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ACHE Central Illinois Chapter

Upcoming Webinar Program

Earn 1.5 Qualified Education Credits

Physician-Hospital Integration in the 21st Century

Speakers

Date

Description

Register Here:

<https://lnkd.in/b9A7uf7>

For More Information Contact:

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Greg Wahlstrom, MBA, HCM, Immediate Past Chairman, Central IL Chapter of ACHE
Annette Schnabel, DPT, MBA, FACHE, Chief Operating Officer, Perry Memorial Hospital
Bryan Becker, MD, MMM, FACP, CPE, VP Clinical Integration & Associate Dean, University of Chicago Medicine
Paula Carynski, MS, RN, NEA-BC, FACHE, President, OSF St. Anthony Medical Center
Anthony Avellino, MD, MBA, Chief Executive Officer, OSF Healthcare Neuroscience

April 13th, 2015 12:00 PM – 1:30 PM Central Standard Time (CST)

The relationship between hospitals and their medical staffs has changed throughout the years from independence to interdependence. The current economic environment and healthcare reform has caused a reassessment of physician-hospital integration models. Healthcare reform promotes and expectation that better coordination of care will improve patient outcomes and community health status.

With the movement away from a fee-for-service payment and toward provider integration there is the belief that better coordination of care will slow healthcare costs by reducing duplication of services, hospital readmissions, and inappropriate use of the emergency department. Strategies to integrate physician and hospital interests are necessary components to providing quality of care and the achieving economic goals for both parties.

The degree of integration varies from minimal to full integration or full employment. This program explores physician-hospital integration models and has panelists address their successes and challenges in the process.

Join the Central Illinois American College of Healthcare Executives and Greg Wahlstrom, Dr. Annette Schnabel, Dr. Bryan Becker, Paula Carynski, and Dr. Anthony Avellino for this 90-minute webinar, including Q&A, to Physician-Hospital Integration strategies to thrive in a competitive industry.

With this presentation, you will gain insight and tactics to:

- Key factor and forces driving physician-hospital integration
- Physician-hospital integration models, successes and challenge employment models
- The financial issues regarding physician-hospital integration, in view of health reform's new payment models
- Contracting or legal issues that arise with physician-hospital integration

As an independent chartered Chapter of the American College of Healthcare Executives Central Illinois Chapter of ACHE is authorized to award 1.5 hour of Qualified continuing education credit toward advancement or recertification in the American College of Healthcare Executives.

Participants in this program who wish to have it considered for Qualified (non-ACHE) credit should list their



Physician – Hospital Integration in the 21st Century

Monday April 13, 2015

12:00PM – 1:30 PM Central Standard Time

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Chapter of
ACHE**

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American College of
Healthcare Executives
for leaders who care[®]

CHAPTERS

COME AND GET IT

Leadership
Education
Advancement
Networking



HELLO AND WELCOME !!!

I'M GREG AND I WILL BE YOUR
GUIDE FOR THIS PRESENTATION

SO LET'S GO!!!

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Program Description

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Topics

- Key factors and forces driving physician-hospital integration
- Physician-hospital integration models, successes and challenges employment model
- The financial issues regarding physician-hospital integration, in view of health reform's new payment models
- Contracting or legal issues that arise with physician-hospital integration
- Cultural and leadership considerations for physician-hospital integration
- How to use the framework and maintain improvement in the long term
What is the value of a physician-hospital partnership? What are the incentives for each party? What are the risks?
- What are the biggest “lessons learned” from past attempts at physician-hospital integration?

Topics (cont.)

- Discuss strategies for finding common ground between hospitals and medical staffs and ways to build and maintain mutual trust.
- What benefits does the patient receive as a result of physician-hospital integration?
- How can clinical and financial data be used to foster effective discussions between physician and hospitals?
- Discuss obstacles and barriers to physician-hospital integration in terms of cultural, operational and/or financial issues.
- What regulatory and legal issues arise with physician-hospital integration?
- What can healthcare executives do to promote effective communication and alignment between physicians and the hospital?
- What models physician integration seem to be showing promise and what are their outcomes?
- Are physician-hospital integration models sustainable?



Dr. Annette Schnabel, DPT, MBA, FACHE

Chief Operating Officer

Perry Memorial Hospital

Annette joined Perry Memorial Hospital in December 2014 as the Vice President and Chief Operating Office where her direct reports include the Director of Physician Clinics and the Contracted Hospitalist Program. Perry Memorial Hospital as a member of the Illinois Critical Access Hospital Association (ICAHN) is participating in the Illinois Rural Community Care Organization along with several of the community's independent physicians.

Annette started her health career as a physical therapist. She has provided leadership in acute care and critical access hospitals along with skilled care nursing facilities. As the Director of Rehab and Physician Services at Clay County Hospital she managed physician practices in rural health clinics, performed physician recruitment, and developed physician specialty clinics. She was the Executive Director of Strategy and Administration at St. Anthony's Memorial Hospital with responsibility for physician clinical integration, recruitment and relations, strategic planning, business development and operational leadership for ancillary services.

She led St. Anthony's Physician Clinical Integration Committee, assisted with business case development and review for physician acquisition decisions, and collaborated with the HSHS Medical Group for their first industry clinic. She led the process for development of the organizations hospitalist program, the hospital's physician office electronic medical record assistance program, and the hospital to physician electronic medical record interfaces.

Annette was a former member of the Board of Directors and the past Chair of the Program Committee for the American College of Healthcare Executives Mid-Am Chapter.

**Central Illinois
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ACHE**





Dr. Bryan Becker, MD, MMM, FACP, CPE,
Vice President, Clinical Integration & Associate Dean
University of Chicago Medicine

Bryan Becker is a nephrologist and certified physician executive working to create and deliver value-driven health care. He is presently Vice-President of Clinical Integration and Associate Dean for Clinical Affairs at the University of Chicago Medicine. He received his A.B. in English from Dartmouth College and M.D. from the University of Kansas. He is trained in internal medicine at Duke University Medical Center and nephrology at Vanderbilt University Medical Center.

Subsequently, he led the nephrology group at the University of Wisconsin, pulling together all features of kidney disease care into a new venture, Wisconsin Dialysis, Inc., building a new faculty base and a robust NIH-funded clinical translational research program. He then led all of the clinical performance, improvement, safety and quality activities for the medical specialties (350+ physicians) in the group practice across academic and community-based sites throughout south central Wisconsin.

Bryan moved to lead the faculty practice plan at the University of Illinois, rising to be CMO and then CEO for the University of Illinois Hospital and Clinics. He led transformational efforts to re-vitalize the organization, using change management methodology across multiple perspectives of a balanced scorecard before transitioning to his present role.

Bryan served as President and board member of the National Kidney Foundation, leading national and international screening programs and strategic organizational transition, and advises multiple start ups as well as serving as a board member for Forward Health Group, a population health measurement company among many other activities. Bryan and his family reside in the Chicago area.

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Paula Carynski, MS, RN, NEA-BC, FACHE

President

OSF ST. Anthony Medical Center

Paula Carynski joined OSF Saint Anthony Medical Center in 1985 and became its President in July 2013 after serving as Vice President of Patient Care Services and Chief Nursing Officer since 1999. Previously, Ms. Carynski served in many capacities at OSF Saint Anthony including Director of Nursing Operations, Director of Regional Heart Institute, Director of Neuroscience Institute and Director of Cardiovascular Services.

A graduate of Saint Anthony College of Nursing and Rockford College, Mr. Carynski earned a Masters of Science Nursing Administration from the University of Illinois at Chicago. Her professional development includes participating in the OSF Leadership Academy where Ms. Carynski was selected as one of ten executives within the OSF system demonstrating superior leadership characteristics and a capacity for growth.

Ms. Carynski is also a member of the American Organization of Nurse Executives and American College of Healthcare Executives, she is board certified in Nursing Administration by the American Nurses Credentialing Center and has been honored with the Distinguished Nurse Advocate Award by the Illinois Nurses Association District 3.

Ms. Carynski is actively involved in Rockford community activities, serving such organizations as Rosecrance, The Rockford Health Council, American Heart Association and Transform Rockford. In 2014 Ms. Carynski received the Business Leadership Award from the YWCA of Rockford.

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Dr. Tony Avellino, MD, MBA

Chief Executive Officer

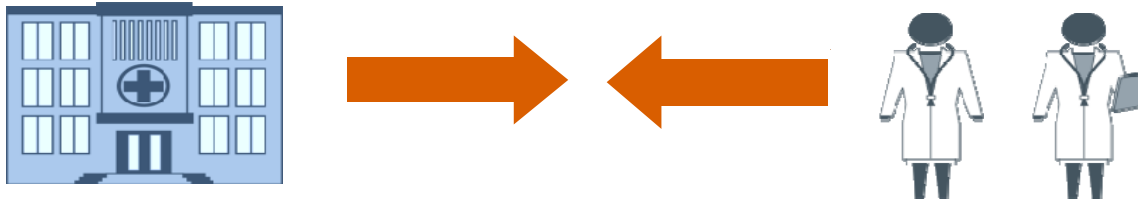
OSF Healthcare Neuroscience Service Line & Illinois Neurological Institute

Tony Avellino, MD, MBA, is presently the CEO of the OSF HealthCare Neuroscience Service Line and the Illinois Neurological Institute since August, 2014. As the CEO, he is responsible for the strategic, clinical and operational design, development and delivery, and consolidation and integration of neuroscience services across the OSF HealthCare Ministry.

Prior to coming to OSF HealthCare, Dr. Avellino served as the Director of the University of Washington (UW) Medicine Neurosciences Institute and Chief of Neurological Surgery at UW Medical Center. Prior to leading the UW Medicine Neurosciences Institute, Dr. Avellino was the Chief of Pediatric Neurosurgery at Seattle Children's Hospital from 2007-2009; and the Residency Program Director of the University of Washington Department of Neurological Surgery from 2005-2009.

Dr. Avellino obtained his BS from Cornell University, his MD from Columbia University College of Physicians & Surgeons, and his MBA from The George Washington University School of Business.

Key Factors & Forces Driving Physician-Hospital Integration



Economics

- Cost containment
- Shifts in government as proportion of payer
- Primary Care
- Primary care and service
- Decreased reimbursement for ancillaries
- Professional fees moving to risk

Health Reform

- Increased accountability for costs and outcomes
- Emphasis on value
- Emphasis reduce inpatient /increase outpatient
- New payment models, coverage expansion
- Incentives aligned with publicly reported data and performance
- Change in demand for specialists

New structures to adjust to industry changes

Physician – Hospital Integration Models, Successes, Challenges, & Models

Structure	Legal	Divisions	Differentiators	Gaps or Opportunities
Medical foundation	501(c)(3); create prof corporation	# physicians # specialties	Research Health education	Can jointly manage risk; limit contracting physicians
Physician hospital organization (PHO)	JV between entities	May provide admin services	UM, IT, physician involvement care standards	Single signature contracting; risk sharing
Integrated health organization (IHO)	Tax-exempt, not for profit	1 legal entity; 3 subsidiaries—hospital, medical, education & research foundation	Coordinate activities via transfer pricing	Managed care contracts
Physician ownership hospitals	various			Understanding hospital operations
Hospital ownership group practice	various	Specialty vs. primary care	Contracting under hospital structure; HOPD rates	expense per physician; productivity?

The Financial Issues Regarding Physician - Hospital Integration, In View of Health Reform's New Payment Models

Incentives Reporting

- Physician Quality Reporting System
- Meaningful Use
- CG CAHPS and VBP

Self-Funded Health Plan

- Admin Fees
- Quality Metrics
- Shared Savings

P4P

- Quality Metrics
- Efficiency
- PCMH
- Medical Neighborhood

Hospital Efficiency Program

- Reducing preventable and serious complications
- Throughput
- Reducing variation
- Rx Management

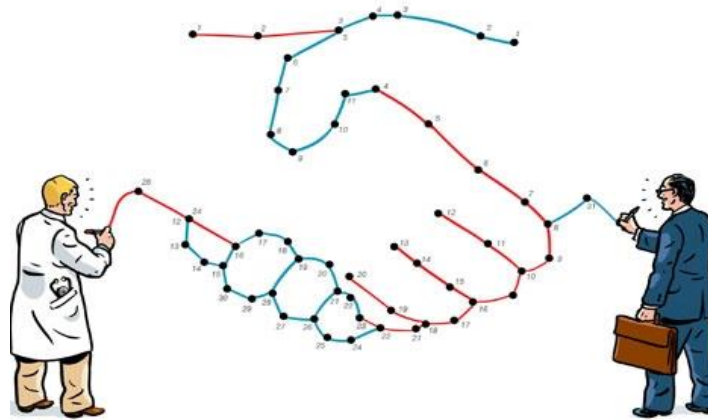
Payer Contracts

- Fee-for-Service + incentive
- Quality Metrics
- Shared Savings

Employer Contracts

- Narrow Network
- Shared Savings

Contracting or Legal Issues That Arise With Physician - Hospital Integration

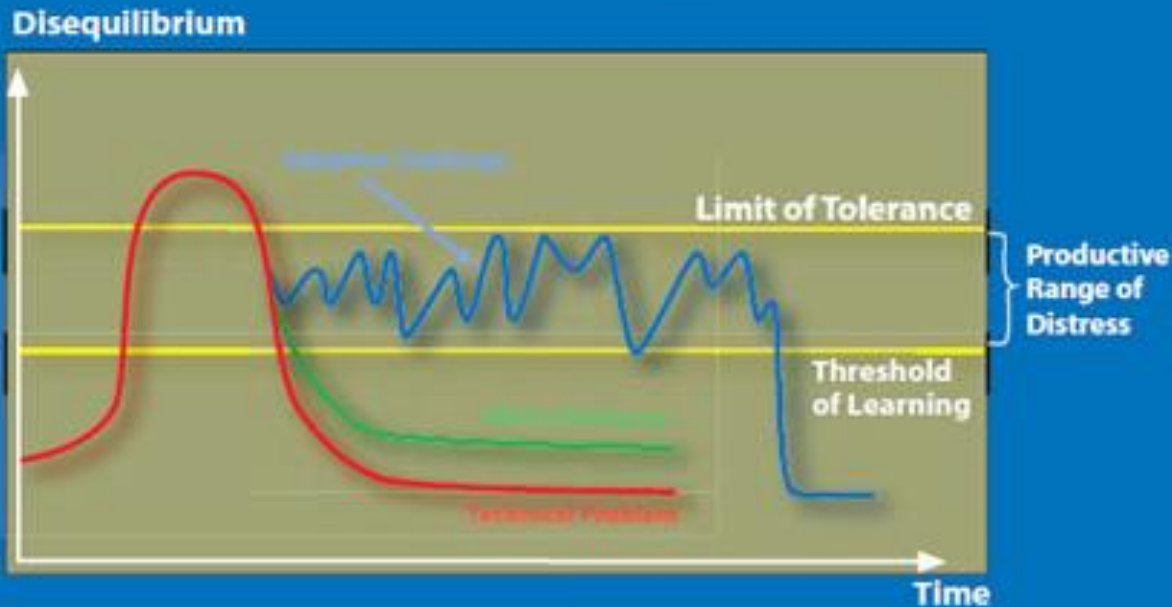


- ✓ Single signature contracting
- ✓ Risk and risk sharing
- ✓ Avoiding antitrust with clinical integration or ACO
- ✓ Merged revenue streams

Cultural & Leadership Considerations for Physician – Hospital Integration

Figure 1

Technical Problem or Adaptive Challenge ?



Leadership
On the Line:
Staying
Alive
Through the
Dangers of
Leading
Harvard
Business
School
Press, 2002

How To Use The Framework & Maintain Improvement In The Long Term

Hospital-Physician Relationships: Start by Asking New Questions

Standard Thinking

Which
specialties
should we
recruit?

How can we
increase
splitter
referrals?

MDs? Employ
them!



Value-Driven Thinking

What is our total share of care?

How can we sustain
our specialists?

Which approach to
working with physicians
will improve our product?

What workforce model makes
sense moving forward?

How do we optimize
the patient journey?

Discuss Strategies For Finding Common Ground Between Hospitals & Medical Staffs & Ways To Build & Maintain Mutual Trust

- Recognize that future strength will result from volume growth **and** demonstrated value
- Open to innovative ideas and change
- Willing to accept financial investment
- Believe in shared decision making with physicians
- Better than average trust and transparency with medical staff
- Core group of physicians and executives willing to take leadership of clinical integration.



What Is The Value Of A Physician - Hospital Partnership?

The Benefits of Clinical Integration to ...

The Health System

- Care redesign
- Co-leadership with physicians
- Opportunity to explore shared risk models
- Reduced operating costs (waste)
- Quality improvement



Physicians

- Enhanced reimbursement for demonstrated quality
- Long-term viability of private practice
- Increased physician presence in governance
- Improved network coordination
- Enhanced patient care and satisfaction
- Enhanced physician satisfaction
- Optimized and efficient care delivery



What Is The Value Of A Physician - Hospital Partnership?

The Benefits of Clinical Integration to

Patient and Communities

- Improved coordination of care
- Higher patient satisfaction



What Are The Incentives For Each Party?

What Are The Risks?

- Incentives:
 - Reward quality and cost efficiency
 - Physician certainty regarding income
 - Productivity improvements
 - Patient Experience Improvements



Risks?

- Repeating mistakes made in the 1990's
- Complexity
- Failure to sufficiently align economic and quality linkages
- Failure to invest in sophisticated tracking technology / IT
- Failure to invest in physician leadership development



What Are The Biggest “Lessons Learned” From Past Attempts At Physician - Hospital Integration?

- Employment does not equal alignment.
- Clear and consistent communication on expectations is critical.



- Know your organization’s needs and have a strategy in place before you start.
- Consider employment needs beyond physicians.

The Culture Conundrum ...



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How Can Clinical & Financial Data Be Used To Foster Effective Discussions Between Physician & Hospitals?

Dyadic Management Model:

Physician Leader Responsibilities

- Assuring Quality
- Building Practice Culture
- Encouraging Teamwork
- Managing Provider Productivity
- Managing Division of Labor

Non - Physician Leader Responsibilities

- Operations
- Revenue Management
- Capital Planning
- Staffing Models
- Performance Reporting
- Supply Chain
- Support Systems and Services

Dyadic Management Model

- **What They Manage Together:**

- **Mission**
- **Vision**
- **Values**
- **Culture**
- **Overall Performance**
- **Internal Organization Relationships**
- **Strategy**



Discuss Obstacles & Barriers To Physician - Hospital Integration In Terms Of Cultural, Operational & Financial Issues

Physician Role In Support To Achieve The “Triple Aim”

- Improving the individual experience of care
- Improving the health of populations
- Reducing per capita costs of care for populations

Cultural:

- Physician must think as “we” and not “I”
- Make decisions in teams
(MD, RN, IT, community/referral partners)

Operational & Financial:

- System standardization to improve quality outcomes
- Installing and utilizing hospital EMR, EHR, and other healthcare technology
- Reduce utilization
- Better documentation and coding

What Regulatory & Legal Issues Arise With Physician - Hospital Integration?



Stark Law and Regulations



Anti-Kickback Statute



Civil Monetary Penalty Statute



False Claims Act



Antitrust Issues

What Regulatory & Legal Issues Arise With Physician - Hospital Integration? (cont)

- Personnel required to comply with:
 - Billing compliance (MD, NP, PA, resident)
 - HIPAA
 - JCAHO



- Physician and administrators develop a compact whereby the “rules of engagement” on how to interact with each other and how to manage together.

What Can Healthcare Executives Do To Promote Effective Communication & Alignment Between Physicians & The Hospitals

Engage physicians directly in “quality assurance, improvement programs and outcome initiatives” so all aligned:



The most important
person in health care:
the patient

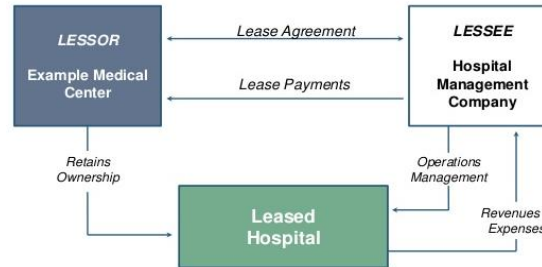


Participate in the development and implementation of standardized policies, including policies regarding evidence-based medicine, service excellence, clinical pathways, IT, and quality.

What Can Healthcare Executives Do To Promote Effective Communication & Alignment Between Physicians & The Hospitals (cont)

- Engage physicians directly in “quality assurance, improvement programs and outcome initiatives” so all aligned:
 - Develop meaningful data metrics that are relevant, patient-centric, measurable, actionable, transparent, and easy to understand ?
 - Participate in the development and/or implementation of hospital-wide policies and procedures and participate in hospital committees and network development.
 - Participate in healthcare reform-related initiatives such as accountable care organizations and value-based purchasing programs (e.g., bundled payments).

What Models Of Physician – Hospital Integration Seem To Be Showing Promise & What Are Their Outcomes?



- **Entire practice acquisition:** The hospital or its affiliate purchases all of the assets of the physician practice, directly employs all of the physician and non-physician personnel, and assumes all equipment and space leases.
- **Employment and practice lease:** The hospital or its affiliate directly employs all of the physicians and leases all of the space, equipment, and non-physician staff of the physician practice.

<http://library.governanceinstitute.com/ResearchPublications/ResourceLibrary/tabid/185/CategoryID/11/List/1/Level/a/ProductID/1349/Default.aspx?SortField=DateCreated+DESC%2cDateCreated+DESC>

What Models Of Physician – Hospital Integration Seem To Be Showing Promise & What Are Their Outcomes? (cont)

- **Lease of entire practice:** The physicians continue to be owners/employees of their existing practice, but are leased to the hospital or its affiliate. The hospital or its affiliate also leases all of the space, equipment, and non-physician staff of the physician practice.
- **Purchase of ancillaries:** With respect to specialties that provide significant ancillary services (e.g., cardiology), the hospital or its affiliate purchases the ancillary business in combination with the Employment & Practice Lease or the Lease of Entire Practice models. Alternatively, the hospital could only purchase the ancillaries and engage the physician practice to provide medical directorship services to the hospital-based ancillary service line.

<http://library.governanceinstitute.com/ResearchPublications/ResourceLibrary/tabid/185/CategoryID/11/List/1/Level/a/ProductID/1349/Default.aspx?SortField=DateCreated+DESC%2cDateCreated+DESC>

Are Physician - Hospital Integration Models Sustainable?

- In this era of  , it depends on if it:

- Supports overall hospital, physician, and health system strategies



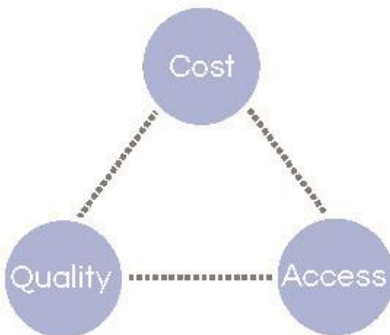
- Helps physicians prepare for continued shifts in “value-based” practice dynamics with new capital dollars for equipment, IT, databases, etc.



Are Physician - Hospital Integration Models Sustainable? (Cont)

- In this era of  , it depends on if it:

- Provides access and coverage for a new population of insured patients
- Enhances physician compensation
- Ensures shared goals related to quality, cost and outcomes



Questions



Comments



Annette Schnabel, DPT, MBA, FACHE
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Perry Memorial Hospital



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VP Clinical Integration & Asso. Dean
University of Chicago Medicine



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President
OSF St. Anthony Medical Center



Dr. Anthony Avellino, MD, MBA
Chief Executive Officer
OSF Healthcare Neuroscience
Service Line & Illinois
Neurological Institute

Additional Resources

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ACHE Central Illinois Chapter Upcoming Program

Earn 1.5 Face-to-Face Education Credits

The Healthcare Executives Role in IT Decisions

Leslie Johnson, Healthcare Executive Education Chair of Central IL Chapter of ACHE
Karen Brown, Vice President & Chief Operating Officer, OSF St. Anthony Medical Center
James Mormann, Senior Vice President & Chief Information Officer at OSF Healthcare
Chris Duvendack, FACHE, Chief Organizational Performance Improvement Officer
Dan Thoma, Vice President of Digital Imaging, Electromek Diagnostic Systems

Monday, May 4, 2015

Jump Trading Simulation and Education Center
1306 North Berkeley Avenue, Peoria, IL 61603

5:00 – 6:00 PM - Networking and tours of the Jump Trade Center
6:00 – 6:15 PM - Networking Sponsor (Futura Mobility) presentation
6:15 – 6:30 PM - Chapter Updates
6:30 – 7:30 PM - Presentation
7:30 – 8:00 PM - Questions and Answers

Today's healthcare executive works in a world of ever-increasing information technology options. How do they navigate, evolve and respond to the changing informatics world? These leaders often do not work directly with information technology, nor necessarily understand the application, but they are asked to make crucial decisions about implementation of technology. The outcomes of those decisions have financial, strategic and patient outcomes and the cost of a mistake can be devastating. Is there a methodology or a roadmap to assist non-technical executives to proactively make technology decisions?

Please join the Central Illinois American College of Healthcare Executives and Leslie Johnson, Karen Brown, James Mormann, Chris Duvendack, and Dan Thoma for this 90-minute face-to-face panel discussion including Q&A on the *Healthcare Executive's Role in IT Decisions*.

With this panel discussion, you will gain insight into:

- The processes you use in making decisions on implementing new technologies or technological approaches
- The key stakeholders and their respective roles
- The method for making decisions on topics for which you do not have a complete understanding
- Understanding the relationship between IT decision and technology partners
- Separating the technology facts from the technology fads
- The role of managers and other employees play in IT decision-making

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**To Register for this
Free Face-to-Face
Event:**

<https://lnkd.in/b4KJbp8>

Event Location:
Jump Trading
Simulation & Education
Center
1306 North Berkeley
Avenue Peoria, IL
61603



For More Information !!!

Greg Wahlstrom, MBA, HCM

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National Administrative Fellowship Association, LLC | Regional
Director & Board Member
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THANK YOU

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