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TRENDS

Providers prep for new models of care

*Emphasis to shift
from volume to value*

By John Andrews, Contributing Writer

LIKE IT OR NOT, a new healthcare landscape is taking shape that runs counter to just about every convention the industry has ever known.

Instead of furnishing services and automatically getting paid, providers must demonstrate their value through outcomes. Rather than being hospital-centric, healthcare must be shared by a network of post-acute care providers. It is a different mindset that the industry is trying to come to grips with, experts say.

"It is about providers understanding their market, their strengths and their capabilities," said Gary Anthony, head of technology business development and sales operations for Hartford, Conn.-based Aetna Accountable Care. "The market seems to be embracing it, but the pace with which they accept that change is different for different reasons."

Whether the new business model is called an accountable care organization, value-based purchasing or medical home, the goal is the same: to provide cost-effective health services that meet a high standard of quality. And while that may cause some executives to freeze in anticipation of a complex, convoluted transformation, the process is actually simpler than it appears, said Brenda Radke, CEO of the Brevard Physicians Care Network, a group of 270 independent physicians on Florida's Space Coast.

"It is really pretty basic stuff," said Radke, who also serves as executive director at Medical Practitioners of Care ACO, an organization

with 150 physicians. "I wish I could say it was a stroke of genius, but it really isn't."

In the months following the organization's launch of an electronic medical record last October, Radke said the physicians are realizing that "they belong to each other" and that "all the focus is on why the patient is there."

Critical to the success of this ACO model is communication, Radke said, because that connection through the EMR enables all physicians to share the same patient data so that they know symptoms, test results and diagnosis before the face-to-face encounter.

"There was a disconnect about the appointments between primary care and specialists – maybe a piece of paper from the primary care that said the patient has an abnormal EKG," she said. "The specialists would then perform the same lab work and diagnostics that the patient already had. There was also a lot of faxing going on back and forth, which was very inefficient."

'VOLUME TO VALUE'

Katherine Schneider, MD, executive vice president and chief medical officer for Wayne, Pa.-based Medecision, characterizes the new healthcare landscape as "the journey from volume to value." In other words, it is shifting from basing revenues on the number of patients treated to becoming invested in how patients are cared for.

The transformation has been slow and gradual for the industry so far, but Schneider said that is a natural part of the evolution.

"The lights don't come on all at once," she said. "It's building blocks. But once you gain momentum, it is hard to put the brakes on. The business model and care model should



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Providers are preparing to make the change from a volume to value healthcare system.

progress at the same pace, not letting them get ahead of each other. At some point, however, it will have to accelerate so that the revenue part takes over."

As a consultant to providers on ACO formation, Schneider said she wants to instill trust and confidence in her clients by getting them to envision their own futures.

"All our conversations are around 'how are you doing things now, how will you be doing them next year, what will things look like in 2016 and how we can be their partner,'" she said.

MAXIMIZING HEALTH

Physician Jeff Bullard's healthcare philosophy is summed up in the name of his Colleyville, Texas, practice – MaxHealth Family Medicine. As a primary care practitioner, Bullard serves as the anchor for a litany of services provided in his 10,000-square-foot complex, including allergy treatment, mental health and wellness services, physical medicine and rehabilitation, sports medicine, weight loss and cosmetic medicine.

Realizing that the healthcare model was

ripe for change, Bullard and his associates set up a "medical home" model five years ago that laid out a roadmap of service extensions.

"When we examined the medical home idea for us, it amounted to a documentation of processes that are already in place," he said. "As a primary care physician, it is quite intimidating to be involved in an ACO where you give up responsibility depending on what measures you are trying to achieve. Our hope is that we can demonstrate cost effectiveness by focusing on prevention. We are in contact with employers on the importance of workplace wellness and our role in addressing it."

FINDING A BALANCE

Providers need to study the impact on their service levels as they move away from fee-for-service to a value-based system, added Frank Flosman, vice president and West regional leader for Aetna Consulting.

"They need to look at improving utilization patterns and finding a balance," he said. "As an organization you may see your top line revenue decrease, so what investments can you make in infrastructure for care management capabilities? Some organizations can manage within four walls, but that isn't the real challenge – it is to coordinate and deliver care across the continuum."

Providers must also take greater interest in the population outside the realm of service delivery, Flosman said, such as population health.

"This gives them information about the appropriate level of services," he said. "They need to utilize the data and use it for provision of services. It is a critical shift." ■

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