Changing Landscape of Pathology Practice

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Chiraag Gangahar, MD, FCAP
Patrick Wilson, MD, FCAP
Guillermo G. Martinez-Torres, MD, FCAP
Vivek Khare MD, FCAP

September 9, 2021
Karim E. Sirgi, MD, MBA, FCAP

- Chair – Practice Management Committee
- Member – House of Delegates
- Member – CAP Foundation, Governance Committee
- Board certified AP/CP and Cytopathology
- Fellowships in Cytopathology and Surgical Pathology
- Owner - CEO Sirgi Consulting LLC Denver, CO
Topic for Today’s Discussion

• Changing landscape of pathology practice from the perspective of a young colleague about to enter the workforce.
• Evolving role of the pathologist as a consultant in a pathologist-centered healthcare system.
• Unlikely journey of a pathologist leader from fiercely independent practitioner to pathology CMO of a large hospital corporation.
• Landscape view from the command and control room of one of the most successful, independent and privately owned, AP and CP groups in the U.S.
Disclaimer

The information presented today represents the opinions of the panelists and does not represent the opinion or position of the CAP.

This should not be used as a substitute for professional assistance.
Chiraag N. Gangahar, MD, FCAP

- Member, Practice Management Committee
- Board Certified AP/CP (WashU in St. Louis/Barnes-Jewish)
- Fellowships in Cytopathology and Surgical Pathology (Houston Methodist/Texas Med Ctr)
- Contributor: CAP Foundation
- Contributor: PathPAC
- Currently in Job Market
Patrick Wilson, MD, FCAP

• Advisor, Practice Management Committee
• Managing Director, Presbyterian Pathology Group, PLLC, Charlotte, NC
• Medical Director, Novant Health Charlotte Market Acute Care Laboratories
• Board Certified AP/CP
• Fellowship in Cytopathology
Guillermo G. Martinez-Torres, MD, FCAP

- Private Practice for 25+ years
- Fiercely Independent
- President and CEO of Large Multi Specialty Group in Wisconsin
- Chief Medical Officer of Pathology and Laboratory Operations
- Chief of Staff for Hospital System
- National Pathology and Lab Leader for Ascension Healthcare
Vivek Khare, MD, FCAP

- Chairman of the Board, LMS (Current)
- Chief Executive Officer, LMS (Current)
- Medical Director, OMDXID (Covid Lab Division) (Current)
- Special Certification in Dermatopathology (1997)
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Objectives

• To provide a point of view of a graduating fellow entering the “Changing Landscape of Pathology Practice”
Audience Participation: Year Photo Taken?
Audience Participation: Year Photo Taken?
Asymmetric Information: Candidate and Employer

My Solution

• Do my current job as well as humanly possible
• Show up, build network
• Study the market (publications, websites)
• How I found pathology

Photo: Taylor, Texas, USA
*Taken week prior to job interview for fellowship.*
Clinical Background led to Pathology

• Grew up: Lincoln, NE
• Med School: Omaha, NE  
  o Rural Medicine Emphasized
• Commissioned in US Navy  
  o Medical Officer/Fleet Marine Force
• Clinical Medicine: Cases with pending Pathology stood out  
  o Ex: Testicular mass in the field  
  o Ex: Medical logistics, planning movements
Group of 7 in two models of practice.

- 7 USN Corpsmen go to Brazil
- Train & Exchange best practices
  - Counterpart: Fuzileiros Navais
- Don’t speak Portuguese
  - Evening sessions 2-months prior
- Which type of team wins?
  - Adaptable, Technical Proficiency, Friends

“It became how I gauge the type of place I’d like to work.”
Chuck’s Criteria

- Culture of ownership
- Incentive structure
- Collegiality in showing cases
- Business decisions discussed openly
- Workflow that is adaptable
- Willing to work hard
- Pay comparable to peers
  - Same applies to Employed/Academic Model (minus equity)
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Evolving Role of the Pathologist

• Re-emergence of the Pathologist as Consultant
• Pathologist-Centered Healthcare
Pathologist Consultant

- **Procurement of tissue for genomic studies**
  - Fine needle aspiration ROSE
  - Increasing modalities (EBUS, EUS, Image guided)
  - Staffing challenges

- **Pre-analytic considerations**
  - Triage
  - Handling/specimen integrity
  - Coordinated, Evidence-based approach
Preanalytics and Precision Pathology

Pathology Practices to Ensure Molecular Integrity of Cancer Patient Biospecimens for Precision Medicine

Carolyn C. Compton, MD, PhD; James A. Robb, MD; Matthew W. Anderson, MD, PhD; Anna B. Berry, MD; George G. Birdsong, MD; Kenneth J. Bloom, MD; Philip A. Branton, MD; Jessica W. Crothers, MD; Allison M. Cushman-Vokoun, MD, PhD; David G. Hicks, MD; Joseph D. Khoury, MD; Jordan Laser, MD; Carrie B. Marshall, MD; Michael J. Misialek, MD; Kristen E. Natale, DO; Jan Anthony Nowak, MD, PhD; Damon Olson, MD; John D. Pfeifer, MD, PhD; Andrew Schade, MD; Gail H. Vance, MD; Eric E. Walk, MD; Sophia Louise Yohe, MD

Arch Pathol Lab Med. 2019;143:1346–1363;
Pathologist Consultant

• “Covid Positive Impact”
  o Critical link to management of scarce resources
  o C-suite partnerships
  o Bridges built with long term implications
Artificial intelligence and computational pathology

Miao Cui¹ · David Y. Zhang²

Laboratory Investigation (2021) 101:412-422
Computational Pathology

Era of Big Data

• Massive expansion of health care data within EMRs
  o Increasing complexity managing and integrating data across multiple platforms
  o Artificial Intelligence to assimilate data

• Not limited to morphological assessment
  o Improve pathologic diagnoses
  o Classification
  o Prognostication
Pathologist-Centered Healthcare System
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Personal Background - cont.

• Hit the “ceiling” of leadership in group, practice and healthcare system
• Health system made decision to switch accreditation from CAP to Joint Commission
• Massive shift in mindset from “gold standard” to “good enough” in laboratory operations
• Passionate lab leaders began either retiring or leaving system as a result… including myself
Hospital Corporation of America (HCA)

• Largest Healthcare system in the US
• Started speaking with me back in 2019
• Presented me with a vision to forge and lead the “premier” Pathology practice in the United States
• Goal to align all Pathology operations behind a single standard of care, unified best practice and quality metrics which are based on the highest possible standard of care (CAP standards)
August 1, 2021

- Chief Medical Officer of Pathology Services for HCA, Physician Services Group
- Responsible for nearly 200 pathologists throughout the US
- Also responsible for all Quality Operations related to Pathology
- Aggressive national growth strategy for the next 10+ years
- Disruptive healthcare leader with a clear strategy, vision and goals
- Aligned practice, service and quality operations throughout the enterprise
Personal Thoughts

• Easiest thing would of been to stay in practice and “ride it out for a few more years”
• Unintended / unforeseen consequences drive behaviors
• ALL large healthcare systems have a strategy to align hospital-based groups into a single point of contact
• Behind every challenge there are numerous opportunities
• Patient centered care should be the focus of every discussion
• Follow your dreams, because one day, they come true
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LABORATORY MANAGEMENT SERVICES

STRATEGY FOR MARKETPLACE

(2021)
Laboratory Industry Business Cycle

- Cost plus model
- Laboratory profits enabled hospital expansion and investments in technology
- Service and quality mattered
- “Fitting in” to the community mattered
- Advantage hospital based pathologist

- Fee for service model
- Exponential growth in profitability
- Minimal impacts on cost of healthcare
- Marketing, menu of testing, and service levels
- Advantage independent private pathologist

- Capitated integrated health system model
- Enables “last lab standing” business model
- Clinical Integration relationships paramount
- Advantage integrated pathologist

- Hospital Owned Labs
- Pathologists compensated with percentage of gross collections

- Independent specialty based pathology labs
- Marketing and volume based incentive driven growth

“Community Lab”

- Hospital fee schedules
- Max revenue/test
- DPG’s cost per test
- Min cost/test
- PRN infrastructure
- Consolidation and integration

1970’s

1980 – 2015

2016
## Hospital Based Pathology Groups

### Access Points of Health Care

<table>
<thead>
<tr>
<th>Services</th>
<th>Hospital Inpatient</th>
<th>Hospital Outpatient</th>
<th>Rural Hospital</th>
<th>Physician Office</th>
<th>Referral Work</th>
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<tbody>
<tr>
<td>Anatomic Pathology</td>
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<td>Infrastructure Management Logistics</td>
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## NATIONAL LABS IN LOUISIANA

### ACCESS POINTS OF HEALTH CARE

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### “The LMS Matrix”

**CONTINUUM OF CARE**

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<tr>
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</tbody>
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### WHAT BUSINESS ATTRIBUTES SECURE NEW CONTRACTS?

<table>
<thead>
<tr>
<th>Protective “Moat”</th>
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<tbody>
<tr>
<td>Anatomic Pathology Relationships</td>
</tr>
<tr>
<td>* 30+ years of Reputation &amp; Goodwill</td>
</tr>
<tr>
<td>* Medical Directorships</td>
</tr>
<tr>
<td>* Professional Services Contracts</td>
</tr>
<tr>
<td>* Hospital Committee Involvement</td>
</tr>
<tr>
<td>* Pathology Sub-Specialization</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Infrastructure</th>
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</thead>
<tbody>
<tr>
<td>* AP Professional and Technical lab infrastructure</td>
</tr>
<tr>
<td>* Dedicated Courier and Logistics Services</td>
</tr>
<tr>
<td>* Billing Operations</td>
</tr>
<tr>
<td>* Fastest possible turnaround time</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lab Information Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Proprietary AP LIS</td>
</tr>
<tr>
<td>* Years of experience refining the best possible interfaces and capabilities</td>
</tr>
<tr>
<td>* Unprecedented connectivity of AP, CP, MDX, Genetic, etc. with patients’ EMR</td>
</tr>
<tr>
<td>* Finding adequate LIS provider and rebuilding this connectivity infrastructure would be extremely burdensome</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Clinical Pathology Relationships</th>
</tr>
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<tr>
<td>* Provided on-site</td>
</tr>
<tr>
<td>* Hospitals lack infrastructure to adequately manage in-house</td>
</tr>
<tr>
<td>* High-quality coverage garners continued positive relationship with hospitals</td>
</tr>
</tbody>
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<th>Significant Capital Outlay</th>
</tr>
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<tr>
<td>* The financial obligation necessary to cover LMS’ volume at the satisfaction levels customers have come to expect would never generate the ROI necessary to make the undertaking worthwhile</td>
</tr>
</tbody>
</table>
LMS Proprietary Connectivity Pipeline
Transmit data from EMR to warehouse

Data Translation
(“Male” to “M” per vendor specs)
(NPI to Internal Doctor #)

Patient Demographics (ADT)

Lab Orders/Results (ORM/ORU)

Practice Management (CSV/TXT)

Data Translation
(“M” to “Male” for consistent indexing)
(Internal Doctor # to NPI)

Pharmacy and Prescriptions (RDE)
Vaccination Updates (VXR)
X-Ray and Medical Imaging (DICOM)
Office Documents (PDF/DOC/XLS/TXT)
Corporate Timeline

1998

Two longstanding pathology groups come together to form Delta Pathology Group, which was the precursor to the formation of LMS

2001

Goals & Matrix formulated; acquisition of two histopathology labs which were eventually closed and folded into NWLA

2003

Joint venture with CHRISTUS Schumpert to form Omega Dx; acquisition of RRMC CP outreach

2005

Acquisition of Histopathology Lab of Mid LA and Pathology Associates of Mid LA (PAML)

2007

Omega acquires UGH CP lab; LMS acquires SFMC TC lab

2009

Formation of Pathology Resource Network (PRN)

2010

Acquisition of Pecot & Padgett, APMC

2011

Acquisition of Bayou Path; acquisition of Med Lab of SW LA

2012

Acquisition of Lourdes Path and OLOL TC lab; acquisition of Women & Children's Path; Acquisition of Alexandria Path Lab

2013

Shreveport CP laboratory closed (~1m test volume)

2014

Joint venture with CHRISTUS Schumpert to form Omega Dx; acquisition of RRMC CP outreach

2015

Affiliation with WKHS to form CRL

2016

Acquisition of CPS & PPL; acquisition of So. Path.; LMSTC acquires WJMC CP lab

2018

Expand further into Mississippi

2019

Acquisition of St. Tammany Path & Hospital TC lab

2020

Acquisition of LRMC TC lab

2021

Acquisition of CPS & PPL; acquisition of So. Path.; LMSTC acquires WJMC CP lab

2022

Company Overview
Geographic Footprint

<table>
<thead>
<tr>
<th>Location</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shreveport</td>
<td>Cytology, gross, histology, IHC, FISH, PCR, Flow, molecular and genetic services</td>
</tr>
<tr>
<td>Alexandria</td>
<td>Histology, cytology, gross, frozen sections, IHC</td>
</tr>
<tr>
<td>Lafayette</td>
<td>Histology, cytology, gross, frozen sections</td>
</tr>
<tr>
<td>S. Shore / NOLA</td>
<td>Histology, cytology, gross, frozen sections, IHC</td>
</tr>
<tr>
<td>Lake Charles</td>
<td>Gross, frozen sections</td>
</tr>
<tr>
<td>Meridian &amp; Laurel</td>
<td>Histology, cytology, gross, frozen sections, IHC</td>
</tr>
<tr>
<td>Monroe</td>
<td>Frozen sections only</td>
</tr>
<tr>
<td>N. Shore / SELA</td>
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Note: Pathologist count excludes 2 locum tenens at North Shore / SELA location; there may be double counting of pathologists who practice in multiple markets.
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Resources

• Practice Management Resources
  o Resources: https://www.cap.org/member-resources/practice-management

• Value-Based Business Toolkits
  o Information: https://www.cap.org/member-resources/practice-management/value-based-business-toolkits
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Questions ?