

## Clinical Outreach and Growth

Department of  
Obstetrics & Gynecology

## Clinical Outreach and Growth

*The Good, the Bad, and the Ugly.*

## ■ Obstetrics

### Primary Obstetrics

- Every hospital in Toledo is losing money on Obstetrics.
- Promedica probably subsidizes OB for 2 million dollars per year.
- Promedica has taken 1000 deliveries of the 10,000 in NW Ohio away from Mercy.

## Hospital Facts

- Obstetrics has been the primary battleground to achieve market share for all of primary care.

## Hospital Facts

- Promedica spends almost 2 million for 18-20 midwives to maintain market share for Medicaid patients.
- It significantly subsidizes its two large Promedica owned private practices comprising 21 OB-Gyns.
- Its cost to maintain the 3 Maternal Medicine Specialists with their support is approximately 3 million with a probable shortfall of 1 million.

## Hospital Facts

- Bay Park – heavily subsidizes two OB-Gyn's and three midwives for 500 deliveries.
- The unit was built to cut into St. Charles market share. It has for about 400 deliveries.
- St. Anne's – recently closed OB unit to cut losses. It was built to compete with TTH and Flower. It failed to do so.

## Market Reality

- Having no Obstetrical Unit at UTMC has required reliance on Promedica and Mercy for OB.
- This has effectively limited our faculty from being able to practice OB. Promedica closed its facilities to us in 1997.
- The partnership with SVMCMC fell apart in 2002. Then SVMCMC hired its own people.

## Current Market Issues

- Primary care – Obstetrics, Pediatrics, Family Practice & Internal Medicine

Market Reality – Mom delivers at either TTH or SVMMC

She uses one of their Peds groups.

She and Dad use the same system.

## Generalist Practice

- 90% Medicaid
- Referrals primarily from GIM and ER

## Primary Obstetrics

- Requires 15 deliveries per month per partner.
- Every 5<sup>th</sup> night call is industry standard

- Promedica would not allow their groups to provide delivery floor coverage.

- They won again by attrition.

## Current Market Issues

- After 10 months of every other night call for OB, we have stopped accepting Paramount patients, and are transferring all of these patients to other practices.
- Have lost a new junior faculty member who will not continue in this political environment,

■ How about????

## UTMC OB Unit

- \$10 million per year for 5 years.
- In year 6, hope to have 7-8% of the Market.
- This would be bigger than St. Lukes or Bay Park or St. Charles.
- But:
  - This does not include costs for a nursery
  - No Maternal Fetal Medicine coverage

How about

## Departmental Practice Group at St. Lukes

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- To successfully compete would require subsidy of a practice of one million per year for 5 years with continuing losses of 500,000 thereafter.
- The practice would be extremely impeded by no access to Paramount at St. Lukes. Requires call coverage at 4 hospitals to capture insurances.

## Departmental Practice Group at St. Lukes

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- Only a Level 1 nursery
- No Maternal Fetal Consult Service
  - (requires 1.5 million)
  - No transports or care before 35 weeks

## Obstetrics

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- If we are going to have faculty who do Obstetrics and teach Obstetrics, we are going to have to create partnerships with the affiliated hospitals

## ■ Gynecology

## Benign Gynecology

- Patients see the Obstetricians that delivered their children.
- Our population is 90% Medicaid

## Loss of Traditional Market Share

- We have had a significant loss of previous market share from:
  - Mercy System Partnership

## Loss of Traditional Market Share

- Because of the traditional instability of faculty numbers and fear of losing staff, both institutions want to employ hospitalists bound to them with exclusive covenants.
- They are resistant to have faculty seeing patients in their facilities.

## Loss of Traditional Market Share

- When UTMC dropped relationship with Buckeye, our department lost 1/3 of our patient volume and 40% of surgical cases.
- More importantly, it destroyed the relationship with SVMMC whereby we did all their sterilization and Gyn Consultation.

## Loss of Traditional Market Share

- What have we done about it?
- Hired New faculty.....

## Current Market Issues

- Department of OB-Gyn has increased patient visits every month from September through January.
- We reduced patient waiting time for appointment to 24 hours for the last 3 months.

## Current Market Issues

- February, March and April 2007
- 30% no show rate
- No Growth in Patient visits
- No increase in employees from UT
- No change in insurance mix

## ■ Plan B

## Gynecology

- Specialized Clinics to Attract Referral:
- Chronic Pelvic Pain
- Menstrual Disorders

## Benign Gynecology

- Strategy: **short term**
- The department must takeover contracts for care and administration.
- Planned Parenthood
- Temperance Family Medicine Clinic

## Benign Gynecology and Obstetrics

- Strategy **long term**
- We have to partner with our so-called partners.
- We have to establish contracts to have our faculty practice at TTH and SVMMC

## Faculty Remuneration

- National Standards - Average Annual income for Ob-Gyn fell this year from \$216K to \$211.
- UTP Cost Model – Charges \$1,000,000
- Medicaid 30%                      \$300,000
- Overhead 50%                      \$150,000

## ■ Subspecialty Practice Opportunities

## Pelvic Reconstruction

- Technology has made highly complex procedures relatively easy done as outpatients.
- There are 5 Urologists who concentrate in this area. The General Gyn will not refer to us so he/she can bill for the Gyn procedure.

## Reproductive Endocrinology & Infertility

- It takes 125 in vitro procedure a year to break even.
- Dr. Lynda Wolf did 40.
- We need Repro/Endo for teaching, but not for the clinical practice.

## Gyn Oncology

- Has always been the major income producer for the department.
- Unfortunately we are losing Dr. Kueck and there is no way to expand services.

## Under-served Towns ????

- We have maintained a referral practice at Wauseon.
- Every other small hospital has hired OB-Gyn at very good salaries which they could not possibly earn.
- This is to keep patients in town.

## Future

- We need core faculty to maintain to academic mission of the department.
- Where can they practice to earn a practice income????

## Future

- If we can not establish practice partnership with TTH and Mercy, we will be reduced to:
  - **a core faculty who sustain education.**

## Future

- If we can not establish practice partnership with TTH and Mercy, we will be reduced to:
  - **Who require subsidy to break even.**

## Future

- If we can not establish practice partnership with TTH and Mercy, we will be reduced to:
  - **Chronic instability because faculty numbers will not withstand an exit because there is no one to absorb the workload.**