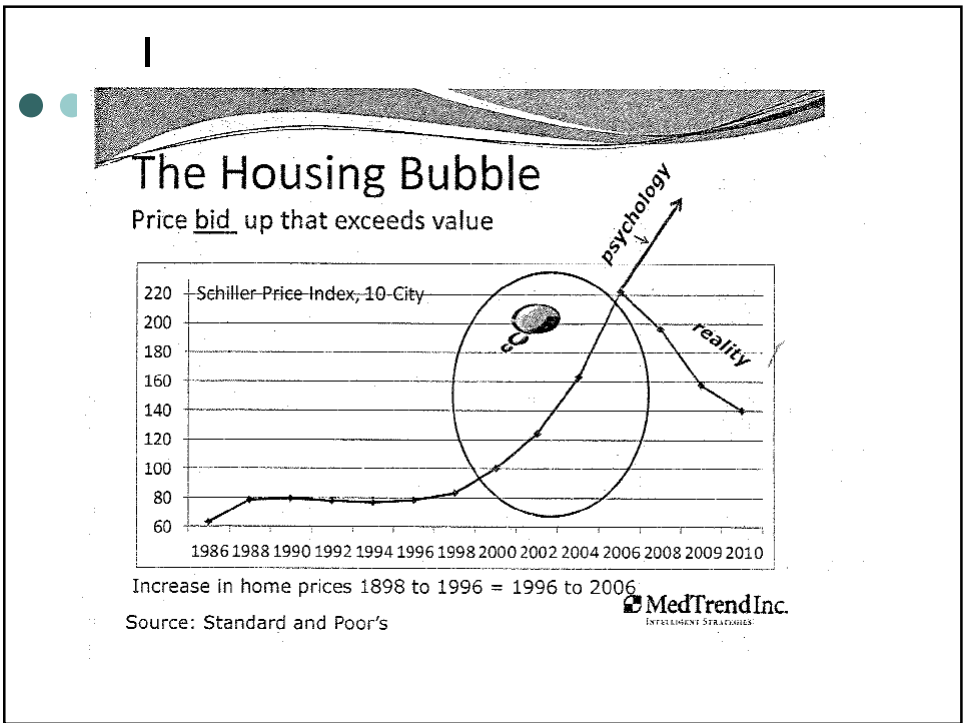
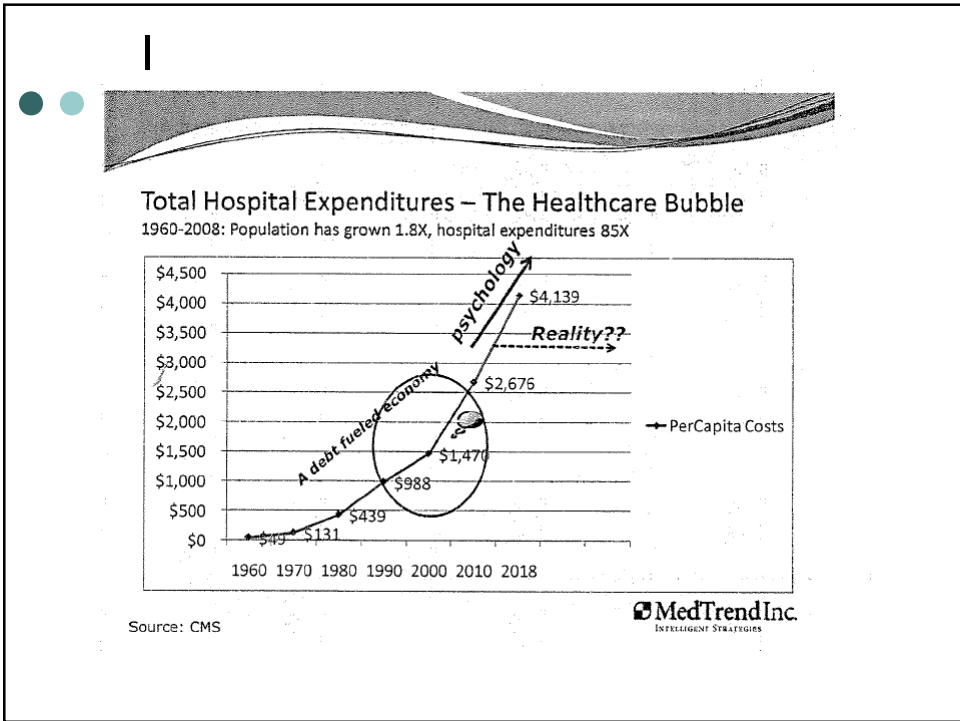
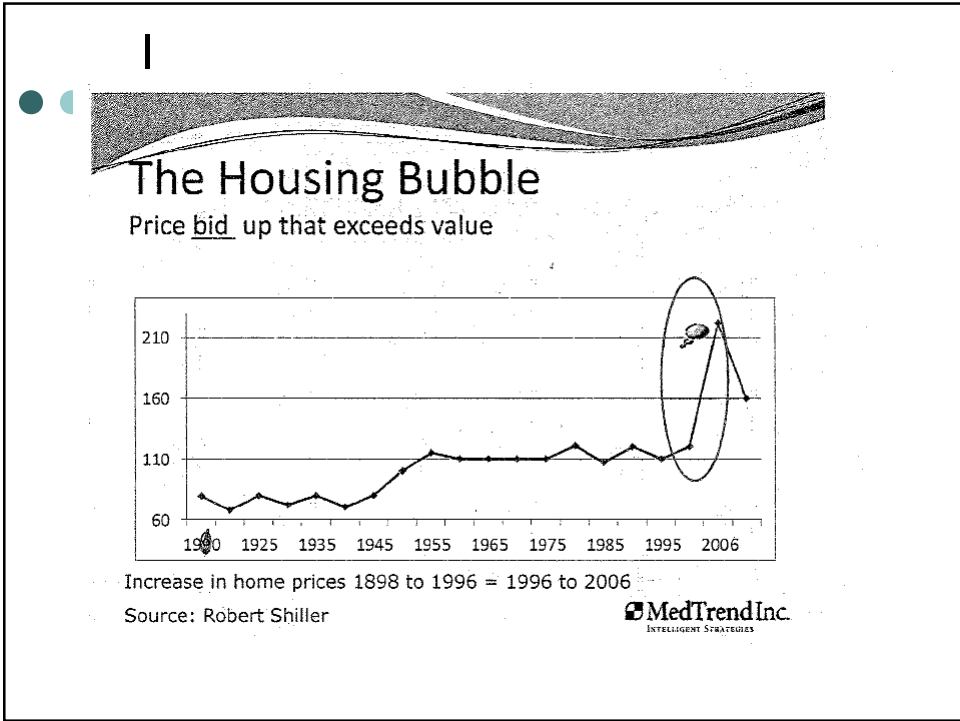
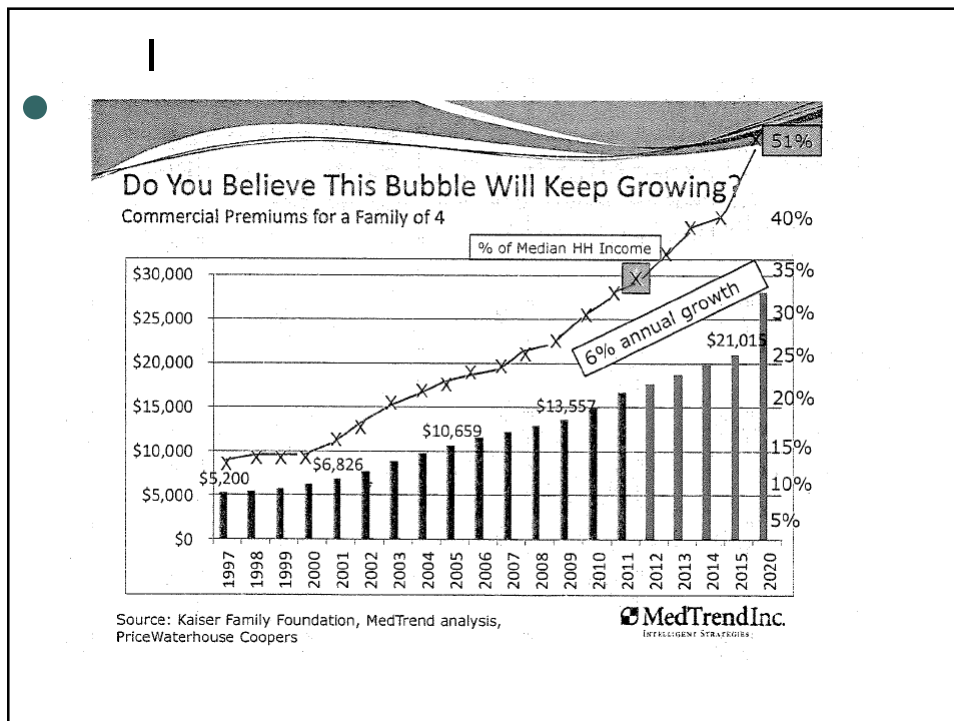
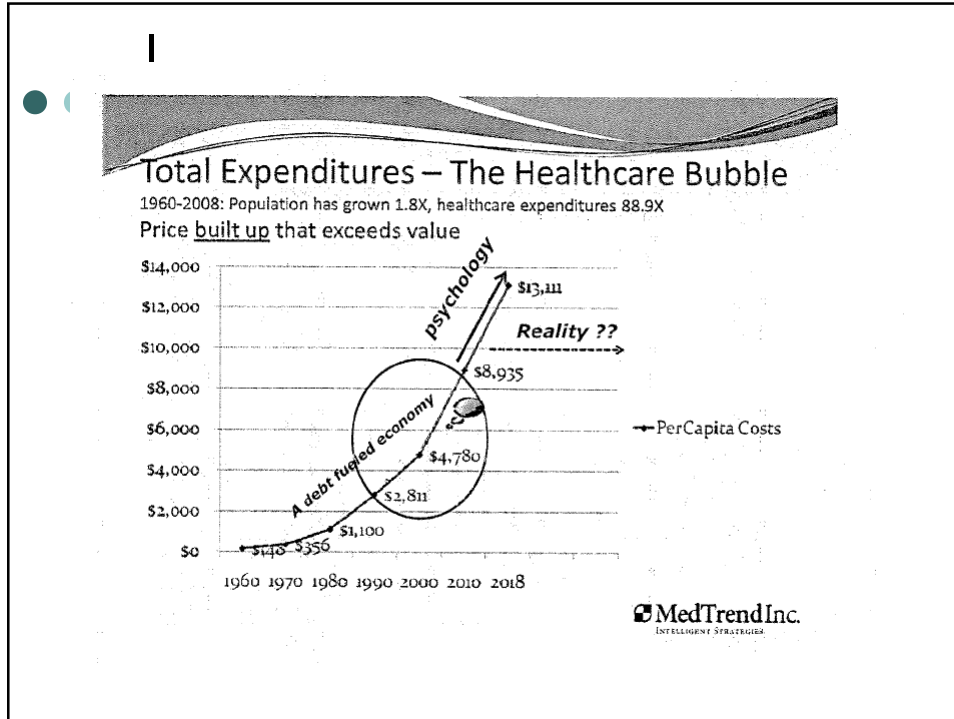


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Potpourri of Physician/Hospital Relations







The Bubble Economy: Say Good-bye to The Age of Excess

EASY, EXCESS Money + Psychology = Rising Prices/Spending

<p>DEBT</p> <ul style="list-style-type: none"> • Consumer Debt • Corporate Debt • Bank/ Financial Debt • Government Debt 	➔	<p>PRICES/ SPENDING</p> <ul style="list-style-type: none"> • Housing • Consumer Spending • College Tuition • Healthcare • Government Spending
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Co-linked bubbles

MedTrend Inc.
INTELLIGENT STRATEGIES

Consumer Spending Bubble

- Home Equity Withdrawals: Used to Spend
 - 2005 \$719B (more than recent fiscal stimulus)
 - 2004 \$633B
 - 2003 \$439B
 - Added about 5% in spending to GDP
 - Dropped to \$7.2B 4Q 2008
 - Virtually zero today

Total US Credit Card Debt
In \$Billions

Year	Total US Credit Card Debt (\$ Billions)
1967	\$1
1977	\$39
1987	\$169
1997	\$555
2007	\$982
2010	\$832

MedTrend Inc.
INTELLIGENT STRATEGIES

Current Environment

- **US Financial crisis**

Us 2010 budget deficit- \$1,350 Billion

2010 Medicare Spending-\$528 Billion

- **Health Care cost is unsustainable**

17.3% of GDP in 2011 and 25% of GDP by 2025

- **Access**

51 million uninsured and 25 million underinsured

- **Well documented massive variation in clinical practices**

- **Accountable care Act**

What's Coming if not Here

- A transition from FFS to Global payments
- Pay for performance payments for quality, access, service
- Shared Savings programs including bonus payments if costs are less than benchmarks
- Bundled payments for individual episodes of care
- Capitation , PMPM or global payments



Physician Strategy to Prepare for Health Reform

- **Consolidation**, organize to assume risk
- **Measurement**, must have the data to manage quality, utilization, and service
- **Systems of Care**


Will be responsible for Clinical Quality and Utilization

Primary care will be the foundation of these systems




Measurement

- Measurement will be a core competency of successful systems
- Need real time actionable data at system, clinic, provider level
- Need benchmarks to set priorities and goals
- Need to prove value to marketplace



How does the Hospital view the providers

- Equal Partners?
- A department of hospital
- Revenue generators
- Users of resources
- Me centric vs. system centric



How does the provider view the Hospital

- Suspicion
- Not understanding clinic operations and dynamics
- Not understanding the provider physic
- Bureaucratic
- A hotel for sick people
- Less of a need



Understanding Hospital Decision making

- Budget Driven
- More bureaucratic
- More committee Driven
- Often Balance Sheet Driven
- Methodical decision making



Systems of Care

- Medical Home

Primary Care provides care for patients with almost any condition

Primary care is positioned well to coordinate care

Can be implemented in a Fee For Service environment

There is good evidence for Primary Care's ability to reduce cost and improve quality




Compensation issues




Compensation tweaks for the new age

- Not all about WRVU's and productivity, but still the driver
 - Outcomes
 - Measurements
 - Meaningful Use Dollars
 - Call pay
- Higher risk
Off hours
Time taken away from direct productivity
Risk sharing of revenue




How do we create incentives for Providers to accomplish goals in a new world of compensation



Outcome measurements

- Meet plan objectives
- Meet departmental objectives
- Meet system objectives




Meeting meaningful use requirements

- Meeting measures
- Use of technology
- Tracking Data




Documentation

- Coordinating documentation and coding



Points of issues and concerns
between Hospital and provider



Non production concerns

- Data behind income statements
 - 1) What is included in expenses
 - 2) If on production, how is non WRVU revenue translated into production formula
 - 3) What types of loads are placed on clinic from central administration
 - 4) How are subsidies presented on income statements
 - 5) How are subsidies recognized



Governance

- Composition of governance board
- Mix of providers and management
- System focused vs. hospital focused
- Types of governance boards
strategic vs. operational
- Issues addressed at Board levels



IT IS NOT THE STRONGEST
WHO WILL SURVIVE OR THE
FASTEST
IT IS THE ONES WHO CAN
CHANGE THE QUICKEST

Charles Darwin