

# James L. Holly, M.D.

## MGMA's Game Changer, James L. Holly, MD

By MGMA staff members  
March 18, 2015



Active patient monitoring, higher rates of patient engagement and improved practice earnings were some of the benefits to becoming a patient-centered medical home (PCMH) for Southeast Texas Medical Associates (SETMA), Beaumont, Texas, as outlined in [“Should PCMH accreditation be the next step in your quest for high-quality care delivery?”](#)

James Holly, MD, MGMA member, chief executive officer, SETMA, credits the PCMH approach for increasing SETMA’s quality of care, as documented by better patient outcomes, and generating enough revenue to fund its not-for-profit foundation that provides care for patients who cannot afford it. About 38% of the group’s patient population has income below the poverty level. Of those, 95% have multiple chronic conditions that need to be managed, such as diabetes and hypertension. Patients with multiple chronic conditions are the ideal beneficiaries of PCMHs, according to a [MGMA comparison of the four accreditation programs](#).

“We spend about \$192,000 a month on unreimbursed services to our patients, and annually give a half million dollars to our foundation,” Holly says. “The very fact that we’re able to do that – that’s \$2.5 million a year – shows that obviously, the return on investment from operating as a PCMH is good.”

## **Passing the baton**

The PCMH goal dates back to 1997 when SETMA's three founding partners attended an MGMA meeting about EHRs in Washington, D.C. After selecting and implementing an EHR in 1999, the team noticed a troubling disconnect between the cost of the EHR and its benefits. Tapping the EHR's ability to help SETMA professionals follow patients' health conditions and engage them in their care, SETMA developed a new care delivery process called "passing the baton." Before it was instituted, a patient presented with a chief complaint a few times a year and a provider reacted to it. SETMA's new approach involves providers "passing the baton" to patients, which means asking them to improve their health by making better choices year round.

This makes sense considering the fact that a year has 8,760 hours, and even in extreme cases a patient might only spend about 60 hours in a provider's office, which represents 0.68% of that time.

"This makes it clear that the patient is responsible for the overwhelming amount of his or her own care, which includes compliance with formal healthcare initiatives and lifestyle choices that support health," Holly says.

## **Return on investment**

In addition to improving patient outcomes, functioning as a PCMH has reduced costs and increased quality for SETMA's Medicare Advantage patients (who comprise 40% of the group's patients), many of whom have multiple health conditions and require more resources, Holly says. When treating Medicare Advantage patients, SETMA was 37.4% less costly than the Medicare fee-for-service practice that it was benchmarked against in a [2011 study](#) that assessed quality, care coordination and cost.

In addition to financial gains, the PCMH process also shed light on process improvements. "In our judgment, any accreditation process should be educational as well as 'evaluation-al,'" Holly says. "So it is with accreditations, you will learn more and more about yourself from each of these. The process within itself contributes to practice transformation."