

Industry Roundtable Part I: Preparing for the Year Ahead

While healthcare reform is well underway, a true shift in care delivery and economics appears to be more of a looming threat than a proven reality. The question remains: How do you manage and grow a successful business in the dynamic environment of today while positioning for the future?

We asked a few of the River Cities’ portfolio company CEOs some of the most prevalent questions on the minds of healthcare management teams when preparing for the year ahead. Part I of the roundtable addresses the general concerns about the year ahead and shifts in the industry that may arise. Part II will discuss sales and marketing and how the CEOs plan to thrive in the face of reform. Participants included:

			
Terry Edwards CEO, President PerfectServe, Clinical communications workflow service	Jim Pearson CEO, President NICO Corporation, Minimally invasive neurosurgical devices	Tom Dugan President, CCO Surgiquest, Abdominal surgical access systems	Mark Gilreath CEO, President EndoChoice, Platform technology supporting GI specialists

What are your key areas of focus for 2014? What are the macro forces that most concern you?

Terry Edwards, 

“Key areas of focus include developing effective strategies to grow productively in an increasingly challenging economic health system environment. Cost cutting and holding back investment in the acute care space is the most concerning macro force. It is very real.”

Jim Pearson, 

“The key area of focus is the continued introduction and adoption of a new standard of care for minimally invasive corridor neurosurgery. The macro forces that concern us the most include the impact of the Affordable Care Act (ACA) and the ongoing confusion that exists around its implementation and enforcement in healthcare. This has had an impact on hospital decisions and timing around investments in technology and the measurement parameters around adopting new technology.”

Tom Dugan, 

“SurgiQuest is focused on execution in 2014. Despite ongoing market pressure (pricing, reform, controversy re: robotic surgery), we still see numerous avenues of growth through expansion of our salesforce, improving production margins and building clinical evidence to expand use of our technology.”

Mark Gilreath,  ENDOCHOICE

“EndoChoice was created to serve the professional in GI endoscopy – our focus in 2014 is to deliver solutions that lower costs and improve outcomes. For example, our Full Spectrum Endoscopy, of Fuse can identify 70% more polyps before they turn into cancer for about the same cost as other solutions. It’s truly a win-win.”

What change in the healthcare system will benefit your business most? What will most negatively impact your business?

Terry Edwards,  perfectserve

“Health care systems that succeed in the future will excel in physician alignment and care coordination. PerfectServe can benefit most from client initiatives in these areas. The most negative impact is cost cutting without regard to operational and outcomes improvement.”

Jim Pearson,  NICO
NEURO AND SPINE

“The growing trends in improving minimally invasive surgery (MIS) continue to lead towards adoption and improvements in robotic and laparoscopic surgery. Our systems play a key role in improving the efficiency and outcomes in MIS procedures so we benefit from those trends, particularly in improved patient outcomes and satisfaction. On the negative side, we continue to bear the burden of the medical device tax. Hospital’s ability to acquire capital equipment has also been affected by implementation of the ACA. Moreover, the increasing amount of regulation, particularly at the customer level, impedes our ability to develop close working relationships with surgeons and their support teams. It is becoming more difficult to market new technology even with clinical evidence.”

Tom Dugan,  SURGIQUEST
Laparoscopy without Limits

“Honestly, we have yet to see a change in the healthcare system that will offer a positive impact on our business. Our hope is that by proving our technology, and other technologies, can offer improved clinical and economic outcomes through continued innovation, the healthcare system will eventually develop a more effective avenue for fast-tracking approvals in this category. The negative impact is a slowing of administrative approvals for adopting new technologies, as well as the tangential impact of the ACA, such as implementation of the Medical Device Tax and our own company’s health care plan options for employees.”

Mark Gilreath,  ENDOCHOICE

“The win for EndoChoice in this new environment is the increased focus on quality and clinical outcomes. We love it when the healthcare provider evaluates our products and services against the competition, in the light of quality and outcomes. The greatest negative impact on our business is simply the new medical device tax. While it appears we have bi-partisan support for removal, this 2.3% tax is a new reality until the congress can intervene with a solution. It appears that the tax is misguided at best – it’s a job killer in the US. Medical technologies account for only ~5% of hospital expenses, yet have made a tremendous impact on improving the quality and longevity of life over the past few decades.”

“Better outcomes at lower costs” is the mantra in healthcare today. How does your company’s value proposition address this goal? Will you need to adapt your value proposition in this evolving market?

Terry Edwards,  perfectserve

“PerfectServe’s value proposition is that we speed communication cycle times between clinicians in the care delivery process. This speeds time to intervention, positively impacting patient outcomes and operational efficiency. Our messaging is spot on for today’s environment. We need to continue building our library of client cases studies and success stories.”

Tom Dugan,  **SURGIQUEST**
Laparoscopy without Limits

“Fortunately our products and the clinical evidence support our position that we enhance robotic and laparoscopic surgical procedures. Our clinical evidence shows a reduction in OR time with a direct reduction in cost. Our value proposition is ideal for the market. As a growth-stage company, we need to continue to build the base of clinical evidence to support it.”

Jim Pearson,  **NICO**
NEURO AND SPINE

“NICO is fortunate that we have been able to demonstrate both improved patient outcomes and economic outcomes for the healthcare system with the use of our new technology and approach.”