CEO Leadership Series: Vol. 9

Andrew Mintz, CEO of Pinnacle Fertility

In the first of a series of CEO interviews featuring healthcare services industry leaders, SCALE's operating partners had a chance to sit down with Andrew Mintz, CEO of Pinnacle Fertility, a private equity backed platform focused on women's health/fertility.

Pinnacle Fertility is one of the nation's fastest-growing physician-centric fertility care platforms, supporting more than 25 high-performing fertility clinics and comprehensive fertility service providers nationwide.

Andrew's career has in large part focused on OB-GYN and women's health services, as well as fertility and primary care. Prior to Pinnacle Fertility, Andrew worked at Summit Health in NJ (previously known as Summit Medical Group), as well as, more recently, Women's Care Enterprises, a 450-provider group in FL. He is now CEO of Pinnacle Fertility.

Key Lessons Learned from the Discussion with Andrew:

Overall Strategy

Our strategy is exclusively focused on three overarching goals across our national platform:

1. Clinical Quality
2. Patient Experience
3. Cost of Care

Corporate Strategy vs Local Market Strategy

Shared Vision & Supporting Goals

We apply a five-prong corporate strategy when tackling the concept of merging independent practices into one centralized and communicative MSO organism. We seek to create practice consistency in:

1. Quality
2. Cost
3. Patient Experience
4. Culture
5. Enhancing Services

The process of generating a structured list of goals is something the Board is heavily involved in, setting the tone from the top to be implemented throughout the various practices.

By integrating every individual to the same mission statement which, for example, is "Fulfilling dreams by creating families.", we are holding everyone equally responsible in taking up initiatives that uphold this goal.

We then apply a primary measurable goal to each of these five broader goals to help focus everyone's mind on ensuring we achieve meaningful progress in the most relevant supporting metrics. As an example, when it comes to quality, all of our practices have been asked to achieve one standard deviation of improvement against the national live birth rate, as measured by SART and CDC.

And so, we are able to have tangible priorities with tangible results attached to each of our five corporate strategies.

Data-Driven, Collaborative Engagement

There is rarely a physician without strong feelings about how medicine is supposed to be practiced. We approach this dynamic in a couple of ways. One is that while some physicians' initial tendency may be to fight the system, most are ultimately receptive to collaborative engagement and ultimately do rely on data. You come to realize that, in fact, when we are performing and measuring and thoughtfully debating and comparing, you're able to use the data in a productive and collaborative manner.

We've created councils and we have a medical director appointed from each of our practices, as well as a lab director appointed from each of our councils. These councils sit and have conversations about what, for example, the stimulation protocols are in order to stimulate the ovaries enough to get the right number and quality of eggs.

We have also created programs for our lab directors to define uniform Pinnacle standards in embryology testing and in training, and in technique, and in equipment and process. Our medical directors then get together on our councils to talk about the stimulation protocols and determine competencies for physicians in their technique for transferring an embryo into a uterus. And so we have very specific plans we have designed for key processes.

Thoughtful Diligence, Integration & Management of Expectations with Add-on Practices

When we go and have conversations today with practices, we are telling them what we're trying to achieve and how we're trying to get there, and we can be very specific with them about their role in this process. That means that they need to participate on our councils, that we're going to switch them out of their current electronic health record onto our single platform, that they are going to be working collaboratively to update their stimulation protocols. It becomes easier for us to integrate a practice because the new clinicians know exactly what we're going to do as we bring them on.

Everyone comes with their own opinion. One of the reasons we move them to the same electronic record is so that we can measure the process and we can measure the outcome. What's nice in fertility is that there is a specific set of measurements and definitions that you must use to provide the outcomes data that gets reported to the society of American Reproductive Technology. And so, we can all look at the outcome using the same definition as well as process. Because we have put everyone on the same record, we have long term datasets on, for example, stimulation protocols and outcomes achieved for these protocols. And so when you have a physician-to-physician one-on-one, when you set the expectation that this is how our MSO operates before you close an add-on acquisition, you set up clear structure and you create those clear conversations, under which you establish your guidelines, you measure who's following the guidelines and you measure who's getting the best outcomes based upon those guidelines.

Notwithstanding all of this effort towards shared vision and uniformity, when integrating practices located all over the country there are different market conditions the MSO platform naturally has to take into consideration.

The application of a local modifier is a critical component when attempting to streamline practices under a unified vision, mission, and value statement.

Building a Culture to Support Corporate Strategy

When it comes to our fourth corporate strategy priority, culture, our tangible goal is that we have employee engagement in the top 25th percentile nationally across comparable healthcare companies. We have one of our practices on the west coast that wants to actually be in the top 15th percentile. They may be a little bit more aggressive than we are, but are consistent in terms of how we're measuring our success. And so we align ourselves in terms of where we're heading — mission and vision. We align ourselves in terms of corporate strategy. And then we dovetail our local strategies into the overarching corporate strategy.

When you have physician practices and physician led organizations, the key is to develop your own leaders. One of the other things that we do is to specifically create leadership programs for both our practice leaders, as well as our physician leaders and now our lab directors as well, and provide them with some education about what it is to lead — what is it that you need to do to be able to train people to be open to new ideas? And how do you get that done?

Innovation is Key

The fertility industry is a highly specialized market, requiring highly specialized personnel to meet the unique needs of individual patient circumstances. With this reality in mind, fertility, like any other healthcare sector, has its own set of distinct challenges, and it is important for a platform to not let industry roadblocks prevent further development.

It's always about innovation. I think every organization is only going to be successful through innovation.

Some of the challenges that we face are related to physician shortages. There are only 1,400 REIs in the entire country and 40 are coming out of training every year and about 60 are retiring every year. So we have a severe lack of physicians and we also have a severe lack of embryologist. As the labs and embryology becomes more sophisticated, we need trained embryologists.

To confront some of these challenges, we could blame the industry, we could blame the academic centers, or we could do something about it. Coming up with new and innovative ways to solve these challenges, we've created our own embryology school. We have two locations, we're actually hiring and paying embryologists who initially can't do any embryology, putting them through a training program that can last anywhere from three months to a year and then placing them in one of our labs so that we can have good access to embryology. It costs us a fortune, but it would cost us a much bigger fortune if we were to have to limit the number of cycles we could do, because we just don't have enough embryologists.

And the same on the physician side, with there being a shrinking number of fertility physicians in the market, we have to think about — How do we use nurse practitioners? How do we take OB-GYNs and do some training for them to perform as part of the process? What are the things that REIs have to do versus what OB-GNYs versus nurse practitioners? A true top of license model is what we're putting in place, where our doctors are really limited to a handful of activities. And this is what they need to do all day long in order to provide access to an industry that's growing at 8% a year.

Those are the challenges that we have in fertility and some of the ways that we just have to figure out how to solve it.

Special thanks to Andrew Mintz for his insights and our Executive Partners for their participation in this discussion.