

OrthoKineticReview™

THE INTERDISCIPLINARY MAGAZINE FOR THE LOWER EXTREMITY SPECIALIST SEPTEMBER/OCTOBER 2003

STEP by STEP

Sixteen satellite offices—and counting

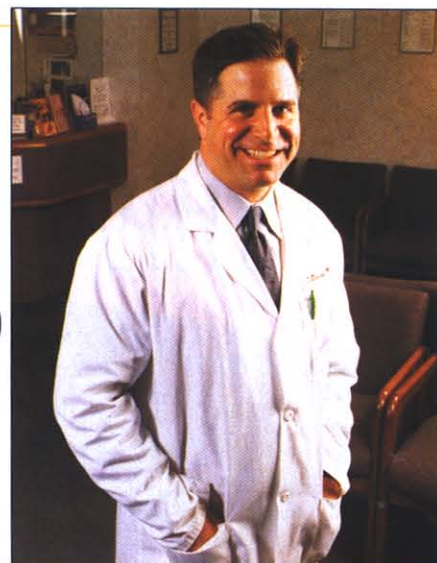
Lawrence A. DiDomenico, DPM, FACFAS

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STEP by STEP



By Rich Smith

Sixteen satellite offices—and counting

If the Youngstown, Ohio, practice started by Lawrence A. DiDomenico, DPM, FACFAS, gains any more offices, it's going to be in more places than even Starbucks, the coffeehouse chain with outlets seemingly everywhere. That may be a stretch, but with 16 offices in operation and at least one other coming before year's end, there's no denying that Ankle & Foot Care Centers is big by podiatry standards.

In addition to the 16 freestanding offices, the practice also provides services to three Veterans Administration clinics, two hospital-based clinics, and two community centers. Four of the wholly AFCC-owned units are, by dint of their large physical size and hefty case volume, considered the enterprise's anchor sites; these are located approximately 5 miles from one another. The satellites are spread among 4 Ohio counties spanning about 75 miles end to end. All told, it takes 14 podiatrists (9 of which are partners in AFCC), and clinical and clerical support staffers numbering 65 to make this group function optimally.

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No Grand Strategy

AFCC (www.ankleandfootcare.com)—launched in 1994—did not get this big overnight, and its growth was not the result of any grand strategy. “The goal was simply to become the best in terms of quality and service. The growth was just a natural part of that,” DiDomenico says.

Echoing that belief is practice administrator Michael Vallas, MBA. “Opportunities to open many of our offices just sort of happened along,” he says. “As they did, we evaluated those opportunities and went forward with them when they made sense.”

Some opportunities arose from overtures made by established podiatrists who wanted to join AFCC, Vallas reports. In one instance, a hospital wanted to establish a podiatry clinic. In others, the group was approached by primary care physicians who knew the strengths of AFCC doctors and invited them to set up shop in an office nearby—to which they could refer patients more conveniently.

However, the bulk of the growth came about as a result of the group's keen eye for a good location. “Nothing scientific or magical about how we found the sites,” he demurs. “It was just a lot of common sense together with gut instinct. I'm a big believer in the real estate industry's maxim of location, location, location.”

In DiDomenico's estimation, the ideal location for a podiatry office is in a medical park or near other doctors' offices. After identifying such areas generally, DiDomenico found that the key is to spend time there to develop a feel for where the action is—action being defined as cars and people passing or (better yet) stopping in front of certain buildings within that neighborhood or community.

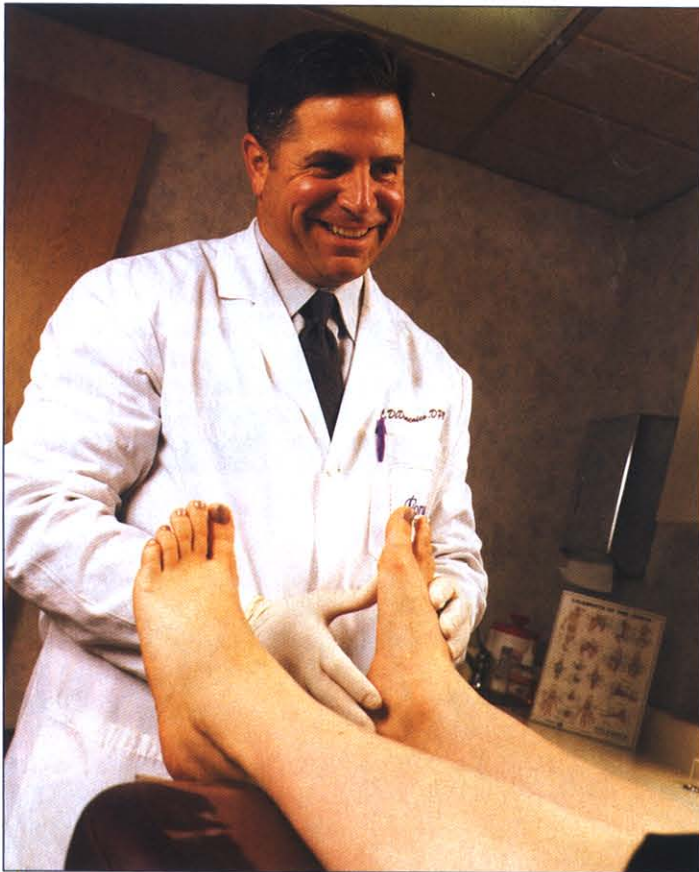
“We also look for a site that offers easy access and has good neighbors,” says Vallas. “And we ask our friends in the local business community for their thoughts on sites that might be worth focusing on.”

Wherever practical, AFC owns rather than leases its offices. “We prefer to own because it represents one more form of long-term financial security for the practice partners,” says DiDomenico. “Real estate is always a good investment.”

Personalities Must Match

DiDomenico notes that the larger and more successful a group becomes, the more interest it will attract from outside practitioners hoping to hitch their own star to it. “The most important consideration in taking on partners is to make sure the personality of each new partner is aligned with the personality of the others in the group,” he advises. “Having people of like mind on matters you deem fundamentally important means you have a greater

Don Snyder



Thirty-five percent of first-time patients come on the recommendation of a relative or friend who is already an AFCC patient.

probability of being able to work well together and function as a true team. Here in our group, we all get along well. We're friends. We socialize. That's one of the reasons we're successful."

Another source of new associates for AFCC has been those residents the group helps train. "The residents get to know us and we get to know them during the 3 years they're with us," says DiDomenico, who runs the residency program. "It's proven to be a good way to make sure we've got a good fit."

Historically, residents have come exclusively from the Ohio College of Podiatric Medicine. This year, however, the sponsoring hospital opened the program to out-of-state students, attracting participants from Iowa and as far away as California. "We felt this was necessary to gain national exposure for our program," says DiDomenico. "The residents are on structured rotation, such as internal medicine, pathology, orthopedics, vascular, infectious disease, and general podiatry. In addition to our offices, we also have a couple of podiatric clinics they rotate through."

Every member of the group participates in teaching the residents. "Teaching is a high priority of our practice," says DiDomenico. "We've made it a high priority because of our commitment to the profession, first of all. But it also helps us develop better podiatric care in the community. The podiatry landscape in this community has improved tremendously in the last 8 or 9 years, and we think that's a direct reflection of our residency program. In turn, we think the effectiveness of that program is a direct reflection of the teaching staff in the local community."

If we hire a resident to stay on at AFCC, he or she will join what is a fairly youthful group of doctors—the oldest is 43, the youngest 28. And those same residents-turned-partners can expect to have their own individual practice. The way things are structured, each doctor keeps the lion's share of the revenues he generates, while part of the remaining portion is tossed into a communal pot and divided by equity among all the partners. What's left over is used to pay for facilities, staff, marketing, and other administrative functions.

"It's a teamwork-oriented formula," says DiDomenico. "It encourages each doctor to go out and work hard for himself while still benefitting the whole group."

That same ideal is found at the core of the method by which new patients are allocated to the doctors. New patients are asked if they prefer to see a particular doctor. Stating no preference results in the patient being assigned to whichever doctor is next in line to receive a new patient. An exception is made if the patient declares a date or hour preference. In such instances, the patient is assigned to the next doctor in line who has an opening at that desired time.

Patients are seen daily, 6 days a week, at about two thirds of the locations; the remaining one third are open on a part time basis. "The hours of operation depend on the needs of the immediate community," says Vallas.

However, the part-time offices don't go dark on days when the podiatrists are out. "We've entered into time-share arrangements with other types of providers that are complementary, in terms of patient care, to our practice," says DiDomenico.

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Vertical, Horizontal Growth

In addition to expansion by opening more offices, having established locations grow vertically offers opportunities aplenty. As DiDomenico explains, the outlook is positive since most offices are relatively new to their areas and can count on several years of having to develop their individual local markets before attaining maturity.

For the most part, the offices are gaining patients by way of referral from other doctors—about 50% of new cases arrive via that route, says Vallas. Thirty-five percent of first-time patients come on the recommendation of a relative or friend who already is an AFCC patient. The remainder of volume is generated by newspaper advertising, phone-directory display listings, and other forms of marketing.



Practice administrator Michael Vallas, MBA, and DiDomenico look for sites with good neighbors and easy access for patients.

Ultimately, one wonders just how big this practice can get? "Believe it or not, we're comfortable with where we are," says DiDomenico. Right now, that means 13 podiatric physicians: Michelle C. Anania, DPM, AACFAS; John E. Barrett, DPM, FACFAS; Craig Beaudis, DPM, AACFAS; Gregory A. Blasko, DPM, FACFAS; Christian Carbonell, DPM, FACFAOM; John Chiaro, Jr., DPM, FACFAS; Robert Debiec, DPM, FACFAS; Lawrence A. DiDomenico, DPM, FACFAS; Kenneth J. Emch, DPM, FACFAS; Joseph J. Francisco, DPM, AACFAS; David Podolsky, DPM, FACFAS; Mark S. Smesko, DPM, AACFAS; and Frank Yannucci, DPM, AACFAS.

However, the group is considering adding yet another partner in October, and DiDomenico concedes that probably won't be the end of it. "We still have a lot of potential left in us," he says. "The one thing we insist on is that we grow only when we have the right combination of person, place, and circumstance. Because, when all is said and done, size is not nearly as important for success as quality of care." ■

Rich Smith is a contributing writer for OrthoKinetic Review.

Communication Is Key

The more offices a practice operates, the bigger the challenge of making sure all the podiatrists and staff remain on the same page concerning policies, procedures, and strategic direction. "Communication—keeping everyone informed and in the loop—that is the main concern for a large practice like this," says Michael Vallas, MBA, who oversees the 16-site Ankle & Foot Care Centers, based in Youngstown, Ohio. "For example, we offer a diabetic support group once every quarter. The dates and locations are not always the same from one meeting to the next. This is an important program for our patients, so it's crucial that everyone in the group be able to give the correct where-and-when information to patients who ask about upcoming meetings.

"We also recently added in-house magnetic resonance imaging and we're looking at other forms of diagnostic and therapeutic services. We've had to get everyone up to speed on when the unit is available for diagnostic testing, hours of operation, how to obtain reports from the interpreting radiologist, and so forth. With so many people needing to receive word about all that, we've got to have mechanisms in place to help our internal communications."

One way AFCC has addressed this challenge is by setting up a private email network so that information can be broadcast to all offices and to every employee with access to a computer terminal. "It is a lot easier to send out a single email than to make phone calls to each office," says Vallas.

Additionally, the doctors carry two-way pagers that allow them to send urgent messages back and forth. Moreover, once a month, the partners convene for a meeting to discuss pressing clinical and business matters. "You still need to have face-to-face interaction to have everyone feeling like they are part of a team and not just individuals working in isolation," Vallas adds.

