Practice Makes Perfect: Navigating an Evolving Practice Landscape

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Navigating an Evolving Practice Landscape
Disclosure Statement of Financial Interest

Within the past 12 months, I or my spouse/partner have had a financial interest/arrangement or affiliation with the organization(s) listed below.

Affiliation/Financial Relationship
- Consulting Fees/Honoraria
- Major Stock Shareholder/Equity

Company
- Boston Scientific, Abbott Labs, Medtronic, Covidien
- BioStar Ventures, BOD of KONA

I may discuss off label, investigational use of products in this lecture.
Dynamic Change and Drama = Managing the Before and Present

- Patient Needs
- Hospital Needs
- System Needs
- Physician Needs
<table>
<thead>
<tr>
<th>Before</th>
<th>Present</th>
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<tbody>
<tr>
<td>- Trusts “His “physician</td>
<td>- Cautious / Uncertain</td>
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<tr>
<td>- Slowing Down</td>
<td>- Live forever in great condition</td>
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<tr>
<td>- Passive</td>
<td>- Actively involved--Internet</td>
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<tr>
<td>- Medicine drives the insurance</td>
<td>- Insurance drives medicine</td>
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<tr>
<td>- Appropriate:</td>
<td>- Appropriate:</td>
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<tr>
<td>➢ What my Dr Says</td>
<td>➢ Guidelines</td>
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<tr>
<td>- Has Choice of Physicians</td>
<td>- Employed Network Physicians</td>
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<tr>
<td>- Wants Full Specialization Access</td>
<td>- Lack of Specialist Choice</td>
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<tr>
<td>- Wants High Technology Access</td>
<td>- Restricted Tech Access</td>
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The Hospital Wants to “Partner”?  
Hospital Perspective

Benefits of hospital-employed physicians:

- Enhance capacity to achieve quality goals (Leverage Opportunity)
- Increase/maintain procedural volume (“Control” site of procedure)
- Potential for financial alignment (“Gain sharing”, Negotiation)
- “Lock up” specialists (“Control of Revenue”)
- Reduce competition (…..Our ……)
- Break the cycle of patient siloes (Control Drs MeMeMeMe…)
- Control (Minimize Risk)
- Opportunity (Where you are screwing up)
What Will Health Care Reform Mean for the Practice of Medicine?

Sweeping Changes For Physicians

– More insured patients - 19M by 2014, 32M by 2019
– Numerous pilots & payment reforms to align incentives and coordinate care between physicians and hospitals
– Bonus payments for maintaining board certification & reporting quality measures
– Shift toward paying for value, less on paying for services
– Physicians retiring and training programs shrinking
– Shortage of Specialists very soon
Health Care is Changing

Before

• Pay for what you do
• Pay for each piece
• Privacy for you and Pt
• Appropriate:
  – Art of Medicine
• Independent Physicians
• Premium to Specialize
• Med Society Fraternities

Present

• Pay for a diagnosis
• Pre-pay for team continuum
• Public reporting for Physicians
• Appropriate:
  – Art of Law and Science
• Employed Physicians
• Push to Primary
  – Extreme Specialist
  – Shortage < Decade
• Med Society Empowerment
Hospitals are Changing

**Before**
- Staff Anchoring
- Specialized Unit Control
- Symptom to Diagnosis
- General Hospitals
- LifeStyle
- “Cardiology”
- Separate Training
  - Cardiac Surg & Cardiology
- Silo Protection

**Present**
- Cross Training
- Shared Dz Rx Centers
- Genetic Propensity Scores
- Specialization or Extinction
- STEMI Call
- Integrated Training Pro
  - Structural, Vascular, EP, CI, PVI, Endograft, Imaging
- DX Centered Training:
  - Combined Programs
- Silo Dissolution
Foreign Languages of Hospital Partnership?

Hospital Perspective

Benefits of hospital-employed physicians:

– Capacity to achieve quality goals (Leverage Opportunity)
– Increase/maintain procedural volume (“Control” site of procedure)
– Potential for financial alignment (“Gain sharing”, negotiation)
– “Lock up” specialists (“Control of Revenue”)
– Reduce competition (…..Their ……)
– Break the cycle of patient siloes (Control MeMeMeMe…)
– Control variability (Standardize / Minimize Risk)
– Opportunity (Areas you are screwing up …)
What to Look for in a Hospital Practice

- **Reputation** – Care and Treatment of Caregivers
- **Leadership** --- Hospital / Service line governance
- **Partnership** --- Past treatment, Vision, Strategy
- **Group Culture** -- Maintain the culture of your practice within an integrated system
- **Long-Term Strategy** – Need to be in Synch
- **Experience** --- ? Maiden voyage for both
- **IT Infrastructure** -- Capture cost and quality data
- **Transparency** – Trust
Hospitals Systems Are Changing

- Unique Buyer
- Control
- Paid for Treatment
- Re-Paid
- Multiple Independents
- "Cardiology" specialty
- Cost of Treatment
- Cost to Insure

- Huge Buying Groups
- No Independent Control
- Paid for Disease
- Penalty if they come back
- Physician Employment
- Dz Centered Specialty
- Cost of a Disease
- Cost to Society
Dynamic Changes in Medicine Promise or Peril?

**Emotional Upheaval**
- Loss of Control
- Anxiety over Unknown
- Lack of Prestige
- Stallions as Employees
- Decreased Income
- Public Scrutiny
- Loss of Trust
- Energy of Change
- Uncertainty Accompanies Change

**Business Upheaval**
- Employed Physician Model
  - Interesting JV’s
  - Creative Money Pools
  - Gainsharing
  - Incentive alignment
- Cath Lab Changes
  - Out/Pt PCI
  - Radial cases
  - Structural Heart Dz
- Government
  - P4P
  - Risk Sharing
The Physician:
Save the World Physician
But do it Frugally
WANTED: Business / Leadership Savvy

- As Cardiologist become “integrated” with hospitals
  - Business will not be a passive attribute
    ~ “Fluff” is largely removed
    ~ A/Rs, Cost of Care, Accountable Care
  - Pick a practice of like characteristics to you or complement
  - The people matter
  - Understand hospital and practice politics
  - Understand Business Risks that may lay ahead of you
  - Remember your family
  - Are you an OLD doc a BEFORE Doc or a NEW doc
Old Doc’s in practice x 20 yrs or more?

• Many will retire
• Information Technology will pare out physicians
• Frustrated
• Angry
• Leave medicine with good years behind and fond memories
Before Doc’s in practice x 10-20 years?

- Aggregate and become employed
- Assimilate
- Integrate their practices and their patterns
- Learn new behavior patterns
- Accommodate “Pilot Mentality”
Young Bucks and New Physicians

Different type of Physician will emerge
- Accustomed to government intervention
- Accustomed to less autonomy
- Accustomed to employment
- Accustomed to decreased wages
- Accustomed to less control

Generally more “accommodating”
Physician will emerge
Conclusions: The Years Ahead

- Rapid emotional changes for medicine
- Fast paced innovation and change
- Silo Disruption, New Economic/Practice Paradigms
- Go slowly Know your partners and support
- Awesome time to be in the “business” of helping people
  - Still an awesome time to be a physician