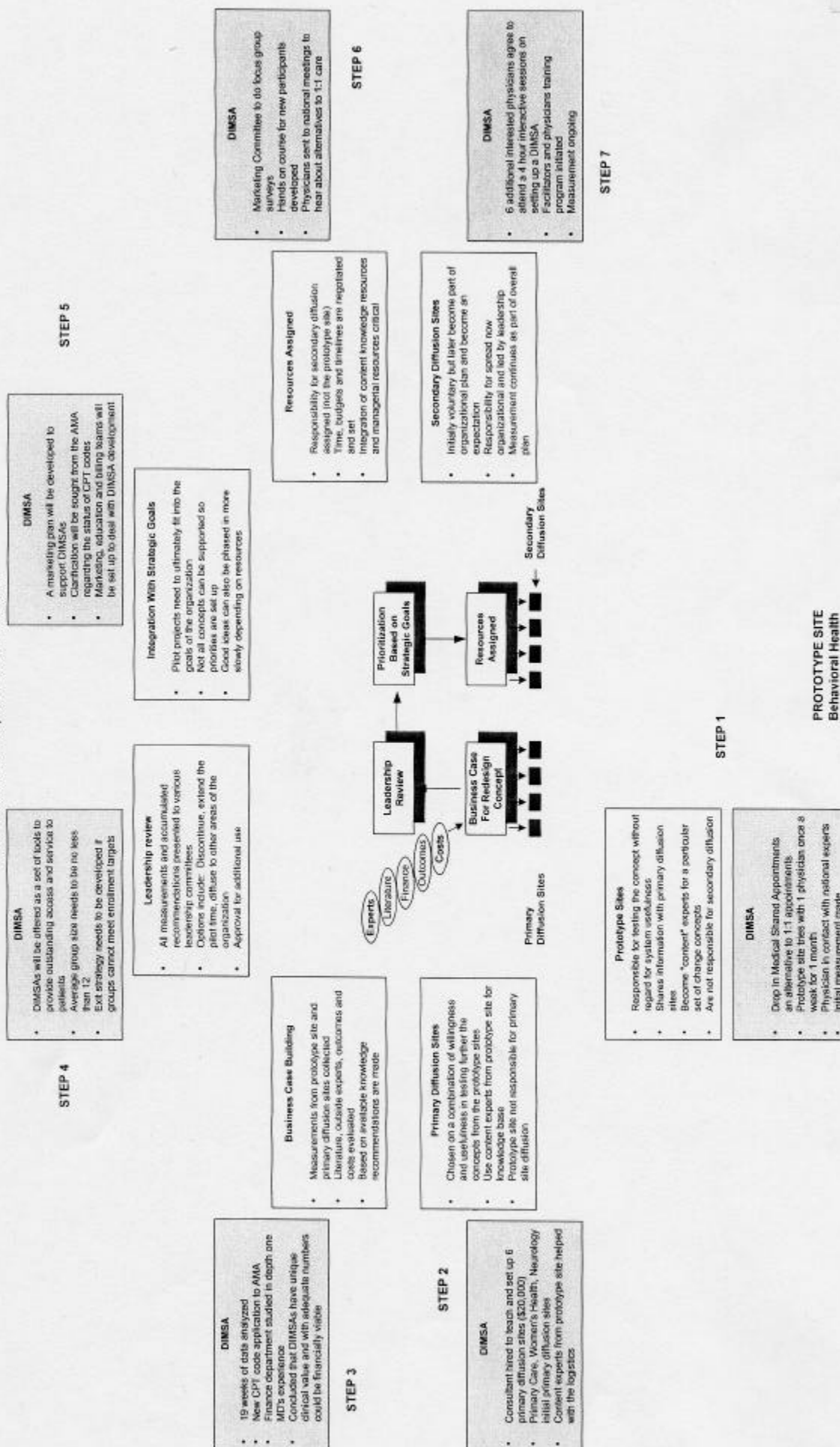


Diffusion and Replication Process



Luther Midelfort DIMSA

Ideal DIMSA Analysis1 Traditional Office Practice - Revenue/Encounters**Dr Attermeier's regular 2-hour schedule seeing patients**

Production estimate provided by Production/Encounter Reports

Gross production	Sept 99 - Mar 00	\$ 221,601
Encounters	Sept 99 - Mar 00	2,139
Average gross production per encounter		<u>\$ 103.60</u>

Encounters	Sept 99 - Mar 00	2,139
Estimated office days	Sept 99 - Mar 00	Per Adam Rees 115
Encounters per office day		<u>18.6</u>
Average hours worked per office day	Per Carol Sonnenberg	6
Encounters per hour		<u>3.1</u>

Dr Attermeier's average gross production per hour	\$ 321.16
Per 2-hour schedule	2
Average gross production for 2 hours	<u>\$ 642.32</u>

Therapist's (Susan Wolfram) regular 2-hour schedule seeing patients

Production estimate provided by Colleen Skold as follows:

Hourly billing rate	\$ 131.00
% of worked hours billed	70%
Adjusted hourly billing rate	<u>\$ 91.70</u>

Susan Wolfram's average gross production per hour	\$ 91.70
Per 2-hour schedule	2
Average gross production for 2 hours	<u>\$ 183.40</u>

Gross production for regular 2-hour schedule seeing patients	<u>\$ 825.72</u>
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2 DIMSA - Revenue/Encounters

Charge for 99212 service code	\$ 59.00
DIMSA patients per group	12
Gross production for DIMSA group	<u>\$ 708.00</u>

3 Comparison of Traditional Office Practice to DIMSA

Traditional Office Practice gross production	\$ 825.72
DIMSA gross production	708.00
Gross production difference	<u>\$ 117.72</u>

Percent difference	16.63%
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Traditional practice production is 16.63% higher than DIMSA production

Luther Midelfort DIMSA

DIMSA Pilot Analysis**1 Average gross production for all DIMSA's**

From the DIMSA pilot patent group total chart

Total of the six patient group averages	25.76
Number of groups	6
Average patients per group	4.29
Gross production for 99212	59.00
Average gross production per group	253.31

2 Average gross production for top 3 DIMSA's

From the DIMSA pilot patent group total chart

Total of the three patient group averages	19.19
Number of groups	3
Average patients per group	6.40
Gross production for 99212	59.00
Average gross production per group	377.40

3 Average gross production for Dr Attermeier's DIMSA's (averaged 2.5 hours total for DIMSA)

From the DIMSA pilot patent group total chart

Dr Attermeier's average patients per group	6.60
Gross production for 99212	\$ 59.00
Average gross production per group	389.40

4 Dr Attermeier's traditional Office Practice production plus therapist at 2.5 hours

Dr Attermeier's average gross production per hour	\$ 321.16
Per 2.5 hour schedule	2.50
Average gross production for 2.5 hours	\$ 802.90

Therapist's (Susan Wolfram) average gross production per hour	\$ 91.70
Per 2.5 hour schedule	2.50
Average gross production for 2.5 hours	\$ 229.25
Gross production for 2.5 hours	\$ 1,032.15

5 Comparison of Traditional Office Practice to DIMSA at 2.5 hours

Traditional Office Practice gross production	\$ 1,032.15
Dr Attermeier's DIMSA gross production	389.40
Gross production difference	\$ 642.75

Percent difference	165.06%
Traditional practice production is 165.06% higher than DIMSA production	

Mayo Health System

TO: Dennis Pope
Adam Rees

FROM: Becky McDonough, Controller

RE: DIMSA Analysis

We have completed our review of Dr. Resar's DIMSA Financial Analysis and have noted our findings below:

- While the focus of the original study was on the revenue differential for a two-hour period of traditional encounters versus a DIMSA encounter, Dr. Resar does raise a valid consideration. Assuming that patient demand currently exceeds provider capacity, the use of DIMSA's would free up slots for additional patient volumes.
- We caution that assuming an average of 12 patients per DIMSA appears to be aggressive (at least at this point in time). During the pilot analysis, Dr. Attermeier averaged only 6.6 patients per DIMSA. Only 1 out of 14 appointments reached the limit of 12 patients during the study period.
- We have completed a revised analysis incorporating Dr. Resar's point on potential increases in productivity. Please refer to the attachments. Some of the differences you will note from Dr. Resar's analysis are as follows:
 - We have incorporated the expense of a behavioral therapist assuming that one is required for each DIMSA. The first analysis reflects the "cost" as lost production of existing therapists. The second analysis presents a scenario where volumes increase enough to support an additional full time therapist (the analysis assumes 30% documentation time, but no additional costs for down time).
 - Dr. Resar's analysis compared 6 hours without DIMSA to a number that included 6 hours of traditional practice plus 2 hours of DIMSA (i.e. total of 8 hours with DIMSA but only 6 without). We are assuming that the comparison should be to 4 hours of traditional practice plus 2 hours of DIMSA.

If you have any further questions or needs, please don't hesitate to contact me.

CC: Paul Bammel
Cindy Gebert

Luther Midelfort

DIMSA Financial Impact Projections

Average Patients/DIMSA	14	12	10	7
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Scenario 1 -- Measures lost production of Dr. Attermeyer and an existing Behavioral Therapist

4 Hours Traditional Practice - Attermeyer and Wolfgram	\$1,652	\$1,652	\$1,652	\$1,652
Projected DIMSA production for 2 Hours	\$826	\$708	\$590	\$413
6 Hour Day with DIMSA	\$2,478	\$2,360	\$2,242	\$2,065
6 Hour Day without DIMSA - Attermeyer and Wolfgram	\$2,478	\$2,478	\$2,478	\$2,478
Projected Increase/(decrease) in daily production	\$0	(\$118)	(\$236)	(\$413)
Percent	0.0%	-4.8%	-9.5%	-16.7%

Conclusion: The size of the DIMSA groups would have to **average 14** in order to offset the projected production loss of Dr. Attermeyer and an existing Behavioral Therapist. Using the pilot study average of approximately 7 patients per DIMSA, we project a 16.7% reduction in production on days in which one DIMSA session is held.

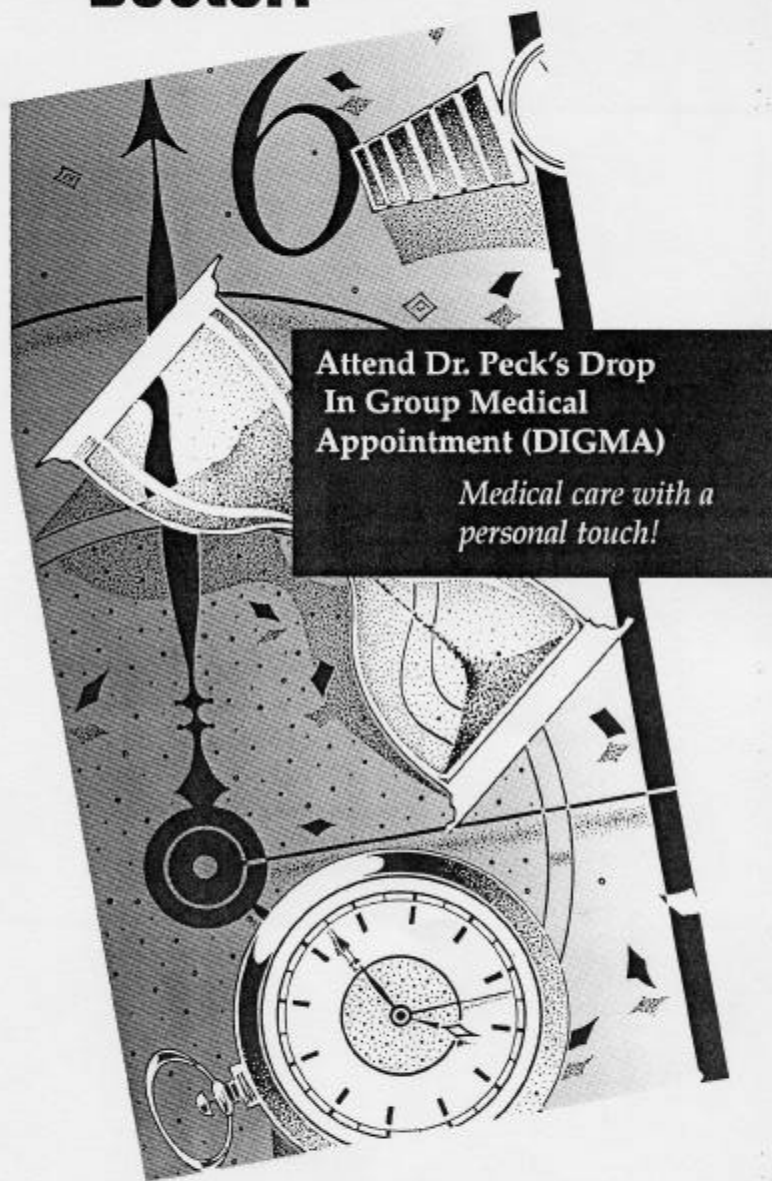
Scenario 2 - Measures lost productivity of Dr. Attermeyer and cost of Behavioral Therapist

4 Hours Traditional Practice - Attermeyer	\$1,284	\$1,284	\$1,284	\$1,284
Projected DIMSA production for 2 Hours	\$826	\$708	\$590	\$413
6 Hour Day with DIMSA	\$2,110	\$1,992	\$1,874	\$1,697
6 Hour Day without DIMSA - Attermeyer	\$1,926	\$1,926	\$1,926	\$1,926
Projected Increase/(decrease) in daily production	\$184	\$66	(\$52)	(\$229)
Percent	9.6%	3.4%	-2.7%	-11.9%
Projected salary and benefits for 2 hours of Behavioral Therapist participation ⁽²⁾	\$74	\$74	\$74	\$74
Projected Net Daily Impact	\$110	(\$8)	(\$126)	(\$303)
Percent	5.7%	-0.4%	-6.6%	-15.7%

Conclusion: Assuming an **average** of 12 patients per DIMSA and full utilization of a Behavioral Therapist (i.e. minimal down time) we project minimal financial impact; however, at the pilot average of approximately 7 patients per DIMSA, we are projecting a net loss of production of 15.7% on days with one DIMSA session.

⁽¹⁾ Average patients/DIMSA * \$59.00 per patient

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In Group Medical
Appointment (DIGMA)**

*Medical care with a
personal touch!*

Working in partnership with Mayo Clinic, Luther Midelfort offers a full range of quality medical services, including complete cardiac surgery, cancer and trauma programs, through a network of community-based healthcare providers in west-central Wisconsin.

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Mayo Health System

Spend 90 minutes with Dr. Robert Peck discussing your health concerns. Bring your questions and issues you'd like to discuss.

When: Every Monday from 5:00 to 6:30 p.m.

Where: Luther Midelfort Behavioral Health Department

Use the Chestnut Street entrance to Luther Hospital and take Elevator D to the 3rd floor.

Cost: Comparable to a regular office visit and charges will be submitted to insurance

Call: 715-838-5369 if you plan to attend or would like more information

T Talk with your doctor about your health concerns

I Increase your knowledge of health issues

M Meet others with similar health concerns and share coping strategies

E Ensure your physical and emotional health needs are met

If you're planning to stop in, please call us and let us know so your doctor has your medical record for the meeting.

- Have your medical questions answered and prescriptions changed or refilled.
- Learn helpful hints, successful coping strategies and how to live life more fully despite illness.
- Be with others who share similar experiences and who can really understand. You are not alone!
- Family members are welcome.

For more information or if you're planning to attend, call 715-838-5369.

DIMSA Training Program Agenda

March 16, 2001

0800-1200

Midelfort Clinic Clairemont Campus Building 727

- 0800-0810- Introductions – Dr. Resar
- 0810-0855 Simulated Group Appointment – Dr. Mark Attermeier and Susan Wolfgram, MSSW
- Model content and process
 - Benefit to patient, "in their own words"
 - MD/Behaviorist Roles
 - Goals
- 0855-0955 Group Dynamics – "Creating the Therapeutic Milieu Without Doing Therapy" – Dr. Mark Attermeier and Susan Wolfgram, MSSW
- DIMSA Therapeutic Principles
 - DIMSA Group Strategies
- 0955-1015 Break
- 1015-1100 Group Protocol Review/Questions and Answers – Dr. Mark Attermeier and Susan Wolfgram, MSSW
- 1100-1150 DIMSA Mechanics – Dr. Resar
- 1150-1200 Wrap up – Dr. Resar

Luther Hospital designates this continuing medical education activity for 3.5 credit hour in Category 1 of the Physician's Recognition Award of the American Medical Association.

Breakfast will be provided