

## The Economy is Challenging All in the Healthcare Sector to Rethink Healthcare Delivery

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Recent news from Olympia reveals the true and stark fiscal realities facing the Governor, the Legislature and all taxpayers in Washington State. This fiscal challenge is and has been facing the private sector and working families as well. For government, the private sector, and our families the challenge is the same. How do we do more with less? Is the answer to just reduce expenses? I would say that answer is not enough.

Reducing expenses will always be part of the answer. However, it is clear we also need an attitude adjustment or a “reset”. It is time to change the way we currently

view healthcare and to really start changing. This effort requires the state (and federal) governments to stop protectionist measures that push healthcare to high cost drivers and follow the lead of the private sector in making the changes necessary to reset and to move this State forward.

Our experience at Proliance Surgeons offers valuable lessons on encouraging management advancements. In the past 17 years, we have built one of the nation’s largest surgical practices, emphasizing high-quality care and service for our patients along with sensible cost control. Here are several principles that we have found to be instrumental in effecting change within our organization that can be extrapolated to the state level:

- **Care for patients where it can be done best for the lowest cost.** Through our 12 ambulatory (or outpatient) surgery centers, we perform many surgeries for a cost that is significantly less (often around 40% less) than it would be if the same surgery were performed in a hospital. Given the cost savings and quality of care, additional State or Federal reform should solidify physicians’ ability to own surgery

centers and expand procedures that can be performed in them. State budgets can be improved by utilizing these lower cost surgery centers without comprising quality.

- **Establish and strengthen medical standards.** In our ambulatory surgery centers, we developed and tested the surgical checklist for such centers and presented it, ready for adoption, to the Surgical Clinical Outcomes Assessment Program. Simple processes, such as checklists, are often much easier to administer rather than cumbersome regulations, bureaucratic departments, and high cost processes and they promote widespread adoption, resulting in cost reduction rather than cost enhancement. Look for the simple, rather than the complex.
- **Support people’s ability to choose their doctors.** When people are given the ability to choose their own physician, they seek the type of care they desire. That provides an important incentive for patients to decide what they want and doctors to provide it. They will usually make the right choice for them and their budget. Eliminating choices and forc-

ing citizens to follow certain steps and not allowing them to think for themselves, often is more costly and also more frustrating for the person and can lead to unnecessary work/expense.

- **Cut Overhead Costs.** By streamlining and sharing processes and eliminating or minimizing the middle-person, administrative costs for compliance can and will be drastically reduced. When we can, we “buy-direct” and we try to have the right person empowered to do their work. Thereby the process is only touched once. The same can be done with healthcare if we just “reset” our thinking, rather than doing it the same

way with the same players.

All parties in the healthcare sector are going to have to sacrifice and compromise. We are at a crossroads in healthcare and our fellow citizens are demanding change. Change is an incredibly difficult task. Building on our current advancements and industry examples and finding ways to reset rather than add on regulations will make it much more likely to succeed.

*David G. Fitzgerald is the Chief Executive Officer of Proliance Surgeons, Inc., P.S., a medical group practice of over 165 orthopedic, general and ENT surgeons headquartered in Seattle, Washington with many clinic locations mostly located at and around the many hospitals in the region. The practice also owns and operates*

*twelve ambulatory surgery centers, six physical therapy sites and eight imaging centers throughout the Puget Sound region. Fitzgerald has more than 20 years of experience in healthcare, including Administrator and CFO of physician practices. He received his MBA from the University of Utah. Currently, he serves as a member of the Board of Directors of the Washington Ambulatory Surgery Center Association. Dave spends what free time he has with his family—enjoying sporting activities, traveling, relaxing at the Oregon Coast.*

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