By V. Gerard "Jerry" Ippolito, MBA, MHSA, MGMA member and president, OR Efficiencies LLC, Naples, Fla.

When anesthesiology group practices and hospitals enter contractual relationships, they frequently fail to define expectations for the nature, capacity and timing of care. Poorly defined expectations make it difficult for practices to satisfy their hospital clients, straining or even polarizing relationships.

To avoid this, practices and hospitals should draw up service agreements. They can either incorporate the critical elements of such a statement into the contract or include the agreement as an addendum, appendix or attachment referred to in the contract.

Consider the service agreement as a set of guidelines that establish the usual and customary mode of operations. Critical components of an agreement include the:

- Number of anesthesia sites – operating rooms (ORs) and other hospital locations – that the group practice will staff, including the number of staffing hours per day and days per week
- Terms and circumstances under which the group provides additional or extended staff
- Definition of "on-call service" – "in-house" vs. "out-of-house," expected response time if it is out-of-house, and who provides the service, e.g., an anesthesiologist or a certified registered nurse anesthetist
- Need for specialized call coverage (for example, obstetrics and cardiac care), and the depth of call (first, second or third call)

You also must define the anesthesiology practice's roles and responsibilities in:

- Staffing anesthesia locations peripheral to the OR (such as endoscopy, radiology and obstetrics centers) without conflicting with the OR schedule
- Developing and administering a pre-admission screening program
- OR schedule planning and administration
- Quality assurance and education for all aspects of pain relief throughout the hospital
- Patient care in cases of airway management, difficult IV insertions, etc.

After defining expectations, the partners must develop a staffing model to ensure effective delivery of services. This is when discussions of potential stipends should ensue. While the topic of an anesthesia stipend is worthy of an article itself, here are the basics of performing a "gap analysis:" figuring out the difference between the costs of, and reimbursement for, your services.

Determine the total anesthesia full-time-equivalent staffing and business operations costs required to reliably deliver the services the hospital wants. Staffing costs must include total benefits and leave time. Business operations include the costs of maintaining the practice.
operations, such as billing and collections, legal services, accounting, rent, administration, insurance and withholding taxes.

Project your professional-services reimbursement. If it's insufficient to cover the costs of delivering services, that discrepancy is the gap or the amount of stipend the hospital should pay the practice for services. The gap analysis may force the hospital to reconsider its expectations. In such cases, determine whether improving perioperative services and other program efficiencies can help reduce the stipend.

When a hospital and an anesthesiology group clearly define service expectations, a strong relationship can develop between them.