



Back to the Future

An interview with Henry Ford Health System's Thomas Nantais



Thomas Nantais, M.B.A., has been with the Henry Ford Health System (HFHS) over 35 years and is presently the Chief Operating Officer of the Henry Ford Medical Group (HFMG), one of the nation's oldest and largest medical groups. His primary role includes the administrative management of the medical group's \$950 million operating budget, covering 30 ambulatory sites and 4,200 support FTEs, in addition to 1,200 employed physicians, who provide services in over 40 medical and surgical specialties. In addition, Mr.

Nantais oversees the group's physician compensation programs. In addition to serving on AMGA's Board of Directors, Mr. Nantais is the immediate past chair of the AMGA COO Council and was the first chair of the AMGA CFO Council. *Group Practice Journal* interviewed Mr. Nantais about trends in the industry and how his organization is addressing the challenges of value-based care.

GPJ: What do you see as the biggest financial challenge facing medical groups and health systems today?

Nantais: The biggest financial challenge facing medical groups and health systems today is the reimbursement system. Most providers are very much entrenched in the traditional fee-for-service (FFS) payment methods; however, with the aging population and longer life expectancy, the FFS pool of dollars will be drained at a faster pace than it is filled. In addition, with the expansion of healthcare coverage for many more Americans through the Affordable Care Act, we are seeing significant pressure on the backs of providers to maintain a margin to sustain operations, while seeing a degradation in the level of reimbursement received from governmental payers.

GPJ: With so much uncertainty in the market, what is HFHS' strategic approach to maximizing reimbursement?

Nantais: At HFHS and HFMG, we are strategically focused on the value-based care models of reimbursement. For 25 years, HFMG was globally capitated for more than 200,000 commercial lives, carrying both medical and insurance risk. As such, we quickly learned that "more care is not better care" and our focus is on what is the best care delivery model for all patients. That being said, our focus is on population health and wellness strategies, to balance the appropriate care

of the patient, while being able to do so in the context of value-based payments. Being a large group practice on an electronic health record, with a history of managing risk, we are well-positioned to be successful in the world of the value-based care models.

GPJ: What should groups be looking for when entering into risk-based contracts?

Nantais: When entering risk-based contracts, it is critically important to understand the actuarial compo-

nents of that contract. What I mean by this is understanding the medical risk profile of the specific population represented by the contract, as well as the element of risk embedded in the contract. It also is essential that the group has the infrastructure in place to manage the contract, including care/case managers (or access to them), the analytic capacity to measure progress, and the right mindset of the medical staff to care for this population.

GPJ: How does HFHS engage physicians in these risk-based contracts?

Nantais: Engaging HFMG physicians in risk-based contracts is not as difficult as it may appear. In the primary care milieu, we compensate our primary care physicians on a combination panel management, a wRVU-based model, with an at risk portion of compensation associated with performing exceptionally well on key quality and patient satisfaction metrics—such as breast, colorectal, and cervical cancer screening rates—as well as control percentages around blood pressure and A1C measures.

In addition, patient satisfaction scores are a factor affecting variable compensation. All of these components are generally associated with risk-based contracts. Every six months, the individual physician's quality metrics/patient satisfaction performance is accessed and a supplemental incentive is received if metrics

"When entering risk-based contracts, it is critically important to understand the actuarial components of that contract."

are achieved. The primary care physicians in our group are well-attuned to managing risk, under the mantra of doing what is right for the patient.

GPJ: Does HFHS tie a portion of compensation to performance under these models?

Nantais: The compensation for primary care is approximately 35% of total cash compensation, but it is moving to a higher percentage, as contracts move even more toward value-based risk corridors and reimbursement.

GPJ: You served on AMGA's Board of Directors. What are the most valuable lessons you've learned?

Nantais: As a member of the AMGA Board of Directors over

the last two years, I have found the experience to be one of the professional highlights of my 35-year healthcare career. I sincerely value and respect the input and ideas from the forward-thinking leaders in the AMGA organization, and how this networking has been very beneficial to our organization as we help shape the healthcare delivery model of the future. In addition, the ability to be part of a larger team influencing healthcare policy on Capitol Hill, with the assistance of the outstanding AMGA public policy staff, has been excellent. The other key advantage of being an AMGA Director is the opportunity to learn from other AMGA member groups—both large and small—how, collectively, this group of amazing physicians and other providers will change health care for the better! **GRJ**

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