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Physician/Hospital Relations: how to make it work
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Physician – Hospital Relations

• The Good:
  – A common goal: serving patients

• The Bad:
  – Many opportunities for conflict

• The Ugly:
  – Turf wars, zero-sum games – you’ve all seen it
Physician – Hospital Relations

The Reality:

Health reform and new payment structures will require more and better cooperation between hospitals and physicians than ever before.

How the practice environment is changing:

- Payors shifting risk to providers
- Government incentives to form ACOs (Medicare pilots)
- Demand for efficiency and value
- Huge need for HIT investment
  - EMRs and the ability to report and analyze quality data will be key
• Our philosophy:
  – Without our physicians, we’re just bricks and mortar

• Our physician relationships:
  – Two physicians organizations merged after my arrival
  – Tufts Medical Center PO contracts along with New England
    Quality Care Alliance, our community physician group
  – We share a common vision
  – Professional management, physician leadership – no “hospital
    retreads”
  – The right column is the one that matters
Health & Insurance Reform

• Shift away from a fee-for-service reimbursement structure
• Shift toward bundled payments, episodic payments
• P4P 2.0: quality payments will link increasingly to outcomes, not processes
• Transparency: more and more reporting of quality, more rankings of doctors and hospitals

Accountable Care Organizations

• Will integrate PCPs, specialists, hospitals, post-acute care facilities, others
• Will be driven by payers demanding accountability from providers
• Will require a critical mass of patients
Accountable Care Organizations

- Will require investments in robust IT systems
  - EMR will be backbone for the new ACO structures
  - Necessary for reporting to payors
  - Necessary to monitor quality
  - Critical for creating Medical Homes and bringing down high cost of chronic disease
  - Should reduce errors, improve care
- In Tufts Medical Center’s case
  - We are rolling our EMR out to our community physician partners first
  - Our EMR is open to community hospitals

Neither physicians nor hospitals will be able to go it alone in the ACO era
Questions physicians must ask themselves

- What kind of support will your practice need going forward?
- Who is best positioned in terms of quality, cost and efficiencies?
- What value can potential partners offer your practice and your patients?
- Will your traditional referral patterns – to community specialists, community hospitals – be respected?

Health Care Reform

- Will demand changes of all of us
  - Hospitals & physicians must reduce practice variation
    - Embrace evidence-based medicine
  - Insurers must provide transparency of own administrative costs
    - Provide data to enable risk sharing
    - And support infrastructure investments
  - Government must pay its fair share
    - Incentivize innovation
  - Employers must embrace changes in benefit design
    - help educate employees/consumers
  - Consumers must take responsibility for wellness
    - have “skin in the game”