

## How Physicians can be at the Center of Healthcare Reform

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This is a dizzying and disorienting time to be a physician. First and foremost, there are all the unknowns stemming from the recently passed health care reform legislation. Then there's the issue of decreasing Medicare reimbursements. There's also the increasing adoption of unfamiliar and untested information technology. And finally, there's the faltering economy, rising costs, and the continuing escalation in regulatory compliance requirements.

It's no wonder physicians today are uncertain about where to turn

and what to do next. And it's not surprising that many aspiring physicians are asking themselves whether it makes sense to invest 12 years and countless dollars in a medical education.

But before despair sets in, it's worth taking a deep breath and taking stock. Physicians should analyze their practice, assess their options, and focus honestly on their goals for the next 5 to 10 years.

### **Thinking—and Looking—Outside the Box**

This personal due diligence process may be easier said than done, especially given all the new methods and models for accountable care, cost savings, and integrated delivery. Indeed, physicians have so many questions about how the emerging system will work and wonder whether they should simply jump ship and look to join a new organization.

Trouble is, once a physician begins looking, he or she will encounter organizations of all shapes and sizes claiming to be capable of creating real value and lucrative new partnerships in the rapidly emerging health care environment. Physicians need to ask a series of probing questions to test these as-

sertions before they pack up and move to any organization.

Key areas for inquiry include the prospective organization's revenue trends, net income performance, market position, technology investment, and operating efficiencies. These are the basics—the foundation upon which further discussions and negotiations must be built.

### **Measured Efficiency and Sustained Accountability**

Despite the persuasive sales pitches they'll hear from health care organizations eager for their services, physicians will also quickly realize that there's no definitive or agreed-upon model or platform in these early days of reform. The only thing that's set in stone is the fact that health care organizations must provide measured efficiency and sustained accountability.

In practical terms this means that, wherever they practice, physicians will have to "earn" referrals based on cost, reputation, outcomes, and lots of data. The days of referrals based on friendships, connections, and longevity are fading fast.

The new world of health care is—and will continue to be—very un-

familiar to physicians with established practices. But if they can tolerate change, there are three main areas of opportunity that will help them proactively shape their near-term futures:

- **Physician-centric governance.** Physicians can take the lead in molding new health care organizations, but they need to step up now.
- **Accountability.** Physicians can help set the key metrics and standards that will underpin the new health care market, but they need to get involved in discussions about measured outcomes and performance variables now.
- **Change agents.** Physicians can help guide the changes that are unfolding in the health care industry, but they need to embrace the notion that incremental change will not succeed in this environment—significant, immediate shifts are necessary.

Incentives and compensation are, of course, an overriding concern for physicians in the new market-

place that's taking hold. And any compensation package must be aligned with the objectives of the new practice group or organization that's ultimately chosen. In addition, maintaining a higher profile will be critical to maximizing a physician's value. Without a history of quality care and patient satisfaction, physicians will lose leverage in the increasingly consumer-driven market.

But the good news here is that physicians have flexibility in how they structure their future professional relationships. They don't have to become full-time employees of a hospital to succeed; in fact, there are a number of financially rewarding intermediate steps that can be taken. Medical staff memberships, co-management agreements, and clinical integration structures are all well worth considering—and that's just for starters.

The one unmovable truth, regardless of which approach is selected, is that physicians must bring more than the provision of basic care. They must bring ideas, flexible

thinking, a willingness to embrace technology, and value to the complex health care equation of quality and efficiency.

### **Give Diligence Its Due**

Physicians can achieve very solid professional outcomes for themselves, despite the topsy-turvy nature of today's health care industry. The key is plenty of due diligence that helps weigh all the options, focusing on the performance, resources, and leadership exhibited by each opportunity. Bolstered by this analysis, physicians across the country can clearly diagnose their career challenges and thrive in this new environment.

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