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Health Notes: Group forms Meridian Surgical Partners Industry veterans, equity firm start surgery company

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A group of health-care industry veterans and one of the country's largest middle-market private equity firms have formed Meridian Surgical Partners, an outpatient surgery center company.

Based in Nashville, the company will pursue strategic partnerships with physicians and other health-care providers in the development, acquisition and management of ambulatory surgery centers and surgical hospitals throughout the United States.

David F. "Buddy" Bacon Jr. will be chief executive officer. A certified public accountant, he had been president and CEO of Medifax-EDI Inc., a health-care information technology company.

Kenneth N. Hancock, president and chief development officer, is a co-founder of Surgical Alliance Corp., a specialty surgical hospital company. Catherine W. Kowalski, Meridian's executive vice president and chief operating officer, also was a co-founder of Surgical Alliance.

Arcapita Inc., an investment group with offices in Atlanta, London and Bahrain, has committed \$75 million to the venture.

Meridian has already acquired a majority interest in surgery centers in Omaha, Neb., and Arcadia, Calif., and is developing a third facility in Cleburne, Texas.

Early returns look good

Healthways Inc., a Nashville-based disease management company, says early results from a pay-for-performance pilot program it launched a year ago in Gallatin are good. It led to fewer hospital visits and lower health-care costs for a group of Medicare patients.

Healthways, working with Nashville-based insurer HealthSpring Inc. and Sumner Medical Group, saw a 19 percent reduction in the number of emergency room visits and 10 percent fewer hospital admissions among 1,200 patients enrolled in HealthSpring's Medicare Advantage Plan.

Healthways says the medical group also saw a 66.2 percent improvement in cholesterol screenings, a 39.5 percent gain in the number of patients receiving breast cancer screenings and a 36.7 percent rise in the number of prostate cancer screenings.

Under the pilot program, HealthSpring covered the costs of a nurse working with Healthways and Sumner Medical Group to remind Medicare patients to come in for office visits and follow-up exams. The project also addressed reasons that patients may be unable to take certain medications or comply with doctors' instructions.

With the cost of medical care continuing to rise, insurers and employers are looking for ways to improve the quality of care while keeping costs in check. Under various pay-for-performance models, health-care providers are encouraged to keep closer tabs on patients with chronic conditions to avoid potentially costly complications later.

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