

# EOA News

EASTERN ORTHOPÆDIC ASSOCIATION

Spring 2014

Editor: Scott D. Boden, MD

## President's Message

David W. Romness, MD



Dear Colleague:

As we all recover from a tough Winter along the East Coast, I extend best wishes to all for a great 2014. Looking back, on behalf of the EOA, I first want to express gratitude and appreciation to our Past President and First Lady, David and Susan Zelouf. They led a fantastic year capped off by the 44th Annual Meeting in Miami's South Beach. There was plenty of entertainment in South Beach over Halloween Weekend. This was one of our most successful meetings with 340 physician attendees at the Loews Hotel. The scientific and social programs were outstanding and well attended. Your Board worked hard throughout the year to bring you a rewarding meeting. Jay Parvizi and the Program Committee organized a fantastic scientific program. Amar Ranawat and the Technical Exhibits Committee brought in many sponsors for the meeting and sponsored lunches were successful. Thanks to John Richmond, this was the first meeting to pro-

vide a Self-Assessment Exam (SAE) to help meet Maintenance of Certification (MOC) requirements. Dr. Zelouf's Presidential Guest Speaker was Joseph Zuckerman, MD, who spoke about Healthcare Reform in 2013. The Steel Lecturer was novelist, comic and television writer, Bill Scheft, who entertained with humor. The meeting provided an excellent venue for collegiality and free afternoons for time with friends and family.

Your EOA Board met this past January in Washington for a productive Mid-Winter Board Meeting. In summary, the EOA is financially healthy with positive revenue for the last 4 years. We welcomed 111 new members in 2013 for a total membership of 877. Future meeting venues through 2016 have been set. We will meet in Maui, Hawaii in June 2015 and New Orleans in October 2016.

My first EOA meeting was 40 years ago in Bermuda. I was a high school student in 1970 and my father, Joseph Romness, was the 4th



President at the time and one of the original incorporators of EOA. I have lived EOA most of my life and became a member in 1993. I have learned some of the most useful knowledge and practice tips at these meetings. My family and I have enjoyed the collegial and family friendly meetings. We have formed life long friendships.

The 45th Annual Meeting will be held at The Ritz-Carlton in Amelia Island, FL, October 22-25, 2014. This is a beautiful location and resort with outstanding service. The golf and tennis facilities are first class and the resort provides a multitude of recreational activities.

Program Chairman, Amar Ranawat, MD from New York, and the Program Committee are

*Continued on page 2*

## Register Today for the 45th Annual Meeting

The EOA Annual Meeting is October 22-25, 2014 at The Ritz-Carlton in Amelia Island, Florida.

Go online to [www.eoa-assn.org](http://www.eoa-assn.org) to view information on the meeting.

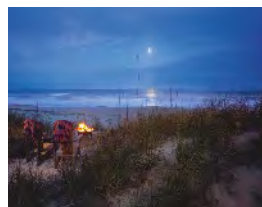
Discover The Ritz-Carlton, Amelia Island, and experience a North Florida luxury resort where magnificent live oaks and Southern charm meet Florida's warm ocean waves and white sand beaches. Located on a grand stretch of pristine coastline, this Amelia Island resort provides guests with an unforgettable escape. Take in ocean views from the luxury resort's private balcony as you revel in pictur-

esque sunsets from your room. Rejuvenate at the on-site spa, indulge in fine dining, or play 18 holes at the private golf resort.

This Florida resort offers enjoyment for all guests.

Register for the meeting online at [www.eoa-assn.org](http://www.eoa-assn.org) and make your reservations at The Ritz-Carlton by calling 800-241-3333.

Cutoff for EOA Room Rates is September 29, 2014.



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## Eastern Orthopaedic Association

### 2014 Board of Directors

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Arlington, VA

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Richard M. Wilk, MD  
Burlington, MA

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## President's Message continued

hard at work preparing an informative program. The Presidential Guest Speaker will be Mary O'Connor, MD from Mayo Clinic, Jacksonville. The Steel Lecturer will be Youtube star GoRemy (Remy Munasifi), who is very creative with comedy and political comedy. Please accept my invitation to attend this meeting. Experience the unique collegial experience and educational experience that only regional meetings offer.

Thanks to all EOA Members, the Board of Directors, and our management staff from

Data Trace for your continued support to keep the Association strong and committed to our educational and family friendly mission. I encourage all to keep the EOA sound by inviting your colleagues to join so they also can enjoy the great things EOA has to offer.

It is an honor to serve as your President.

Sincerely Yours,

David W. Romness, MD  
EOA President

## Meet Our New Board Member



**Richard M. Wilk, MD**  
Burlington, MA

Dr. Wilk is Vice Chair of the Department of Orthopaedic Surgery at Lahey Hospital & Medical Center in Burlington, Massachusetts, the flagship hospital of the Lahey Health System. After obtaining an undergraduate degree from Emory University, Dr. Wilk received his medical degree from Jefferson Medical College of Thomas Jefferson University. He completed his orthopaedic residency and fellowship in Sports Medicine at Tufts University Hospital. Dr. Wilk is an Assistant Professor of Orthopaedic Surgery at Boston University School of Medicine, as well as a Clinical Instructor of Orthopaedic Surgery at Tufts University School of Medicine, and an Instructor of Physical Therapy at Simmons College. Over the past decade, Dr.

Wilk has developed a referral practice for advanced arthroscopic techniques of the hip, and has lectured extensively on the topic.

Dr. Wilk has been a member of EOA since 2007, and has been involved in the Board of Directors through his membership on the Telecommunications Committee. Dr. Wilk is also the Treasurer, and a member of the Board of Directors of the Massachusetts Orthopaedic Association.

Dr. Wilk lives in Newton, Massachusetts, with his wife Susan, and daughters Hannah & Talia. Susan is actively involved in the leadership of several philanthropic organizations around Boston. When he's not busy working, Dr. Wilk enjoys cycling, snowboarding, golf, and watching Hannah & Talia participate in various dance and theater groups.

## Membership Update

The Eastern Orthopaedic Association has 877 members as of December 31, 2013. We are pleased to report that there were 111 new members recruited in 2013. Board Members will once again be involved with renewal efforts by making personal contact with members that have not renewed. Self-Assessment Credits (SAEs) will be offered again at the 2014 Annual Meeting. The EOA Annual Meeting will offer up to 25 CME credits and

the opportunity to earn 10 SAEs as well. EOA is continuing its efforts with residency training program directors to make sure all of the residents/fellows in EOA territory have the chance to compete for the 15 awards that EOA presents during its Annual Meeting. Also, remember you can obtain up to 24 CMEs through your complimentary *Journal of Surgical Orthopaedic Advances* subscription.

### The EOA Mission

The purpose of the EOA shall be to promote, encourage, foster and advance the art of science and orthopaedic surgery and matters related thereto, and to establish a forum for free discussion and teaching of orthopaedic methods and principles among the members.



## EOEF Report

The Eastern Orthopaedic Education Foundation (EOEF) had a great year of participation in 2013. We had 50 participants contributing \$56,080 to the EOEF. The major factor this year was the contributions through OREF which generated almost half of the total contributions for the year.

The EOEF contributes funds each year to help educate the EOA's membership. This year, through the donation of EOEF, EOA increased the number of learning opportunities at the Annual Meeting. EOA provided residents and fellows \$25,000 in awards and sub-

sidized their attendance at the EOA Annual Meeting.

This year the EOEF received another EOEF Living Legacy Program donation from Dr. Kevin D. Plancher. This generous gift of \$15,000 made it the sixth donation to the Legacy Program which will provide significant returns in the future.

Please join us this year in supporting the EOEF with your generous gift. The EOA has made significant strides over the years with the financial assistance of the EOEF and we want to continue growing and providing more

member benefits and learning opportunities for residents and fellows.

There are several vehicles through which to give your tax deductible contribution including the EOEF Living Legacy Program. If you would like to make a significant gift to the EOEF, please call Dr. Chit Ranawat or Chuck Freitag or simply send your check to the EOEF today.

We appreciate your continued support of the EOEF and would like to thank all of our membership for their magnificent encouragement this past year.

# Eastern Orthopaedic Association 45th Annual Meeting

Register Today at  
[www.eoa-assn.org](http://www.eoa-assn.org)

October 22-25, 2014  
Ritz-Carlton Amelia Island  
Amelia Island, Florida



## Recap of the 44th Annual Meeting

The 44th Annual Meeting was an enormous success, with a fantastic scientific program planned by Program Chair Dr. Javad Parvizi and the EOA Program Committee.

Presidential Guest Speaker Dr. Joseph D. Zuckerman's presentation, *Healthcare Reform in 2013: Is Universal Coverage Possible?* and Dr. David Zelouf's Presidential Address, *Life, Golf and Orthopaedic Surgery: Lessons for the Journey*, were both interesting and educational. The Howard Steel Guest Lecturer, novelist, columnist and television writer Bill Scheft's talk, *Have the Standards Dropped for Selecting the Howard H. Steel Guest Lecturer?* was amusing.

The meeting kicked off on Halloween with a fantastic Welcome Reception on the lawn overlooking beautiful Miami Beach. Everyone enjoyed the great food and the magnificent view, along with the chance to visit with

old friends and colleagues. Some people got in the spirit of the holiday and dressed in costume. The following evening began with the Exhibitor Reception before everyone went out for the evening to enjoy the fabulous night life Miami's South Beach offers. The meeting was brought to a close with an exceptional Founder's Dinner Dance that opened with the EOA Jazz Band Reception, led by Bob Richards, Jr. Dr. Zelouf entertained the crowd by joining the Jazz Band to sing a few songs.

It was a sensational meeting and we express our thanks to all who attended. If you missed it, view the 2013 Miami Beach pictures on the EOA website ([www.eoa-assn.org](http://www.eoa-assn.org)) and see what a great time it was!

We look forward to seeing you at The Ritz-Carlton in Amelia Island, Florida, October 22-25, 2014!

## Future Meetings



**45th Annual Meeting**  
**October 22-25, 2014**  
 Ritz-Carlton Amelia Island  
 Amelia Island, FL



**46th Annual Meeting**  
**June 17-20, 2015**  
 Grand Wailea  
 Maui, HI



## Grantor & Exhibitor Acknowledgements

The Eastern Orthopaedic Association would like to thank the grantors and exhibitors of the Eastern Orthopaedic Association's 44th Annual Meeting. Without the unrestricted educational support of the companies listed below, we would not have been able to provide this conference.

### PLATINUM

Zimmer, Inc. - *Grantor*

### GOLD

Arthrex, Inc. - *Grantor*

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CeramTec Medical Products

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BBL Medical Facilities

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ProScan Reading Services

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VirtaMed AG

Wright Medical

Technology, Inc.

### CONTRIBUTORS

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Tesla Motors



## The Wrong Advisor May Cost You Millions

By Jason O'Dell, MS, CWM

Working with the wrong financial planner, CPA or attorneys can cost you. Working with the wrong advisor is the most common mistake we see in our physician-focused practice. Modern healthcare is based on primary care physicians referring their patients to experts in various specialties and subspecialties when unique medical challenges arise. Doctors must apply the same logic to financial planning. They should expect the same level of sophistication from their own advisors when administering to the various aspects of their financial health.

Unfortunately, doctors routinely receive and follow generalized advice that does not contemplate the individual needs of a successful physician. This general advice rarely considers the high risk of lawsuits doctors face and the corresponding necessity of asset protection. Doctors usually also require specialized planning for tax consequences and estate planning.

It would be malpractice for a primary care physician to attempt to diagnose and treat all medical conditions presented by their patients. Doctors' financial needs change from residency, to mature practice, to retirement; and these changes often require the physician to regularly review, interview and replace members of their advisory team. Even if your perceived goals do not change—tax laws, healthcare delivery systems are ever-changing. If you don't have a team working with you to help address changes, your plan will be less in line with your actual needs.

### Are Your Advisors Helping or Hurting You?

Look at who is on your team and ask yourself, does your advisor specialize in working with physicians and their unique challenges? Do all of your advisors regularly communicate with one another to discuss your situation? Have they ever suggested that you consult with additional experts? If the answer to any of these questions is *no*, consider shopping around. You may not be taking advantage of opportunities that exist. There is no reason to settle for inadequate "Financial Healthcare." Here are a few other questions to consider:

- Does your CPA regularly explain tax law changes and offer you suggestions for tax saving, or do you always bring up ideas to your accountants?
- Has your attorney explained the impending 2013 estate tax changes? Have they brought up strategies to transfer your assets to your heirs

without losing control during your lifetime?

- Has your attorney discussed multigenerational planning that can protect your heirs from overspending and losing inheritances to lawsuits or divorce?
- Have your tax and investment advisors explained the concept of, and need for, "Tax-Diversification" as a hedge against future tax rate increases?
- Are you one of your advisor's smaller clients? Are they giving you the attention your circumstances require?
- Have your advisors discussed your long term view of the US economy and explained investment strategies that provide hedges against i) a devalued dollar; ii) increased inflation and interest rates; iii) commercial real estate collapses; iv) increased tax rates; and v) increased costs of commodities such as oil?
- Did your insurance expert explain how you could get: i) up to \$50,000 per month of disability insurance; ii) a partial deduction on your life insurance premiums; iii) the federal government to subsidize your long term care premiums; or iv) the tax benefits of insurance company ownership?

**There are simple tools doctors can use to help their families avoid the unnecessary costs that often go along with common financial planning mistakes. Below you will find frequent signs of poor planning and discussions on possible solutions that can help you avoid common mistakes.**

### Expiring Estate Planning Opportunities

Most advisors streamline and scale their businesses to cater to their clientele. Doing so enables efficient and inexpensive service. The problem with the one-size-fits-all, fast food approach is you will generally not get the customized planning your situation likely requires. Consider over 90% of American families will never earn more than \$150,000, and never be in the highest marginal tax bracket. Most people will never approach a net worth over \$2,000,000. Accountants, financial advisors, insurance agents and even estate planning attorneys simply do not spend much of their time handling the unique challenges presented by high net worth individuals.

If you would like a referral to an estate attorney who specializes in working with physicians, feel free to email the author at [odell@ojmgroup.com](mailto:odell@ojmgroup.com).

### Spotting a Bad Insurance Agent or Financial Planner

In our experience, the insurance purchases of most doctors are either:

- a) poorly designed so cash values are not accumulating as well as they could be;
- b) owned improperly so that funds will be left in the estate; or
- c) owned in irrevocable trusts where cash values are not available to you in the event you need them.

There is a great deal of discussion on insurance in our book, **For Doctors Only: A Guide to Working Less and Building More** – available for free at [www.ojmgroup.com](http://www.ojmgroup.com).

To determine if your current insurance is in line with your needs, ask yourself the following questions:

- Has your financial planner or insurance agent explained to you that there are two very different, but equally acceptable, ways to purchase life insurance?
- Do you understand how maximum and minimum funding options work and why virtually everything in between likely represents an overpayment of commissions and waste of your money?
- Do you understand how funds in insurance policies may or may not be protected even if you file bankruptcy?
- Are you aware you could get a partial net tax deduction for your life insurance premiums or that you could buy life insurance within your retirement plan (pre-tax) dollars and leave almost all of the death benefit to your spouse tax-free?
- Did you know you could buy life insurance, leave the death benefit to your heirs and still have access to the cash value while you are alive?

If you answered, *no* to any of the questions above, then you should review your current policies to ensure they fit within your long-term financial plan. We find many clients who have not been advised on available options. For

## Taking on Practice Debt

A short-term loan or line of credit is often the solution to a medical practice's temporary cash flow problems. For an investment in equipment or office space, longer term financing may be appropriate. Before you borrow, you'll want to carefully evaluate your practice's needs and gather the financial information lenders will require when they are reviewing your request for credit.

### What's Required?

It makes sense that prospective lenders will want to assess your practice's ability to repay the amount it borrows. Along with tax returns, prospective lenders may ask your practice to provide formal financial statements. In some cases, lenders may require financial forecasts in addition to recent financial statements.

### Collateral and Guarantees

Lenders typically insist on collateral as security for any loans they make. In the case of a medical practice, acceptable collateral may include practice equipment and accounts receivable. With respect to accounts receivable, prospective lenders will be interested in knowing not just the amounts recorded on your books, but also the percentage of your receivables you expect to collect. Be prepared to substantiate your average collection rate with historical data.

Don't be surprised if lenders require you and your partners to personally guarantee the practice's debt. You may even be asked to provide personal collateral as security for a loan.

### Look at Multiple Financing Sources

It's a given that rates and terms on most types of loans vary from one lender to another. At a minimum, you'll probably want to contact three lenders. Review their proposals and compare fees, interest rates, and other terms. Some lenders whose terms may not seem initially attractive may make a counteroffer if they learn you are in discussions with other lenders.

Pay careful attention to any proposed loan covenants that will require your practice to meet certain requirements while the loan is outstanding. For example, an agreement might require your practice to submit periodic financial statements to the lender and maintain specified levels of working capital and net worth. The lender will have the right to take certain steps -- such as modify the loan's terms or even call the loan -- if your practice fails to meet the covenants.

As an alternative to seeking outside financing that demands collateral, some physicians opt to loan money to their practices, backing their actions with a formal loan agreement that spec-

ifies an interest rate, repayment terms, and other particulars about the loan.

We can work with you to determine your practice's ability to carry the debt you are considering, ensure you have the necessary financial information to give prospective lenders, and evaluate the loan proposals you receive.

### Look at Taxes

The cost of acquiring new equipment for your practice can be mitigated somewhat by taking advantage of certain tax law provisions. For example, you can elect Section 179 expensing for up to \$500,000 of qualified assets acquired in 2013, with a \$2 million threshold over which the maximum deduction begins to phase out. After 2013, these numbers are scheduled to be reduced to \$25,000 and \$200,000, respectively. Also, as part of its attempts to stimulate the economy, Congress has extended a provision allowing business taxpayers to claim 50% "bonus" first-year depreciation for certain asset purchases placed in service through 2013.

Please contact us to learn how we can help. Call 317.472.2200 to speak with a member of our Health Care Team or send an email to us at [info@somersetcpas.com](mailto:info@somersetcpas.com).

## Money Matters continued

instance, cash value life insurance can be a valuable tool for asset protection, tax management, wealth accumulation, and estate planning—but it must be used properly. Unfortunately, to use cash value life insurance properly, the advisor needs to know a lot about your situation. The agent must take the time to explain the countless options, and they need to coordinate the insurance purchase with the other advisors on the team to make sure you maximize the benefits you receive.

Please take some time to get a better understanding of how life insurance may work for you and don't just assume that you did everything right because your agent told you so. Most policies sent to us as part of the comprehensive insurance review we do for new clients are inefficiently structured for doctors and their families. The policies are generally structured with an eye towards high commissions rather than meeting the goals of maximum tax-efficient accumulation or minimum cost of income replacement/estate liquidity—which are the only two acceptable ways to purchase life insurance as part of a structured, comprehensive financial plan.

### Conclusion

In the medical world, specialists have certain sets of health concerns they are uniquely trained to address for their patients. What many high net worth Americans (especially doctors) fail to realize is that their financial, legal and tax concerns require specialists as well.

Doctors need an advisory team of specialists who not only work with high income, high liability and high tax rate paying clients—but also understand the unique challenges of working within the constraints of a more complicated healthcare system (Stark I, Stark II, HIPAA, Insurance fraud risk, reduced Medicare reimbursements, and more).

With the right team, you may be able to protect your assets from lawsuits, taxes and divorce while maintaining control and access to funds. If you are not confident that your current advisors are meeting your goals, or if you would simply like a second opinion, please seek out the advice of those who may be able to help you get to a place where you want to be. The author can be reached at (877) 656-4362 to set up a time to discuss your particular situation.

**Jason M. O'Dell, MS, CWM** is a consultant, author of a number of books for doctors, including *FOR DOCTORS ONLY: A Guide to Working Less & Building More*, and principal of the financial consulting firm OJM Group ([www.ojmgroupp.com](http://www.ojmgroupp.com)) He can be reached at [odell@ojmgroupp.com](mailto:odell@ojmgroupp.com).

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**Eastern Orthopaedic Association**

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## **Do You Know a Qualified MD or DO Orthopaedic Colleague Who Is Not an EOA Member?**

### **New Member Incentive**

New members of the EOA will have their meeting fee in either of their first two years of membership waived.

Join the EOA and come to the Annual Meeting free!

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Completion of an accredited residency program and privileges to practice as an orthopaedist in a local hospital are the requirements for both MD and DO candidates.

**Free  
Registration!**

Apply for  
membership  
online at

[www.eoa-assn.org](http://www.eoa-assn.org)

or call

**866-362-1409**

and ask for  
an application.

### **Member Benefits**

- ▶ 24 Free CMEs through the *Journal of Surgical Orthopaedic Advances*
- ▶ A complimentary subscription to the *Journal of Surgical Orthopaedic Advances*
- ▶ Free 10-credit Self Assessment Exam
- ▶ Eligibility to participate in Ortho-Preferred®, a professional liability insurance program exclusively for orthopaedic surgeons
- ▶ Diverse Annual Meeting program content
- ▶ Substantial member discounts to EOA Annual Meetings
- ▶ Registration fee discounts to other regional society meetings
- ▶ Free subscription to the official EOA newsletter