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#### CALENDAR OF EVENTS

Unless otherwise noted, register at www.ccmsonline.org or call (239) 435-7727

Friday, November 15, 6:30pm

CCMS New Members Welcome Reception

La Playa Golf Club

Support opportunities at ccmsonline.org

Tuesday, November 19, 7:45am

CCMS Practice Administrators Seminar

"Managing Your Disital and Online Perutation"

"Managing Your Digital and Online Reputation" Porter Wright

Tuesday, December 3, 12pm
Resident Physicians Luncheon
"Negotiating Employment Contracts"
NCH Telford Building

Wednesday, December 4, 6:30pm

Foundation of CCMS Wine Dinner Fundraiser
Chez Guy Parisian Bistro
Open to the public

Wednesday, January 22, 6:00pm
CCMS After 5 Social
The Club at Mediterra

Friday, February 7, 11:00am CCMS Alliance Fashion Show an exclusive country club

Saturday, February 22, 8:30am
CCMS 12th Annual Women's Health Forum
Naples United Church of Christ
Open to the public

Support opportunities at ccmsonline.org

Saturday, May 16, 6:30pm

CCMS 63rd Annual Meeting & Installation

Wyndemere Country Club

Open to the public

Support opportunities at ccmsonline.org

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Stephan Gmelin • 239-220-5980 Stephan.gmelin@technicaldr.com technicaldr.com



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8MO Private Bank 801 Laurel Oak Drive Suite 600 Naples, FL 34108

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Views and opinions expressed in *The Forum* are those of the authors and are not necessarily those of the Collier County Medical Society's Board of Directors, staff or advertisers. Copy deadline for editorial and advertising submission is the 15th of the month preceding publication. The editorial staff of *The Forum* reserves the right to edit or reject any submission.

# Member News

#### New Members:



Hashem Azad, D.O. SWICFT Medical Partners LLC 625 9th St N Ste 201 Naples, FL 34102 Phone: (239) 261-2000 Fax: (239) 261-2266

Board Certified: Cardiology



Lisette Delgado Sanchez, M.D. Millennium Physician Group 2350 Vanderbilt Beach Rd Naples, FL 34109 Phone: (239) 592-5864 Fax: (239) 592-5864 Board Certified: Pulmonary Disease, Internal Medicine, Critical Care



Usman T. Mian, M.D.

NCH ER - Team Health
350 7th St N

Naples, FL 34102

Phone: (239) 436-5151 Fax: (239) 436-5910

Board Certified: Emergency Medicine



Alexander T. Owens, D.O. Millennium Physician Group 11181 Health Park Blvd Ste 3000 Naples, FL 34110 Phone: (239) 430-5553 Fax: (239) 430-5559 Board Certified: Family Medicine

Edward L. Salerno, M.D.



Millennium Physician Group 6101 Pine Ridge Rd Desk 23 Naples, FL 34119 Phone: (239) 315-7123 Fax: (239) 315-7122 Board Certified: Internal Medicine; Pulmonary Disease; Critical Care Medicine; Sleep Medicine



Michael A. Silva, M.D. Korunda Pain Management Center 4513 Executive Dr Naples, FL 34119 Phone: (239) 591-2803 Fax: (239) 594-5637 Specialty: Pain Management



Brian J. Solomon, M.D.

NCH-Cardiothoracic Surgery
399 9th St N Ste 300

Naples, FL 34102

Phone: (239) 624-4200 Fax: (239) 643-8856

Board Certified: Cardiothoracic Surgery;
General Surgery



Price Sonkarley, M.D.
Florida Gulf Coast Ear, Nose & Throat
2180 Immokalee Rd Ste 101
Naples, FL 34110
Phone: (239) 514-2225 Fax: (239) 514-2280
Specialty: Otolaryngology



Sajid Wazir, M.D.
Prime Care Medical Inc.
5621 Strand Blvd Ste 206
Naples, FL 34110
Phone: (239) 591-5979 Fax: (239) 308-4547
Board Certified: Internal Medicine



Michael Wolf, M.D.
Radiology Regional Center
700 Goodlette Rd N
Naples, FL 34102
Phone: (239) 430-1400 Fax: (239) 430-1401
Board Certified: Diagnostic Radiology

#### Reinstated:

Bryan C. Murphey, M.D. NCH Physician Group 11181 Health Park Blvd Ste 1165 Naples, FL 34110 Phone: (239) 624-0320 Fax: (239) 624-0321 Board Certified: Internal Medicine

#### Address/Phone Changes:

Susan M. Cera, M.D., Maria T. Valdes, M.D., Anthony M. Vernava, M.D. Physicians Regional Medical Group 6101 Pine Ridge Rd Desk 41/42 Naples, FL 34119

Charlene DeLuca M.D.
Fax: (239) 331-8985

Pedro Garciarena, M.D.

Physicians Regional Medical Group 6101 Pine Ridge Rd Desk 12/13 Naples, FL 34119

**Dennis A. Hidlebaugh, M.D.** Physicians Regional Medical Group 8340 Collier Blvd Ste 405 Naples, FL 34114

**Dean B. Hildahl, M.D.** North Naples OB/GYN LLC 1865 Veterans Park Dr Ste 201 Naples, FL 34109

**Corey L. Howard, M.D.**Phone: (239) 331-2285 Fax: (239) 331-2347 *Now accepting insurance* 

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### A Message from the CCMS President

David Wilkinson, M.D., President, Collier County Medical Society



Electronic prescribing of controlled substances (EPCS) is defined as a prescriber's ability to electronically send an accurate, error-free, and understandable schedule II through V controlled substance prescription directly to a pharmacy from the point of care.

Per Act 96 of 2018, practitioners, excluding veterinarians, will be required

to issue electronic prescriptions for schedule II-V controlled substances beginning October 24, 2019.

Electronic prescribing has evolved and come to the forefront of medicine due to the epidemic opioid crisis in the United States. In 2015, drug overdoses in the U.S. exceeded 50,000 lives and 30,000 were opioid related. There were more deaths from opioid overdose that motor vehicle accidents or even the HIV/AIDS virus at the peak of the epidemic in 1995.

As a surgical sub-specialist, I want to speak to surgeons and sub-specialists directly, in addition to all physicians. Surgeons' role in the opioid crisis is important for two reasons. First, we as surgeons encounter more patients on opiates than any other group of physicians – 21% of patients with chronic opioid use pre-operatively (by recent University of Michigan study). The same study found 55% of all patients seeing any physician were using opioids chronically.

Second, emerging studies now show that surgeons have been unwitting enablers of addiction. The most recent research shows 3% to 10% of opioid naïve patients, who received an opioid prescription for a low-risk outpatient surgery, continued to use opioid medications a year after surgery, most often obtained from family members who had excess pills from a surgical procedure.

It has now been found, through multiple studies, that 68% to 72% of opioid prescriptions given pre-operatively for outpatient surgical procedures go unused. Furthermore, surgeons have been found to frequently supply a large excess of pills of this type around surgery.

As physicians, and surgeons in particular, we are a profession that inflicts pain as a necessary part of the care we provide. We have a responsibility to treat our patients' pain effectively and appropriately, but NOT help fuel the opioid crisis and drug overdoses/deaths.

There are two major reasons over prescribing for surgeries has occurred. One, as surgeons, we have generally lacked data to guide our opioid supply decisions. Two, we have often

intentionally over-prescribed narcotic pain relief to meet the needs of 99% of our patients, because under current federal regulations, patients stranded with an insufficient supply of narcotic analgesia had no straightforward way to get a refill without a written prescription. As surgeons, we all know this NEVER happens during regular business ours when patients could simply come to the office and pick up another written prescription. This poor timing then results in a large number of urgent care or emergency room visits to obtain more pain medication or our over-prescribing opioid pain medications to prevent these visits.

EPCS is widely available, with 81% of pharmacies able to receive electronic controlled substance prescriptions. Ninety percent of physicians have electronic medical records systems capable of prescribing controlled substances electronically, however, currently only 8% of physicians in practice utilize that capability in their EMR. In addition to providing better, legible, clear and concise prescriptions, we are now able to refill pain medications without our patients being hassled by a trip to the ER or urgent care on weekends. We are then free to prescribe an appropriate amount of narcotic pain medication without fear of our patients being stranded after business hours.

NCH Healthcare System has now embarked on an EPCS campaign, and will require all doctors who practice in their system to be enrolled in the next few months. It will not be long until Community Health Systems (Physicians Regional Healthcare System) requires the same of all who practice there.

As physicians and surgeons, I feel we have a responsibility to provide the highest quality of care to our patients, and to provide them with access to needed care, whenever that need arrives. EPCS provides us the opportunity to prescribe needed medications post-operatively, in effective and appropriate amounts, without the fear of interruption of care and the obligatory need to provide too many pain pills after surgery to ensure our patients do not run out of medication in their time of need. I encourage my fellow surgeons and all practicing physicians to explore and engage with opportunities to participate in EPCS.





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#### Commentary: Physicians Need Better Public Relations

Rebekah Bernard, M.D., Vice President, Collier County Medical Society



The April 18, 2019 CNN headline was a prime example of click bait: "Feds charge doctors in 8 states in opioid bust, including 'Rock Doc' accused of trading pills for sex."

(https://cnn.it/2pcZ69V)

The only problem with this headline? Of the 60 individuals charged, half were not physicians. More importantly, Jeffrey Young,

the so-called "Rock Doc" who prescribed nearly 1.5 million pills of opioids and benzodiazepines often in exchange for sex, is not even a doctor at all, but a nurse practitioner.

The media seems to love to hate doctors.

To prove my point, I did a Google search of 'physicians' and 'NPR.' At the top of the fold: "Are Doctors Overpaid?" followed by "Dollars for Docs: How Pharma Money Influences Physician Prescriptions."

Interestingly, this apparent media bias does not extend to other medical professionals in the same way. I tried the same Google search of NPR, but this time, I typed 'nurse practitioners' instead of physicians. The first hit: "How 2 Nurse Practitioners Decided to Help Babies Touched by the Opioid Crisis." Next up: "As Health Care Demands Grow, So Does the Need for Nurse Practitioners."

Doctors just can't win. But worse, when physicians face excessive media criticism, patients also lose.

First, the media coverage against physicians can contribute to a public distrust of doctors. Most physicians are dedicated individuals who hold patient care as sacrosanct. But patients rarely hear stories of these doctors in the media. Instead, they are barraged by terrifying tales of the occasional bad actors. This may cause patients to become fearful of all doctors, and lead to a delay in seeking necessary medical care.

In addition, negative publicity is taking a toll on physicians, who are already facing high levels of burnout. For example, the British Medical Journal reported that a critical portrayal of doctors in the media has a demoralizing effect on physicians. (https://www.bmj.com/content/326/7390/629.1)

Forty-six percent of all doctors are already making active plans to leave the practice of medicine. (https://bit.ly/2PqOFdL) Damning headlines meant to inspire public outrage against

physicians can only worsen the physician exodus from medicine. As physicians leave practice, patients will suffer.

Why such negativity against doctors? While some of this media coverage may be a simple matter of attracting readership by sensational headlines, funding sources are likely a contributing factor. For example, the Robert Wood Johnson Foundation, which is committed to expanding the role of nurse practitioners across the country, donated \$4 million to NPR in 2018 to strengthen health coverage "through new content and coverage areas." (https://rwjf.ws/31HIqEP - page 2)

Rather than waiting for the media to pick up on positive stories about physicians, we must advocate for ourselves. Physicians must undertake a public relations campaign to remind patients of our value. For example, a February 2019 JAMA report showed that a greater primary care physician supply was associated with lower mortality rate in the United States. (https://bit.ly/2NdLaoj)

We must also educate patients on the difference between physicians and non-physician practitioners. Many patients do not realize that physicians train for an average of 15,000 hours before being permitted to practice independently. Nurse practitioners, who campaign with a slogan of "We Choose NPs" (wechoosenps.org) average 500-1500 hours and physician assistants, who unveiled their own media campaign, "Your PA Can Handle It" (yourpacan.org) train for 2,000 hours. (https://bit.ly/2Weh8ER)

Physicians must remind patients that nurse practitioners and physician assistants don't hold the monopoly on "holistic" practice and listening to patients. Entire fields of medicine, including the osteopathic medicine profession and the specialty of Family Medicine focus on disease prevention, wellness, and forging strong relationships with patients.

Patients need to know that the days of paternalism in medical education are long gone, and that physicians are now trained to partner with patients for shared decision-making.

In addition to detailing our medical training and expertise, physicians must also work to regain patient trust. Many patients feel betrayed by a perceived change in physician loyalty from strong patient ally to corporate 'yes'-man. More doctors are employed for the first time in history, and physician practices are increasingly being owned by private equity firms. (https://bit.ly/32OvkXH)

It's time for doctors to take back control of our profession and make patient care our top priority--because only when patients see how much we truly care will the tide begin to turn. We had strong evidence of the power of patient advocacy just last THE FORUM • NOV/DEC 2019

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year here in Collier County, when the community came to the support their physicians. Working together, physicians and patients forced unprecedented change at our local hospitals. (https://bit.ly/2Jnb6fW)

It's time to stop choosing the path of least resistance and overcome the ennui that comes from the systematic demoralization and downgrading of physician education. We must say 'no' to third parties that force us to choose between algorithms and guidelines and what is best for the patient. We must refuse to be referred to as "provider" rather than physician. We must fight the title of 'disruptive doctor' that is earned from simply speaking truth--our truth, well-earned from experience in the trenches--to corporate power.

Your Collier County Medical Society will soon begin taking an even more active role in promoting physician care in our community. CCMS is developing a public relations campaign that will highlight patients and their physicians to let the public know more about the outstanding care provided by physicians in our area. The multi-pronged campaign will begin in early 2020. For more information and to learn how you can support this campaign, please contact CCMS Executive Director, April Donahue at april@ccmsonline.org, or any one of our CCMS board members.

Member News continued from page 3

#### Address/Phone Changes:

Zdenko Korunda, M.D.

Phone: (239) 591-2803

John P. Landi, M.D.

Vanish Vein and Laser Center 9935 Tamiami Trl N

Naples, FL 34108

Phone: (239) 403-0800 Fax: (239) 403-0808

#### Jeffrey Larkin, M.D. and Ernest Wu, M.D.

Naples Pathology Associates 1110 Pine Ridge Road, Unit 306

Naples, FL 34108

Phone: (239) 263-1777 Fax: (239) 263-6983

#### Lee R. Light, M.D.

Naples Longevity Clinic 10971 Bonita Beach Rd SE #1 Bonita Springs, FL 34135

Phone: (239) 262-1833 Fax: (239) 262-3097

#### Gary D. Swain, M.D.

Family Medicine Concierge NCH Physician Group 311 9th St N Ste 306 Naples, FL 34102

Phone: (239) 624-0340 Fax: (239) 624-0341



## Chez Guy Parisian Bistro 5447 Airport Rd N, Naples

# December 4, 6:30pm \$95 per person

Enjoy a 4-course dinner with wine pairings while supporting scholarships to future medical professionals and funding for local healthcare programs in need.

Open to the public. Cost includes tax, gratuity, and raffle ticket. Additional raffle tickets available for suggested donation of \$10 each or 3 for \$25. Cancellations non-refundable after 5pm, Nov. 27.



Limited Seating! Register at ccmsonline.org or call (239) 435-7727

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# Foundation of CCMS 6th Annual "Docs & Duffers" Raises Nearly \$26,000

Foundation of Collier County Medical Society

The Foundation of CCMS recently hosted its 6th Annual "Docs and Duffers" charity golf tournament & raffle at Bonita Bay Club Naples. This signature fundraising event took place September 28th and raised nearly \$26,000 in net proceeds with participation from 110 golfers, 23 sponsors & supporters, 50 prize donors, and 20 volunteers.

"We extend our deep gratitude for the continued support we receive for our annual charity golf tournament," says Dr. Rolando Rivera, Foundation board chair. "The participation of our golfers, supporters, and volunteers raises crucial funds for future medical professionals and healthcare programs in Collier County."

Dollars raised from the event will provide scholarships for healthcare students and funding for community healthcare programs in need. The Foundation provided \$34,500 in scholarships in 2019, including the Dr. William Lascheid Memorial Scholarship for Medical Students and 6 additional healthcare scholarships. Scholarship applications for 2020 will be available at ccmsonline.org/foundation in December 2019.

After a morning tee-off, golfers enjoyed pleasant weather on the Bonita Bay Club Naples' Audubon Sanctuary "Sabal" course, meandering among cypress stands, sabal palms, and the occasional family of deer. Golfers also took advantage of goodie bags, hosted beverages, exhibitor treats, and a variety of hole contests throughout the day.

An awards luncheon proceeded the tournament, with raffle winner announcements and prizes for the top two foursomes, men's and ladies' closest to the pin and longest drive, and the "highest scoring" foursome. Congratulations to the 1st place foursome from SVN | KOVA, the 2nd place foursome from Radiology Regional Center, Closet to the Pin winners Mark King and Marci Charland, and Longest Drive winners Dr. Rob Eilers and Morgan York.

Visit ccmsfoundation.org for a link to the lists of sponsors and view photos from the tournament at facebook.com/ccmsfoundation. Stay tuned for more information on the Foundation's 7th Annual Docs & Duffers, which will be held in the fall of 2020.

The next Foundation fundraising event is a 4-course dinner with wine pairings on December 4th at Chez Guy Parisian Bistro. The dinner is open to the public, and tickets are \$95/person including tax, gratuity, and raffle ticket. To register, visit ccmsonline.org/foundation or call 239-435-7727.

# Spotlight on our Docs & Duffers Sponsors:

#### **ACE Sponsors**

The doctors at Advanced Urology Institute in Naples treat all forms of urological problems including incontinence and cancer, with an emphasis on expert prostate cancer care and



minimally invasive procedures. The Institute was created with one goal in mind: advancing your health with comprehensive urinary treatment services. Dr. Jonathan Jay, Dr. Rolando Rivera, and Dr. David Wilkinson. www.AdvancedUrologyInstitute.com

SWFPA, the Southwest Florida Physician Association is the (IPA) Independent Physician Association that contracts with independent physicians, and provides services to managed care organizations. SWFPA



incorporated in 1987 and now has more than 1000 local physician members of multiple specialties. The contracting services provide access to over 100,000 lives in Collier and Southern Lee counties through 25 different agreements direct with self-insured employers, networks, and health plans. SWFPA is the only select providers for the not for profit corporation, Naples Physician Hospital Organization, The (PHO) DBA/Community Health Partners.

### **Eagle Sponsor**



**Family Foot & Leg Center** 

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For a complete list visit ccmsfoundation.org





Dr. Dennis Hidlebaugh, Dr. Jonathan Jay, Dr. Rolando Rivera, Long Drive Pro Bobby Bradley, Jeremy Darstek



Dr. Gregory Leach, Jim York



Dr. Stephen Friedman, Alan Slavich, Brian Filson, Will Slepcevich



Dr. William Ross, Dr. Monica Woodward, Chris Vernon



Nancy Wood, Catherine Elkins, Ceri Shultz, Ornela Roboci, Dr. Rebekah Bernard, Dr. Catherine Kowal, Dodona Roboci



Phil Dutcher, Paul Hiltz, Ricky Wyles, Dr. Bryan Murphey



Steve Ochsner, Doyle Boyd, Dr. Robert Hanson, Paul Zerwal



Tate Haire, Stuart Pollitt, Dr. Robert Eilers, Dr. Glenn Groat

See more photos at facebook.com/ccmsfoundation

## The Role of the Physician in Florida's New Human Trafficking Laws

W. Jeffrey Cecil, Partner, Porter Wright and Michael A. Sneeringer, Senior Associate, Porter Wright



W. Jeffrey Cecil

Sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not

attained 18 years of age.

human trafficking as:

• The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

This modern slave trade is a threat to all nations. A grave human rights abuse, it promotes breakdown of families and communities, fuels organized capital, undermines human health, public creates opportunities for extortion and subversion among government officials, and imposes large economic costs.[1]



Michael A. Sneeringer

We all agree that human trafficking is a horrendous crime. But what are we doing about it? Beginning on January 1, 2021, healthcare professionals have new directives: educate and identify.

Approved by Florida Governor Ron DeSantis on June 26, 2019, Human Trafficking Bill, Chapter 2019-152, Laws of Florida (the "Bill"), addresses healthcare professionals licensed by the following Boards: Acupuncture, Medicine, Osteopathic Medicine, Chiropractic Medicine, Podiatric Medicine, Optometry, Pharmacy, Dentistry, Nursing Home Occupational Therapy, Administration, Dietetics Nutrition, Respiratory Care, Massage Therapy, and Physical Therapy (collectively the "Boards").

Healthcare professionals licensed by the aforementioned Boards are required to complete one hour of continuing education on human trafficking and post a sign about human trafficking in their office by January 1, 2021.

The continuing education requirement indicates that each healthcare provider licensed by one of the Boards must complete a one hour continuing education course on human trafficking that has been specifically approved by their Board. The course, with a required completion date of January 1, 2021, will count towards the required continuing education for renewal. The

The U.S. Government defines Bill does not require that this course be taken again for future renewal cycles.

> By visiting the Florida Human Trafficking website provided by the Florida Department of Health (via FL HealthSource), you will be provided with links to course that meet this requirement as soon as they are approved by your licensing Board.

> Each healthcare provider licensed by one of the Boards must post a sign regarding human trafficking in a "conspicuous place accessible to employees" by January 1, 2021. The sign must be at least 11 inches by 15 inches and in at least 32-point font. The sign must contain statutorily required language and be posted in English and Spanish. The Florida Department of Health has also provided Mandarin translations of these signs for use in offices where those languages are spoken. As with the course requirements, there are on FL HealthSource's website containing signs that meet the statutory requirements when printed at the listed size. The language in English is:

"If you or someone you know is being forced to engage in an activity and cannot leave, whether it is prostitution, housework, farm work, factory work, retail work, restaurant work, or any other crime, deprives countries of activity, call the National Human Trafficking Resource Center at 888-373-7888 or text INFO or HELP to 233-733 to access help and services. Victims of slavery and human trafficking are protected under United States and Florida law."

> You might be asking, "Why us?" Florida legislators have taken measures to raise awareness of the practices of human sex trafficking and of labor trafficking of children and adults in this state. Victims injured or made ill by these activities are often brought anonymously to health care providers for treatment, placing you, your employees, and patients in direct and frequent contact with victims of human trafficking. The signs and classes are aimed at sensitizing you, your employees and patients to the possibility that a trafficking victim may walk into your office needing you to recognize and report their situation to authorities.

> For more information please contact Josh Bialek, Jeff Cecil, or any member of Porter Wright's Health Care Services Group.

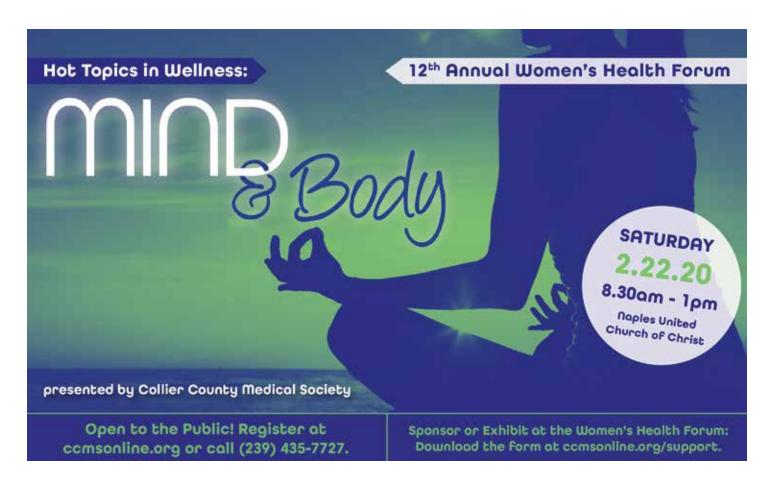
> [Note 1] From National Institute of Justice, "Overview of Human Trafficking and NIJ's Role" February 25, 2019

#### **Human Trafficking Resources**

FMA's Online Human Trafficking CME: https://bit.ly/2nxFJb2 Free for FMA Members, \$25 for Non-Members

> Florida Human Trafficking website: https://bit.ly/2Outhnu

Human Trafficking Sign, English: https://bit.ly/2Izk5dz Human Trafficking Sign, Spanish: https://bit.ly/2onzfM4





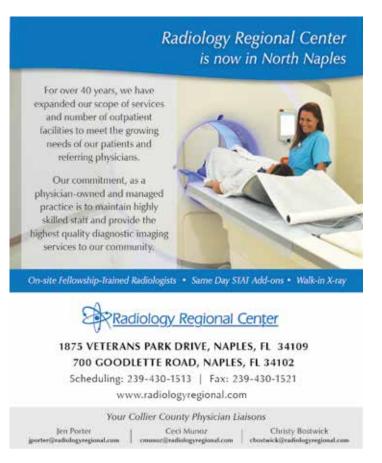
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### Private Equity Groups Eye Specialty Medical Practices

Karen L. Mosteller, CPA, CHBC, Partner at Markham Norton Mosteller Wright & Co., P.A.



Private equity groups (PEGs) have been investing in profitable businesses for decades, recently setting their sights on an industry that shows a high return on profitability – Healthcare. This industry has proven to be a solid investment for PEGs, always ranking among the top three since 2011. Small to mid-size specialty medical practices become a prime target for PEGs to acquire.

As with any new deal, if a medical practice is considering this type of contract partnership, it should review all the changes that may take place – good and bad. These deals can be very complex to broker, so it is always advised that the practice recruit adequate legal, accounting, and tax professionals to navigate the journey. Having experts in these areas will ensure the patients, physicians, and the employees of the purchased practice are covered.

This new interest of PEGs into the medical world has created some concern about the "corporatization of medicine," and how that will impact patient care. Right now, there is not enough information to determine what type of impact this new trend will have on patients of acquired practices.

The current PEG focus is specialty practices, as those tend to have higher potential for additional income. This means PEG funding is mainly available to highly lucrative specialties that already bring in a decent profit. That means it is not always a viable option for practices with little to no income and in need of an investment. The bottom line is PEGs want to increase revenue and investing in an already profitable practice makes sense. Once a practice is purchased, the PEG can assist with increasing revenue by providing various tools and resources to help streamline the operation and update office back-end software to be more effective.

One of the enticing elements for a practice to work with a PEG is that it could allow for expanding services by recruiting more physicians, which can bring in more patients. More patients can mean more revenue, a positive for the practice and the PEG. Running a medical practice is becoming more of a challenge for physicians due to the ever-changing compliance and regulation laws on the medical and business sides. It becomes a drain on resources to consistently stay abreast of these changes, while keeping or increasing reimbursements. PEG investment could help with that.

Additionally, a PEG investment in the practice can offer physicians a degree of independence while allowing them to receive new tools, equipment, and technology that can increase profitability. Sometimes a PEG will also increase the return on investment by acquiring a few types of specialty practices and then combining those to offer patients vertical integration.

While many of these things may sound appealing, it is

important to look at the possible downside when considering this type of sale. Brokering the deal will take significant time and be very complex. Physicians should carefully analyze details of any offer and negotiate terms that could impact the practice, and its profits, long-term.

Another time-consuming activity in the process is due diligence. A PEG will look at everything taking place in a practice, and if it finds anything deemed negative, that is an opportunity to negotiate the price down. It is crucial to stay in front of this and get all ducks in a row as early as possible to avoid delays and debates. If a practice is distracted from regular operations because of due diligence, then it could impact the business bottom line, which could then impact the sale.

Additionally, decision making can become more cumbersome and take additional time to implement. Independent physicians are accustomed to managing themselves and their practice. Once a practice is sold to a PEG, the physician works for someone else. There could also be decreased operational efficiencies due to layers of management and additional internal procedures.

An area often not considered in the process is public perception. This is critical when a PEG and practice come together, as the public could question the motives of a PEG purchasing a specialty practice. Staying in front of how the sale is viewed by outsiders can impact profits in the end. Diligent PEGs and practices should keep a pulse on public perception and provide information to offset any negativity that could arise.

In the end, the PEG will usually hold 60-80% of the practice ownership. If the contract is written well and covers all possible details, it can be lucrative for both parties. PEGs favor this percentage, hoping to recoup 20% or more year over year. Avoiding full ownership allows a growth strategy that includes both the PEG and physician owners. Ideally this growth then leads to a sale of the practice in three to seven years.

Every practice is unique. It is best for physicians considering collaboration with PEGs to fully evaluate the effects it could have on patients and employees. Once those details are reviewed, it helps to make an informed decision that benefits all involved.

#### Resources:

"Private equity and venture capital outperformed public markets in 2015, but returned less than two previous years." Cambridge Associates. July 2016. Available from https://bit.ly/2Hj08p2

"What to Expect When Selling Your Business to a Private Equity Group." Entrepreneur.com. October 2015. Available from

https://www.entrepreneur.com/article/250172

"Physician practices increasingly turn to private equity for capital." Modern Healthcare. April 26, 2019. Available from

https://bit.ly/2ZNLSy1

"Private equity likes the look of healthcare." athenainsight. March 28, 2019.

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www.medpagetoday.com/columns/focusonpolicy/78095

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Dr. Marc Guttman and Dr. Anurag Agarwal



Dr. Bryan Murphey, Heather Murphey, Dr. Shardul Nanavati



Dr. Jose Baez and Marisol Baez



Dr. Shona Velamakanni, Dr. Rebecca Kosloff, Dr. Nadia Kazim, Dr. Kiran Gill, Dr. Viktoria Totoraitis



Dr. Cesar De Leon, Dr. James Talano, Dr. Alejandro Perez-Trepichio & Dr. Corey Howard



Dr. Katia Taba, Emily Denk, Dr. Peter Denk, Dr. Rebecca Smith, Dr. Elizabeth Efthimiou



Dr. Theresa Vensel, Dr. Svetlana Kogan



Dr. Eric Hochman, Kim Hochman, Dr. Sam Tunkle, Dr. Ashley Tunkle



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#### **CCMS Member Dues**

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