Using the Private Pathology Practice to Deliver More Value

*Charting a Course Through Arizona’s Health Systems and Managed Care*
Who is PSA?

- 80 Pathologists
- 14 Pathologists’ Assistants
- ~ 100 Support Personnel
Professional Services and/or Laboratory Medical Direction for the following:

- Private Pathology Accounts
- Dignity Health
- Iasis Health System
- Abrazo Health System (Tenet)
- Banner Health
- Sonora Quest Laboratories, LLC
- University of Arizona Medical School
PATHOLOGY SPECIALISTS OF ARIZONA, LLP

- Phoenix Pathologists, Ltd.
- Private Pathology Accounts
- Tucson Pathology Associates, P.C.
- University of Arizona Pathology
- Clin-Path Associates, PLC
- TPA Histology
- Pathology Services, P.C.
- Clin-Path Diagnostics, LLC
- Sun City Pathologists, P.C.
- Sonora Quest Laboratories
- Pathology Billing Services, LLC
- Phoenix Pathologists, Ltd.
PATHOLOGY SPECIALISTS OF ARIZONA, LLP

"THE GLUE"

Executive Committee (9)

- Clin-Path Associates, PLC
- Phoenix Pathologists, Ltd.
- Sun City Pathologists, P.C.
- Pathology Services, P.C.
- University of Arizona Pathology
- Tucson Pathology Associates, P.C.
What’s In the Glue?

- Common goals
- Strong Leadership
- Communication within the Group
- Quality of Service
- Single business infrastructure (taxes, accounting, auditing/billing)
- Single compliance, HIPAA and corporate/clinical/administrative policies
- Insurance (gen. liab., D/O, compliance, etc.) – single policies
- Managed care contracting under a single TIN
- Health System Contracts
- Professional liability under a single umbrella
Group Flexibility

- Distribution of Income
- Employee benefits other than pension
- Staffing
- Vacation allocations and scheduling
- Call rotations and frequency
- PA staffing levels
- Pursuit of business opportunities within rules of engagement
We use Glue to Build Castles and Moats

Definitions:

CASTLES: The foundation of the group’s strengths and your fall back position in times of bad

MOATS: Opportunities to expand, flourish and take risks
Castles as a Source of Professional Excellence

- Use group size to create subspecialty coverage
- Use the Group’s clinical expertise to manage challenges
- Use the Group’s business experience to best advantage
Castles as Embedded Relationships

- Heath Systems
- Clients
- Managed Care
Arizona Integrated Laboratory Network

Laboratory Sciences of Arizona, LLC
Sonora Quest Laboratories, LLC
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President/CEO

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Dan Weinman, VP, Strategy & Planning

BANNER HEALTH HOSPITAL LABS
1,300 Employees

AZ EAST REGION [beds]
Banner Baywood Medical Center [388]
Banner Desert Medical Center [549]
Cardon Children’s Medical Center [206]
Banner Gateway Medical Center [176]
Banner MD Anderson Cancer Center
Banner Heart Hospital [111]
Banner Ironwood Medical Center [53]
Banner Goldfield Medical Center [30]
Banner Casa Grande Medical Center [177]
Banner Payson Medical Center [44]

AZ WEST REGION [beds]
Banner Bonwell Medical Center [501]
Banner Del Webb Medical Center [404]
Banner Estrella Medical Center [214]
Banner Thunderbird Medical Center [561]

UNIVERSITY MEDICINE [beds]
Banner-University Medical Center Phoenix [733]
Banner-University Medical Center Tucson [479]
Banner-University Medical Center South [245]
University of Az Cancer Center
University of Az Cancer Center at Orange Grove

Banner Health Page Hospital [25]

Medical Directorship & Professional Services

Pathology Specialists of Arizona
65 Pathologists/2 PhDs

Clin-Path Associates, PLC
Phoenix Pathologists, Ltd.
Tucson Pathology Associates, PC
Pathology Services, PC
Sun City Pathologists, PLC

Pending
Banner-University Medical Center Pathologists (26)

SONORA QUEST LABORATORIES
1,880 Employees

SQL of Flagstaff
SQL of Tucson
SQL of Yuma
SQL of Prescott
SQL – Peoria Lab
70 Patient Service Centers (Statewide)

HDL – CIGNA Laboratory

Updated: 3/24/16
The Castle as seen by the Client

1. Procedures & Training
   - FNA
   - Bone Marrow biopsy

2. Exclusive Providers for:
   - Breast Imaging Centers
   - Ambulatory Surgery Centers
   - Dermatology Office Clients

3. Professional Relationships Still Matter in Medicine
How does Managed Care Recognize Castles?

1. Are you Above the Radar or Below the Radar?
2. Create Direct Access to the Leadership (CMO, CEO)
3. Create Direct Access to your Group
4. A reckoning force (100% Appeal in all Cases)
   - Push the process
   - Go to the Courts
   - Bill timely and correctly
5. Use the Patient to Your Advantage
Engaging the Future

Pursue Recurring Opportunities, Not One time Opportunities
Health Systems

- Test Utilization – No
- Test TAT – No
- STAT Capabilities – No
- Blood Utilization – Yes
- Control of High Cost Molecular Testing – Yes
- Integrate Pathology into Treatment and Diagnostic Modalities – Yes
- Create Recurring Indispensability - Yes
Future Moats

- Embedded Relationships
- Urology and GI pathology returns to the market?
- Molecular Pathology
- Managed Care
  1. Stay Above the Radar
  2. Recognize Their Strengths and Weaknesses
  3. Become a Resource Where Possible
Conclusion:

- Find the Right Glue
- Build a Castle
- Create a Moat
Thank you for your time.