this model, Surgical Colleagues takes the burden off the hospital and the physician group for all aspects of the management of the practice—recruiting and human resources, assumption of malpractice risk, scheduling and ensuring call coverage, provision of clinical best practices, utilization management, and billing and collections. Surgical Colleagues neurosurgeons are expected to practice team medicine, become active members of the medical staff and community and to participate in performance improvement activities.

Benefits to Hospitals

This model provides numerous benefits to hospitals:

- *Enhancing Revenue.* Neurosurgery provides a lucrative revenue stream, with one FTE generating almost \$2.5 million in revenue to the hospital.³ Lack of round-the-clock neurosurgical coverage, however, may significantly diminish this revenue stream. In one survey, nine percent of neurosurgery practice respondents indicated that routine emergency cases are frequently transferred from their hospital due to lack of appropriate coverage.⁴ By maintaining a well-managed hospital-based practice with integrated outpatient follow-up, those revenues remain within the hospital system. Additionally, the ability to admit and provide care for patients with more complex and high acuity neurological diagnoses at the time of admission, combined with proper documentation and coding of these conditions, has the potential to increase the volume of appropriate admissions along with the per-admission facility reimbursement.
- *Reducing Transfers.* In addition to increasing revenue from intracranial conditions, the neurosurgical hospitalist prevents the loss of transfer to other institutions for patients who present urgently or after hours with spinal conditions. Although these patients can often be managed on an outpatient basis, the neurosurgical hospitalist establishes care and follow-up in the urgent setting, ensuring that the outpatient and subsequent inpatient services remain within the system.
- *Supporting Trauma or Stroke Centers.* For hospitals who wish to gain or enhance their Trauma Center designation or Stroke Center status, a neurosurgical hospitalist program provides ready-made coverage for primary neurosurgical problems as well as support for interventional neuroradiology and critical care programs. Such support can also extend to medical and radiation oncology programs, neurology, orthopedics, pain management, and other programs.
- *Complementing Existing Programs.* Many hospital systems employ or have on their staff a solo neurosurgeon or small group that cannot provide comprehensive or continuous inpatient and emergency neurosurgical coverage. The hospitalist model allows expansion of inpatient and emergency services in such a way that hospital revenue is not tied to the availability of these practitioners. Rather than competing with the existing neurosurgeon(s), the hospitalist program complements them by both retaining patients and adding patients to the system.
- *Enhanced Market Share.* Lastly, provision of this service affords a hospital a competitive advantage in its community, helping to increase preference and market share.

Benefits to Physicians, Patients and the Community

For Neurosurgeons, the hospitalist model is attractive for several reasons. Although the reimbursement is on par with traditional neurosurgery roles, the unique schedule allows unparalleled flexibility in lifestyle due to extended periods of time off. The neurosurgeon may even choose to live in a different location than where he or she works. Unlike a locum tenens situation, however, the neurosurgeon returns to the same institution on a sustained basis and is a long-term, participative member of the medical staff. This ensures familiarity and consistency for both the surgeon and the hospitalist. Because of the attractiveness of this model, the recruitment of quality neurosurgeons to this type of hospitalist practice is easier than it is for traditional private practices and hospitals.

For the community, the availability of high-quality, round-the-clock local care for spinal and cranial disorders keeps patient and families from being burdened with the expense and inconvenience of travel to address these issues at another facility. Patients benefit from being able to receive care from physicians in their community who have the support and resources provided by Surgical Colleagues neurosurgeons.

What Types of Hospitals Benefit Most from This Model?

As outlined above, the neurosurgical hospitalist model provides a unique and adaptable resource for a variety of hospital settings. The program can be tailored to fit each institution's unique needs, be it augmentation of an existing service line or establishment of a new program.

Surgical Colleagues answers the call for better neurosurgical coverage. To find out how your hospital could benefit from a Neurosurgical Hospitalist program, contact us today for a free consultation.



ChrisE@surgicalcolleagues.com

| 866-991-9868

| www.surgicalcolleagues.com

SOURCES:

¹ J Neurosurg. 2005 Feb;102(2):202-8.

² Ann Surg. 2005 Sep; 242(3): 364-374.

³ Merritt Hawkins *2016 Physician Inpatient/Outpatient Revenue Survey.*

⁴ Neurosurgery. 2011 Apr;68(4):1063-7; discussion 1067-8.