

How one law firm is adapting to the changing health care industry

BY ANJALEE KHEMLANI

A new world in health care is driving changes to services and products needed, financially and legally, and one law firm is adapting to that shift with a new, all-encompassing unit.

McElroy, Deutsch, Mulvaney & Carpenter LLP, with locations in Tinton Falls, Morristown, Newark and Ridgewood — in addition to locations in Massachusetts, Connecticut, Pennsylvania, Delaware and New York — is launching its “Health Care Services Portfolio.”



James Robertson, head of the ‘Health Care Services Portfolio’ at McElroy, Deutsch, Mulvaney & Carpenter LLP

“It is not a ‘one-stop shopping’ marketing gimmick. It’s a new partnership approach that will allow both sides of the relationship to benefit — in terms of shared knowledge, goals, risks

and rewards — and will likely serve as a prototype for the way law firms operate over the next decade,” according to a statement from MDMC.

Heading the new unit is a familiar face in health care law, James Robertson, who was a managing partner at Kalison, McBride, Jackson & Robertson P.C., a health care boutique law firm, prior to its merging with MDMC.

“The changing needs of our clients mean we have to be more than just health,” Robertson said.

And that runs the gamut of clinical, operational, regulatory or financial, including some of the more popular areas of interest such as real estate, mergers and construction.

Some large health care systems in New Jersey are exploring options to restructure themselves as “wholesalers,” with a decreased de-

pendence on the insurance industry, according to Robertson.

Many large firms today offer a wide variety of expertise, but the current model is siloed and involves many cooks in the kitchen. Despite having the expertise in-house, some law firms do not integrate subgroups for a project, but rather work independently and rely on in-house referrals for clients.

“As market dynamics evolve, as oversight and competition increases and profit margins narrow, health care providers are seeking internal efficiencies and external solutions designed to build scale, add capabilities, increase purchasing power, streamline services and reduce costs,” Robertson said.

The firm aims to provide, on a proactive basis, services for clients all over the state. This includes discounted bundled services or individual services.

“We are really on the cutting edge,” Robertson said. “Rather than just waiting for phone call, which is how (the industry) used to operate, this is a more proactive approach.”

Relying on relationships built over the last 30 years, Robertson said the business model is to make more money based on volume, despite the discounts being offered.

“Over the past five years at MDMC, our health care-related revenue has increased 20 percent each year,” Robertson said. “During the same period, non-health care-specific work performed for our health care clients has increased nearly 30 percent. On that basis, our new portfolio product can be viewed as formalization of market demand that was already being expressed by our health care clients. Based on the current and anticipated demand, we conservatively expect to match or exceed that same rate of growth over the next few years for our health care clients.”

Robertson has worked with every hospital

or health system in the state, and some larger clients include Hackensack University Health Network, Robert Wood Johnson University Hospital and Meridian Health.



Neil Sullivan, attorney with McElroy, Deutsch, Mulvaney & Carpenter LLP

Also on board is Neil Sullivan, a former acting commissioner in the Department of Banking and Insurance from 2010 to 2014, who saw the

rollout of the Affordable Care Act and its effect in the state.

“Changes in ACA and CMS (Centers for Medicare and Medicaid Services) demands meant changes to internal infrastructure for hospitals,” Sullivan said.

With these changes already in place, it is easier to use the same ideas or follow the same path for the commercial payer side. And with all the demands from both the ACA and CMS, the needs of health care clients has evolved, Sullivan said.

Robertson said the rate of change in the industry is demanding the change at MDMC.

“It is a buyer’s market in many areas of the law, but in health care, the demand for qualified talent has outpaced the supply,” he said. “The complexities of the health care marketplace as well as the sophistication of the buyers at health care institutions have both increased, at a rate that’s exceeded the number of experienced health care attorneys.” ■

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