

## MMS Presentation: Toward a Shared Vision of Payment Reform

Barbara Spivak, M.D.  
President, MACIPA  
October 21, 2010

### MACIPA and Mount Auburn Hospital

- Managed care partners since 1985
- Long history of investment in systems and programs to manage costs
- Teaching level hospital care without the costs of a major academic medical center
- Systems established to prevent leakage to costlier hospital care
- Active and engaged leadership at hospital and IPA willing to partner with payers to achieve mutual goals

## MACIPA Membership Practice Statistics

<u>Practices</u>	<u>Physicians</u>
■ MAPS (Hospital owned)	<b>161</b>
■ Private Practices	<b>247</b>
■ Cambridge Health Alliance	<b>105</b>
<hr/>	
■ PCPs	94
■ Specialists	402
■ PCP/Specialist	17

**Total number of office sites: 180**

3

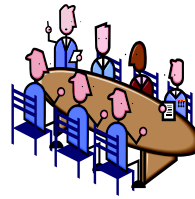
## MACIPA Structure

- Board Committees involve over 50 physicians
- Primary Care Centric-touching every PCP monthly through Pod system
- Focus on education and quality
- Data driven
- Physician leaders all practice medicine at least 50% of time

4

## MACIPA Infrastructure

- Case Management
- Medical Management
- Referral Management
- Pharmacy Management
- Data and Reporting
- Contracting
- Quality Improvement
- EHR Department
- IT Department



5

## Background: Mount Auburn Hospital

- A community/tertiary care facility with 203 licensed beds and 29 bassinets
- Licensed beds include:
  - 20 Obstetrics
  - 167 Med/Surg
  - 16 Psych
- Provides comprehensive inpatient, outpatient and specialty services at main campus and 25 off-site locations



6

## Contracting Model

- Development of budget based on prior years experience and expected trends
- Determine carve-outs, if any, e.g., out of area services
- Pay hospital and providers fee for service
- Annual reconciliation and settlement
- Services rendered by other providers paid at their contracted rates

7

## Keys to Success



- Leadership believes that managed care is better care
- IPA brings value to physicians and improves care for patients
- Hospital believes in and supports the model

8

## Keys to Success



### **Mount Auburn Hospital and MACIPA work together**

- Risk Partners
- Focus on PCPs and Quality
- Win/Win relationship

9

## Keys to Success



### **IPA Success**

- Education first, followed by rewards for doing the right things-penalties are last resort
- Strive for consensus and collaboration
- Focus on quality ➡ efficiencies follow
- Data driven
- Physicians see the results of their efforts, e.g., pharmacy management program

10

## Challenges to Developing ACOs

- Culture changes for physicians and administrators take time to develop
- Managing “leakage” delivered outside the system
- Patient & Physician acceptance of the team approach
- Getting to “yes” on a contract with the payor, the hospital and the physicians all feeling positive!

11

## Considerations

- Reinsurance
- Risk Reserves
- Specialty /PCP caps
- Splitting surplus and deficits
- Infrastructure is not cheap
- Compensation for hospitals and specialists if utilization is less



12