Anesthesia Practice Mergers and Acquisitions: Impact on CRNAs

With the increasing trend of anesthesia practice consolidation, CRNAs face many tough challenges and decisions about their employment. CRNAs must think strategically and remain proactive and engaged in anesthesia business-related activities within their facility. Personal connections and networking are key in demonstrating CRNA value to facility leadership and advocating for yourself and the profession.

I interviewed chief CRNAs from two Chicago-area anesthesia groups that recently went through an acquisition and a CRNA from Michigan whose group recently underwent a tumultuous transition when a newly created group acquired the anesthesia contract at their facility. The overarching theme from the experiences of these CRNAs was that relationship building and communication with decision makers and among the CRNA group are crucial to the outcome of the transition.

Background
As regulatory and competitive landscapes change, hospital and anesthesia industry consolidation has become a way to meet rising expectations. Hospitals become health systems by purchasing physicians’ practices, ambulatory centers, diagnostic centers, home care services, and durable medical equipment and wellness companies.1 Anesthesia practice acquisitions and mergers continue to increase as well, with 2015 reporting the highest number to date.2 Paths to anesthesia industry consolidation include merging with another practice, joining a larger organization, or selling the practice to a well-funded multi-specialty company. Advantages of consolidation with a larger organization include: access to human, technical and informational resources; enhanced financial performance and stability; improved ability to meet healthcare reform requirements; and sharpened focus on improving patient care.3

Thinking Strategically and Being Proactive
Networking and building relationships within the facility is one of the most important proactive, strategic steps CRNAs can take. A robust network, including the anesthesia department, other departments (e.g., surgery, obstetrics, radiology), medical staff, and “C” suite leadership, allows CRNAs to engage with leadership before issues arise. Involvement on interprofessional committees supports engagement with others outside of the operating room (OR) setting. CRNAs are clinical experts, but to be proactive and a change leader CRNAs need to understand the business of anesthesia and healthcare. CRNAs should assess their anesthesia group or practice in light of local, regional, and national market drivers. Questions to ask include:

• What do you know about the business of your group or practice?
• How should you position yourself in this economy?
• Are you a significant asset in your group or practice in the event of a takeover?
• What is going on within your facility – outside of the OR?
• What is going on with other hospitals and groups in your area?
• Are there work opportunities in your area, state, or nationally to compare to your current or new employment situation?
• Do you follow any business or healthcare news?

Personal Assessment
When a merger or acquisition is imminent, each CRNA must consider whether to stay or look for alternate employment based on their needs at the current stage in their career. Even in group negotiations, individuals should identify and outline personal decision points. Develop a checklist and prioritize your requirements. What are “must haves” and what is negotiable? Consider personal factors such as family and relationship needs, and work factors, such as existing contractual obligations, work conditions, location, salary, autonomy, types of cases, and benefits package. Identifying personal needs and negotiable points will help you decide initially if you want to continue, stay focused while contributing to group discussions, and ultimately make an informed decision after the final negotiation.

Communicating as a CRNA Group
Unless you are the owner or partner in the anesthesia group, it is unlikely that you will be involved in the negotiation of the initial deal. If you have been proactive in networking and building relationships, you may become aware of changes and be brought into the conversations sooner. Unfortunately, this may not always be the case and CRNAs may be presented with a proposed employment arrangement. At this point communication is crucial. It is important that there is CRNA representation, such as a chief CRNA, at the leadership level to strategically and succinctly communicate CRNAs’ position, express CRNA staff concerns, and help facilitate the transition.

Change may be inevitable; therefore, communication must be timely and accurate to help control internal panic. Accurate and timely information through organized channels is essential. Rumors or an information vacuum will create chaos in the group.

CRNAs can come together as a cohesive team, establish ground rules for working as a team (e.g., professionalism, confidentiality), and build consensus on negotiating points. Each CRNA team member must be heard and allowed to express their options and
concerns. CRNAs should be professional, supportive, and provide constructive input rather than complain without offering solutions. Assign clear roles within the group to streamline negotiations and encourage the team to speak with one consistent voice. For example, identify someone clear, concise, and articulate as the primary media liaison.

Decision Points and Negotiations
When negotiating, determine which points of the proposed contract or agreement can be impacted. The CRNA group should come to consensus on negotiation points and identify the best possible end results. Identify what the true benefits package is, as each of these factors may be a point for negotiation. Beyond an hourly rate, look at overall benefits such as 401K matching, weekly schedule, vacation and sick time, call, and licensure/education/membership dues allowance. CRNAs can also address is how the dissolution of the previous anesthesia group will affect issues such as malpractice insurance and accrued vacation time.

Lastly, what is agreed to at the beginning of the negotiation should not be taken as written in stone unless it is specifically written into your contract. Obtain a final negotiation resolution in writing to verify that all parties are in agreement. If an agreement is not solidified on paper prior to the transition, things may need to be readjusted given the changing circumstances once the transition is complete.

Showing CRNA Value
Communicating the value that CRNAs bring to an organization is crucial to share with key decision makers during the negotiations. Decision makers will be driven by data, therefore, CRNAs must support their case with evidence.

Analyzing billing data can provide insight to the monetary value of CRNA services and evaluate billing practices to verify CRNA services are being billed appropriately. Work with your billers to obtain data on numbers and types of cases. Understand how the facility is billing for CRNA services. Are they billing accurately? Are there billable services that CRNAs provide that are not being billed? How much is being billed under your name? How much is the facility being reimbursed for CRNA services?

Determine the indirect costs of losing existing CRNA services, which may include the disruption in work flow and loss of efficiency, skills, and service lines. Onboarding new anesthesia staff is timely and cost intensive, so the cost and time of interviewing, hiring, obtaining credentialing and privileging, and orienting a new staff member may be highlighted during negotiations. There will also be extra costs if an agency is used to cover staffing during transition time. Aside from the time and financial impact of hiring new staff, there is also the personal component of disrupting the patient-centered interdisciplinary team. Surgeons and operating room staff may prefer to work with an anesthesia provider with whom they’ve built rapport rather than having temporary staff rotating through their OR.

Practice models and compensation comparisons between CRNAs and anesthesiologists can factor into negotiations. Understanding and accurately presenting the economics behind various practice models and anesthesiologists’ stipends can work to the CRNAs advantage.

Decision makers may be interested in the cost and efficiency advantages of utilizing CRNAs who work at the top of their education and licensure. Discuss opportunities for additional value-added services which may be anesthesia related (e.g., regional blocks, staffing non-OR settings) or general clinical and administrative functions (e.g., staff education, planning an optimizing staffing resources, development of quality improvement initiatives, research).

Consequences of Communication Breakdown
Greg Bozimowski, DNP, CRNA, who worked within the St. John Providence Health System in Novi and Southfield, Mich., for 26 years, shared his insights from the merger that occurred at his facility. In October 2015, 74 CRNAs were abruptly notified that their positions as hospital-employed CRNAs would be terminated at the end of the year. Their only option for continuing employment was to accept a position with PSJ Anesthesia. CRNAs who didn’t sign were considered to have resigned and wouldn’t be eligible for severance or unemployment.

There was no communication between administration and CRNAs prior to the mandate. Not all CRNAs were offered a job by the new group. Several nurse anesthetists signed early, while some decided to leave. The remainder of the CRNAs united, hired legal counsel, and attempted to negotiate with PSJ to come to a mutually beneficial agreement. This group of CRNAs became known as the Michigan 68. The challenges of Michigan 68 gained notoriety through the use of social media and the press.

Bozimowski affirms the recommendations presented in this article. Proactive relationship building, communication with administration, and CRNA leadership are imperative. If a change in employment model is being considered, the CRNAs should establish a leadership council and hold regular meetings with administration. The council should determine the wants and must haves in an...
Historically, operating rooms were a special place. They were quiet and focused on the surgery at hand with no idle talk or distraction. Over time, anesthesia providers started to bring newspapers into the operating room for the less stimulating part of the case. Newspapers in the OR evolved into books, and then portable music players brought sound. Over time, computers and mobile devices entered the scene, and the norm of a quiet, focused operating room morphed into a noisy workplace full of distractions. Patient care became a task to be accomplished rather than the main focus of the team.

The AANA has published a position statement on the use of mobile devices in the operating room. In addition, an article by Snoots and Wands recently published in the AANA Journal discusses the use of mobile devices by CRNAs. Both documents identify positive uses of social media in the operating room and, at the same time, warn about the risk of distraction among healthcare workers while giving patient care.

Checklists and best practice guidelines exist to protect our patients and are encouraged by the AANA’s Patient-Centered PeriAnesthesia Communication practice considerations document. For example, policies and procedures for patient identification remain firmly in place in the form of the preoperative time out. However, if the surgeon says, “I’ve identified the patient and everything is OK,” and the nurse proceeds to check off the list without following established protocol, deviation is normalized. When the anesthetist says, “I’m watching the monitors, therefore I’ve turned off the alarms so as not to bother others in the room,” deviation is normalized. When sterile technique is violated and “It’s OK” because the patient is receiving antibiotics, deviation is normalized. If production pressure causes you to do a “dump-and-run” handoff in the recovery area, deviation is normalized…and on…and on.

**Conclusion**

You are the patient’s first and best line of defense against harm, and your patient counts on you to speak up on his/her behalf. Guidelines and checklists are created by a broad base of highly competent people and, once established, MUST BE followed without the slightest alteration. Every time you take a shortcut, every time you passively watch as others cut corners, your patient is at risk. Be an advocate for your patient. Know and follow best practice guidelines and checklists without deviation. Some rules simply are not made to be broken.

**References**