

CEO Roundtable Series: Miami

Key Takeaways

April 3rd, 2024

The SCALE Community CEO Roundtable series was established with the goals of building high-quality executive leadership relationships and creating intimate forums for executives to exchange ideas about strategy, performance, best-practice and market trends.

What does competitive differentiation mean in today's MSO Market?

Our Miami CEO Roundtable event focused on the competitive differentiation surrounding MSOs in the South Florida region. During our discussion, the following themes emerged as key themes:

- + Access to Care
- + Concierge approach to medicine
- + Crowd Solutions
- + Ancillary Services
- + Strategic Partnerships

Takeaway Themes:



Incremental wins vs. Game Changer wins

- + Incremental wins:
 - + Continue growing a single specialty MSO via traditional means
- + Game Changer wins:
 - + Lower cost of patient acquisition vs. competitors and acquisition targets allowed an ophthalmology platform to outcompete competitors and outbid alternative buyers when during the acquisition process.
 - + Utilization management concept that enables a traditional orthopedics / vascular group to present a lower cost of care model
 - + Value-based care bundled pricing model in the vascular space



Partnerships relative to your market

- + Take a liberal / fluid view of defining partnerships will add value each day
- + Partnership opportunities:
 - + Ways for utilization management to support other leaders
 - + Assisting with living relationships to bring to new markets across the U.S.
 - + Bringing value to other leader's strategies



Representative CEO insights into Competitive Differentiation

Orthopedics CEO:

- + This group has derived strength through:
 - + Long-term vision
 - + Low leverage
 - + High level of stability within the organization
- + To date, has been enough to achieve a position of strength within orthopedics and within their target local market. In this sense, the CEO is well-positioned for incremental wins. True differentiation at a market level – i.e., game changer wins - will require looking outside of the four walls of the ortho practice. Likely to require partners given the required specialty expertise to achieve truly holistic approach.

Key Takeaway: Running a physician-owned practice has its challenges. However, it has its benefits and allows us to be able to operate as we see what is in the best interests of our partners and providers. We have gained organic market traction with the ability to demonstrate sustainability over many years.



Population Health CEO:

- + True differentiation comes from identifying and solving for inefficiencies in the market
- + In today's healthcare market, businesses that manage the cost of care are favorably positioned. Utilization costs are an overhang on the payer market.
- + For example, avoid unnecessary surgeries

Key Takeaway: Being able to provide viable crowd solutions to make our patient lives measurably better while decreasing out of pocket expenses is the future of healthcare and what we are focusing on each and every day.



Ophthalmology CEO:

- + A key to differentiation is to have strong control over / competitive advantages within patient acquisition. Our ophthalmology business relied on:
 - + Competitive advantages in direct to patient marketing
 - + Engaged with payers
 - + Co-management with ophthalmologists
- + Achieved differentiation through a cheaper cost of patient acquisition within the refractive eye surgery, i.e., LASIK, and cataract surgery markets. This allowed the business to be a competitive bidder on targets in the market because they could immediately lower the cost of patient acquisition for these acquired practices. Lower cost of acquisition driven by:
 - + National marketing strategy leading to economies of scale / advertisement contract cost savings
 - + Holistic market strategy, including cable TV advertising, etc.
 - + Placed ads well by purchasing remnant spaces

Key Takeaway: Our biggest growth factor can be attributed to our ability to acquire patients at a lower cost than our competitors. Having the capability to do this has caused the market around us to collaborate with us rather than compete.



Vascular CEO:

- + Differentiators vary by target audience
- + To Physicians:
 - + Rates
 - + Ancillary services
 - + Chronic care management
- + Economies of scale
 - + Inventory management
 - + Vendor cost management – trying new GPO that has lower admin fee which yields 6% savings
- + To Patients:
 - + Offer concierge approach & convenience to quality care
 - + Transportation to patients
 - + Patient coordination
 - + Hospitality driven culture.
- + To Payers
 - + Offer high quality care at a lower cost

Key Takeaway: Being able to provide ancillary services and the concierge approach to patient care has been a game changer for our organization. We have been able to carve out strategic partnerships across South Florida with the patient first mentality and has helped our footprint tremendously.



Physical Therapy CEO:

Key Takeaway: Taking the burden of the back-office functions while allowing our local offices to maintain their local identity to continue provides our clinical partners to excel in their patient approach.