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Physician/Hospital Relations: how to make it work

For the Massachusetts Medical Society

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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

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Physician – Hospital Relations

The Reality:

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



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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



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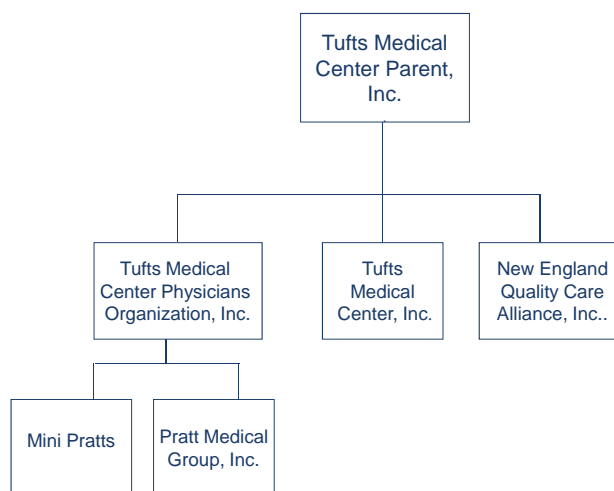
- Our philosophy:
 - Without our physicians, we're just bricks and mortar
- Our physician relationships:
 - Two physicians organizations merged after my arrival
 - Tufts Medical Center PO contracts along with New England Quality Care Alliance, our community physician group
 - We share a common vision
 - Professional management, physician leadership – no “hospital retreads”
 - The right column is the one that matters

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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

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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



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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

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Accountable Care Organizations

*Neither physicians nor hospitals will be able to go it alone
in the ACO era*

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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?

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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”*

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