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Is Your Practice Making Value-Based Decisions?

By Irv Barnett
Senior Manager
Moss Adams LLP



By Beth Santizo
Manager
Moss Adams LLP



Former Health and Human Services secretary Mike Leavitt once said about change, “You can fight it and fail; you can accept it and survive; or you can lead it and prosper.”

As everyone knows, the business of health care is undergoing significant change. Medicare spending is a major topic on Capitol Hill, and this will continue as everybody tries to figure how to control costs that are becoming an expanding part of the federal budget.

As the health care reform initiatives begin to take hold, all stake-

holders are looking for ways to maintain or increase their market share, and contain costs, by forming strategic alliances. As such, seeking relationships with partners that add value to their services has become paramount in the minds of industry leaders. Through years of experience, we’ve observed that acquisition focuses all efforts on integration over innovation. Partnering just makes sense.

While so many struggle to define value in health care, we’re all driven by value-based decisions in

our daily lives. If you’ve recently had a nice dinner at a local restaurant, shopped for a television, or purchased a new car, you’ve been faced with a value dilemma—benefit minus cost.

Why do you make these typical purchasing decisions? Because you’ve placed a value on past service, the reviews of others, and, most important, you’ve taken all this information and developed an educated opinion that the “brand” has demonstrated value in terms of service, reliability, and responsiveness—and provided it all at a cost that doesn’t overshadow the benefit.

If health care can follow the models that have allowed the marketplace to thrive for generations, then it’s time to realize that reducing costs is inevitable. But what demonstrates value are your actions, your desire to seek out quality partners, the benefit you can provide to your payers’ networks, your quantifiable efforts to improve the performance of your specialty across all components of the care continuum, and the role you take to be recognized as a leader in creating improved outcomes for suppliers and consumers alike.

Payers and employers have never been more willing to recognize beneficial change in health care delivery. Emphasis is slowly shifting from treatment to prevention and from a reactive to proactive practice of medicine. Providers are also now leveraging technology widely used in other industries, and they're embracing incentive programs to support value-based partnerships that provide efficient, accountable care at a more affordable cost.

In addition, new initiatives promote information sharing and interactive provider collaboration in an effort to improve patient care and quality outcomes. And while the current outcome-reporting measures and payer-developed protocols are being developed by the larger stakeholders in health care, the best ideas for change are coming from the providers that work with patients every day.

For some, all this activity to redefine the delivery of healthcare remains something that needs to be part of a long-term strategy. But if you look around and tally the high-priority agendas evident within the industry, you'll note that the payers are defining their focus on incentives now. Physician groups are looking to expand their networks and influence, and health systems are actively addressing access concerns with

strategic outreach programs to improve their community brand by aligning themselves with physicians through service-line marketing, clinical connectivity, and targeted acquisition opportunities.

Health care reform is a long process. But the best way to remain in front of large employer economic demands, payer strategies, and health system branding at the local level is to join the conversation now, while it's still in its formative stages. Doing so creates huge opportunities for the best-run medical practices to demonstrate their value. And those that can do so at a cost that doesn't overshadow the benefit will be the ones who prosper in the future.

Here are a few ways to create your brand:

- Identify ways to provide quality services with high patient satisfaction.
- Make suggestions for health systems to save money.
- Enter into meaningful dialogue with payers to gather current data about your care.
- Streamline practice expenditures.
- Consider strategic alliance opportunities:
 - o With same-specialty groups

(to gain operational efficiencies)

- o With complimentary specialties (to create centers of excellence)
- o With hospitals (to create measurable opportunities for high-value care)
- o With payers (to recognize and act on value-based opportunities)

Albert Einstein is widely credited with saying, "Not everything that counts can be counted, and not everything that can be counted counts." Let's work together to do what counts.

Irv Barnett has more than 25 years of experience helping physicians build successful practice performance through business development, strategic planning, and effective governance. He leads process implementation efforts to measure, monitor, and manage net income objectives to meet the unique needs of each practice. He can be reached at (916) 503-8112 or irv.barnett@mossadams.com.

Beth Santizo specializes in reimbursement and payer coverage strategies, working with physicians and medical groups to improve practice administration, governance issues, financial performance, and market share. She can be reached at (916) 503-8172 or beth.santizo@mossadams.com.

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