

Would Merging Medical Practices Work for You?

BY HEIDI SPLETE
Senior Writer

ORLANDO — Pediatric practices of all sizes, even solo practices, must know their numbers, including their overhead, payroll, patient load, and cost of supplies, in order to survive, Charles A. Scott, M.D., and Herschel R. Lessin, M.D., said in a joint presentation at a meeting sponsored by the American Academy of Pediatrics.

Combining your pediatric practice with

another practice can help control costs and manage patient flow, but for any merger to succeed, the advantages must outweigh the disadvantages, said Dr. Scott, a pediatrician in a private group practice in Medford, N.J.

For example, certain legal actions, such as some types of insurance appeals, cannot be taken by groups of unrelated doctors but they can be taken by an integrated group.

Dr. Scott discussed the big picture per-

spective on what merging practices usually means for the private practice pediatrician.

"It means one taxpayer ID number, commingling [of] money, and working with someone who might have been a competitor," he said. As with marriage, mergers are about compromise. You must be able to sit in meetings with your partners, cooperate to achieve your goals, and become comfortable with not being the final decision maker.

A merger can be as large as two regions

or as small as two doctors.

"Don't expect your overhead to shrink, but your revenue should ultimately go up," Dr. Scott said.

One advantage of mergers is the ability to get better deals on supplies (especially vaccines) and to get them quickly, which increases the quality of care in any practice.

Mergers can also streamline personnel and cut administrative costs. Merged groups can have centralized billing, with insurance billing specialists who are often on a first-name basis with people at insurance companies.

Large group practices are also more adept at data collection and can more easily stop using insurance companies that don't value their services—or put pressure on such insurance companies to increase payments to a more reasonable and acceptable level. "We have more data about our own practice patterns and utilization than the insurance companies, so we can hold them accountable to some extent," Dr. Scott said.

An individual doctor can approach an

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insurance company and suggest that the company consider certain benefits, such as paying for a brand vs. a generic drug. Merged practices, on the other hand, because they are really one practice, have more power because they

can threaten to drop the insurance company en masse, he emphasized.

Potential problems with merging practices include the fact that individuals must subvert their egos to accept decisions made by the group and that individual doctors can't choose which insurance plans to accept.

"You also lose some free time, because there are more meetings," Dr. Scott noted.

Mergers aren't for everyone. However, if forming a group appeals to you, some options include working in multiple locations, combining offices, and inviting subspecialists to join the practice.

"Remember that you need professionals to help you," Dr. Scott added. "You can't be your own accountant, you can't do your own investing, and you can't be your own lawyer."

The bottom line is that the advantages of merging practices must far outweigh the disadvantages, because if they don't, it's not worth doing.

"The ego of the doctors is one of the biggest issues; you have to ask yourself whether you can work with your former competition," Dr. Scott added.

Dr. Lessin, medical director and founding partner of a group practice in Poughkeepsie, N.Y., provided a "micro" perspective on the finer details involved in merging medical practices into a large group.

Continued on following page

BRIEF SUMMARY OF PRESCRIBING INFORMATION

Duac® Topical Gel (clindamycin, 1% - benzoyl peroxide, 5%)

For Dermatological Use Only.
Not for Ophthalmic Use.

Rx Only

INDICATIONS AND USAGE

Duac Topical Gel is indicated for the topical treatment of inflammatory acne vulgaris.

Duac Topical Gel has not been demonstrated to have any additional benefit when compared to benzoyl peroxide alone in the same vehicle when used for the treatment of non-inflammatory acne.

CONTRAINDICATIONS

Duac Topical Gel is contraindicated in those individuals who have shown hypersensitivity to any of its components or to lincomycin. It is also contraindicated in those having a history of regional enteritis, ulcerative colitis, pseudomembranous colitis, or antibiotic-associated colitis.

WARNINGS

ORALLY AND PARENTERALLY ADMINISTERED CLINDAMYCIN HAS BEEN ASSOCIATED WITH SEVERE COLITIS WHICH MAY RESULT IN PATIENT DEATH. USE OF THE TOPICAL FORMULATION OF CLINDAMYCIN RESULTS IN ABSORPTION OF THE ANTIBIOTIC FROM THE SKIN SURFACE. DIARRHEA, BLOODY DIARRHEA, AND COLITIS (INCLUDING PSEUDOMEMBRANOUS COLITIS) HAVE BEEN REPORTED WITH THE USE OF TOPICAL AND SYSTEMIC CLINDAMYCIN. STUDIES INDICATE A TOXIN(S) PRODUCED BY CLOSTRIDIA IS ONE PRIMARY CAUSE OF ANTIBIOTIC-ASSOCIATED COLITIS. THE COLITIS IS USUALLY CHARACTERIZED BY SEVERE PERSISTENT DIARRHEA AND SEVERE ABDOMINAL CRAMPS AND MAY BE ASSOCIATED WITH THE PASSAGE OF BLOOD AND MUCUS. ENDOSCOPIC EXAMINATION MAY REVEAL PSEUDOMEMBRANOUS COLITIS. STOOL CULTURE FOR *Clostridium difficile* AND STOOL ASSAY FOR *Clostridium difficile* TOXIN MAY BE HELPFUL DIAGNOSTICALLY. WHEN SIGNIFICANT DIARRHEA OCCURS, THE DRUG SHOULD BE DISCONTINUED. LARGE BOWEL ENDOSCOPY SHOULD BE CONSIDERED TO ESTABLISH A DEFINITIVE DIAGNOSIS IN CASES OF SEVERE DIARRHEA. ANTIPERISTALTIC AGENTS SUCH AS OPIATES AND DIPHENOXYLATE WITH ATROPINE MAY PROLONG AND/OR WORSEN THE CONDITION. DIARRHEA, COLITIS AND PSEUDOMEMBRANOUS COLITIS HAVE BEEN OBSERVED TO BEGIN UP TO SEVERAL WEEKS FOLLOWING CESSATION OF ORAL AND PARENTERAL THERAPY WITH CLINDAMYCIN.

Mild cases of pseudomembranous colitis usually respond to drug discontinuation alone. In moderate to severe cases, consideration should be given to management with fluids and electrolytes, protein supplementation and treatment with an antibacterial drug clinically effective against *Clostridium difficile* colitis.

PRECAUTIONS

General: For dermatological use only; not for ophthalmic use. Concomitant topical acne therapy should be used with caution because a possible cumulative irritancy effect may occur, especially with the use of peeling, desquamating, or abrasive agents.

The use of antibiotic agents may be associated with the overgrowth of nonsusceptible organisms, including fungi. If this occurs, discontinue use of this medication and take appropriate measures.

Avoid contact with eyes and mucous membranes.

Clindamycin and erythromycin containing products should not be used in combination. *In vitro* studies have shown antagonism between these two antimicrobials. The clinical significance of this *in vitro* antagonism is not known.

Information for Patients: Patients using Duac Topical Gel should receive the following information and instructions:

1. Duac Topical Gel is to be used as directed by the physician. It is for external use only. Avoid contact with eyes, and inside the nose, mouth, and all mucous membranes, as this product may be irritating.
2. This medication should not be used for any disorder other than that for which it was prescribed.
3. Patients should not use any other topical acne preparation unless otherwise directed by their physician.
4. Patients should report any signs of local adverse reactions to their physician.
5. Duac Topical Gel may bleach hair or colored fabric.
6. Duac Topical Gel can be stored at room temperature up to 25°C (77°F) for up to 2 months. Do not freeze. Keep tube tightly closed. Keep out of the reach of small children. Discard any unused product after 2 months.
7. Before applying Duac Topical Gel to affected areas, wash the skin gently, rinse with warm water, and pat dry.
8. Excessive or prolonged exposure to sunlight should be limited. To minimize exposure to sunlight, a hat or other clothing should be worn.

References: 1. Leyden JJ. A review of the use of combination therapies for the treatment of acne vulgaris. *J Am Acad Dermatol.* 2003;49:S200-S210. 2. Vernon P. Acne vulgaris: current treatment approaches. *Adv Nurse Pract.* 2003;11:59-62. 3. Toyoda M, Morohashi M. An overview of topical antibiotics for acne treatment. *Dermatology.* 1998;196:130-134. 4. Tan H-H. Topical antibacterial treatments for acne vulgaris: comparative review and guide to selection. *Am J Clin Dermatol.* 2004;5:79-84. 5. Lookingbill DP, Chalker DK, Lindholm JS, et al. Treatment of acne with a combination clindamycin/benzoyl peroxide gel compared with clindamycin gel, benzoyl peroxide gel and vehicle gel: combined results of two double-blind investigations. *J Am Acad Dermatol.* 1997;37:590-595. 6. Fagundes DS, Fraser JM, Klauda HC. Difference in the irritation potential and cosmetic acceptability of two combination topical acne gels—combined results of two comparative studies. *Today's Ther Trends.* 2003;21:269-275. 7. Tanghetti EA, Gold MH. A two-center patient preference study comparing two benzoyl peroxide/clindamycin gels in acne vulgaris patients. Poster presented at: 63rd Annual Meeting of the American Academy of Dermatology; February 18-22, 2005; New Orleans, La.

Carcinogenesis, Mutagenesis, Impairment of Fertility: Benzoyl peroxide has been shown to be a tumor promoter and progression agent in a number of animal studies. The clinical significance of this is unknown.

Benzoyl peroxide in acetone at doses of 5 and 10 mg administered twice per week induced squamous cell skin tumors in transgenic TgAC mice in a study using 20 weeks of topical treatment.

Genotoxicity studies were not conducted with Duac Topical Gel. Clindamycin phosphate was not genotoxic in *Salmonella typhimurium* or in a rat micronucleus test. Benzoyl peroxide has been found to cause DNA strand breaks in a variety of mammalian cell types, to be mutagenic in *Salmonella typhimurium* tests by some but not all investigators, and to cause sister chromatid exchanges in Chinese hamster ovary cells. Studies have not been performed with Duac Topical Gel or benzoyl peroxide to evaluate the effect on fertility. Fertility studies in rats treated orally with up to 300 mg/kg/day of clindamycin (approximately 120 times the amount of clindamycin in the highest recommended adult human dose of 2.5 g Duac Topical Gel, based on mg/m²) revealed no effects on fertility or mating ability.

Pregnancy: Teratogenic Effects: Pregnancy Category C: Animal reproduction studies have not been conducted with Duac Topical Gel or benzoyl peroxide. It is also not known whether Duac Topical Gel can cause fetal harm when administered to a pregnant woman or can affect reproduction capacity. Duac Topical Gel should be given to a pregnant woman only if clearly needed.

Developmental toxicity studies performed in rats and mice using oral doses of clindamycin up to 600 mg/kg/day (240 and 120 times the amount of clindamycin in the highest recommended adult human dose based on mg/m², respectively) or subcutaneous doses of clindamycin up to 250 mg/kg/day (100 and 50 times the amount of clindamycin in the highest recommended adult human dose based on mg/m², respectively) revealed no evidence of teratogenicity.

Nursing Women: It is not known whether Duac Topical Gel is secreted into human milk after topical application. However, orally and parenterally administered clindamycin has been reported to appear in breast milk. Because of the potential for serious adverse reactions in nursing infants, a decision should be made whether to discontinue nursing or to discontinue the drug, taking into account the importance of the drug to the mother.

Pediatric Use: Safety and effectiveness of this product in pediatric patients below the age of 12 have not been established.

ADVERSE REACTIONS

During clinical trials, all patients were graded for facial erythema, peeling, burning, and dryness on the following scale: 0 = absent, 1 = mild, 2 = moderate, and 3 = severe. The percentage of patients that had symptoms present before treatment (at baseline) and during treatment were as follows:

	Local reactions with use of Duac Topical Gel % of patients using Duac Topical Gel with symptom present Combined results from 5 studies (n = 397)					
	Before Treatment (Baseline)			During Treatment		
	Mild	Moderate	Severe	Mild	Moderate	Severe
Erythema	28%	3%	0	26%	5%	0
Peeling	6%	<1%	0	17%	2%	0
Burning	3%	<1%	0	5%	<1%	0
Dryness	6%	<1%	0	15%	1%	0

(Percentages derived by # subjects with symptom score/# enrolled Duac subjects, n = 397).

HOW SUPPLIED

Duac® (clindamycin, 1% - benzoyl peroxide, 5%) Topical Gel is available in a 45 gram tube - NDC 0145-2371-05.

Prior to Dispensing: Store in a cold place, preferably in a refrigerator, between 2°C and 8°C (36°F and 46°F). Do not freeze.

Dispensing Instructions for the Pharmacist: Dispense Duac Topical Gel with a 60 day expiration date and specify "Store at room temperature up to 25°C (77°F). Do not freeze."

Keep tube tightly closed. Keep out of the reach of small children.

U.S. Patent Nos. 5,466,446, 5,446,028, 5,767,098, and 6,013,637
Patents Pending



Stiefel Laboratories, Inc.
Coral Gables, FL 33134

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The total penetration of managed care and the rise of patient accounts have left many private practice pediatricians underpaid and struggling to collect from patients and insurers.

"The health of your practice depends on your knowledge of your practice numbers," Dr. Lessin said. "You need to know how much it costs to see a patient."

Essentially, pediatrics is a high-volume business with a low unit cost, and one of the greatest challenges of a large medical group is developing a budget.

"We plan our budget just like a business," Dr. Lessin said. He and his partners compare their statistics with national statistics, and they determine costs including what they pay for vaccines and for personnel.

On a day-to-day basis, a large group practice can be very efficient because it has the infrastructure to track patients. "We know how many patients we see in a given location, so we can better plan our doctors' schedules," Dr. Lessin said.

Patient flow varies with the time of day and time of year, and recognition of the busy times helps maximize the doctors' time. Doctors receive their schedules in advance, and they can spend more time seeing patients without getting bogged down so much with administrative details.

Dr. Lessin's group has one large central office and five other offices in the area, so any patient in the region is only about 15 minutes from one of the offices. The central office is open until 8:30 p.m. "We have at least one office open every day of the year," he said.

Part of the scheduling job involves deciding which doctors will work in the evening or work on weekends. The practice also will have to decide which doctor is on call and who is the backup. A master scheduling coordinator develops job streams that juggle appointments by season, by provider, and by time and creates a template for each doctor.

A partner-level doctor in Dr. Lessin's group sees approximately 43 patients each day and a non-partner-level doctor sees approximately 35 a day. Efficient support and the use of 10-minute slots make it possible, since doctors do "nothing but doctoring," Dr. Lessin explained.

All of the paperwork and nonphysician tasks are done by nurses and administrative personnel, and referrals are handled by a referral department.

However, flexibility is important as well. "We're always modifying the schedule, because some people work faster than others," he said. In addition, 10-minute slots can be combined for a more complex visit.

The bottom line is, once you have decided to be part of a practice merger, the group must have goals—business goals, medical goals, and quality goals. For example, Dr. Lessin suggested setting a time frame for where you want to be in the next 5 years and next 10 years, and then executing that plan. "What gets measured gets done," he said.

A large enough practice can afford the infrastructure to make this kind of system work, Dr. Lessin said. He has 150 employees, which means the practice has

high overhead. Although a large payroll raises overhead, the ability to see more patients more effectively will raise revenue as well.

In addition, a group practice has the resources to develop a sophisticated Web site that can serve as a recruiting tool for new doctors and also as a valuable resource for patients who want to make appointments, refill prescriptions, or obtain additional health information.

"The way we are being squeezed in pediatrics, management is very important, regardless of the size of your practice and whether or not you are part of a group," Dr. Lessin said. ■

VERBATIM

'I'm working just enough to put salad on the table. I've gone from being a physician who was convinced he didn't have time to work out to a physician who is convinced now that I don't have time not to work out. It's a matter of life and death, and if I don't pay attention to my personal health ... I'm not going to have a future.'

Dr. Nick Yphantides, page 78

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(malathion)
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Safety Information: Minor side effects observed in trials of malathion lotion, 0.5%, include a temporary increase in dandruff in those prone to this condition. Irritation to the skin and scalp is the most common adverse reaction.

Accidental contact with the eyes can result in mild conjunctivitis. OVIDE Lotion is contraindicated for neonates and infants. Because this product contains alcohol, it is **flammable**. Keep away from heat sources (ie, hair dryers, cigarettes) or open flame while hair is wet.

Please see brief summary of full Prescribing Information on adjacent page. **Visit our Web site at www.ovidus.com.**

Reference: 1. Meinking TL, Entzel P, Villar ME, Vicaria M, Lemard GA, Porcelain SL. Comparative efficacy of treatments for pediculosis capitis infestations. *Arch Dermatol.* 2001;137:287-292.

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