

Address to the Beaumont Chamber of Commerce August 2000 Part II

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Your Life Your Health
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(Author's Note: This part concludes the August, 2000 address to the Beaumont Chamber of Commerce. Next Wednesday, January 19, 2011, healthcare providers from across our community and region will gather to discuss and hopefully comment to participating in a Health Information Exchange which protection the confidentiality of patients medical records and makes those records available where and when the patient needs them to insure excellence of care. Call your healthcare provider today and encourage him/her to attend this meeting. For information about the meeting have them call 409 654-6854)

Healthcare Issues Facing Southeast Texas in the Twenty-first Century

**By James L. Holly, MD, Managing Partner, SETMA, LLP
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Managed Care: Realities, Rights & Responsibilities

Managed Care focuses attention on the three categories related to each party in the healthcare delivery equation. They are “realities,” “right” and “responsibilities.” Managed Care is the free-market’s response to the realities of the healthcare industry.

Three Fundamental Questions Which Face All OF Healthcare

The first reality is that there is no possibility of healthcare financing and management ever returning to the *laizze faire* style practiced up until twenty years ago. *Someone is going to control and manage healthcare. The only real question is, “Who?”*

- 1. The financing of healthcare will never return to a system where the medical decision making process takes place in isolation and independent from the question of “Who is going to pay for the services?”**

The second reality is that because of the expense of technology and because of increasing access to healthcare by a larger population, it is possible for healthcare alone to bankrupt the United States government. Unchecked, the cost of healthcare delivery can prevent the balancing of the Federal budget.

- 2. The financing of healthcare will never return to a system where the medical decision making process takes place in isolation and independent from the questions of, “How much is a service worth and how much is society willing to pay for it?”**

This expense produces the third reality, which is that there are limited resources to continue to provide the excellent healthcare, which the citizens of this country presently receive. Someone has to allocate those resources. The question is “Who?”

3. The financing of healthcare will never return to a system where the medical decision making process takes place in isolation and independent from the question of, **“What is society’s responsibility to its most vulnerable citizens as far as access to affordable healthcare is concerned?”**

The fourth reality is that the government has assumed, by law, the responsibility of providing healthcare to a certain segment of our population, and the government is not going to surrender that responsibility. The facts of this reality are explained by the AAPCC – the Actual Average Per Capita Cost. This is a calculated figure based on HCFA (Health Care Finance Administration) payments for healthcare in the United States. It is calculated on a county-by-county basis for every county in America. **The AAPCC is higher in Southeast Texas, which means that the cost of healthcare per capita is higher here than in most places in America.**

In the private sector, the principle is the same. While there is no Trust Fund, private companies have budgets and must meet them. Managed care allows industry to budget its healthcare costs by transferring the “risk” to another company. **In order to remain competitive, private industry must control healthcare “risk.”**

The second relevant issue is “responsibility.”

Each “player” in healthcare delivery today is in an unspoken partnership, which has actual and implied responsibilities.

- Payers (managed-care companies),
- Providers (physicians and other deliverers of health services) and the
- Patients (insured).

Each “player” has its peculiar responsibilities. The payers, of course, have responsibility for operating within the “realities” of the AAPCC and/or contract, and for making sure that access to healthcare is maintained. Balancing these responsibilities is a function of the core values and integrity of the managed-care company and of HCFA regulations.

Providers are responsible for providing outstanding care. In managed care, healthcare is more directed toward preventative healthcare than to treating a problem, which has already developed. Physicians must be aware of the differences in cost for care. The reality is that care obtained at one place, which is equal to the quality of care obtained at another, can be three times as expensive. To conserve the healthcare resources for the benefit of everyone, the physician’s responsibility is now, not only to assure quality, but to consider cost-effectiveness as well.

The patient has responsibilities in the managed-care system as well. In order to get the expanded benefits and cost decrease of managed-care, the patient is responsible for utilizing physicians who have contracted with the managed-care company and who are committed to complying with

utilization management guidelines, pre-certification of procedures and review of care. The patient also has a responsibility to avoid habits, which cause increased health problems when and where possible, and to cooperate in obtaining preventive care, which can decrease the cost of maintaining health before serious and costly problems develop.

The Third Relevant Issue is Rights:

Within these “realities” and “responsibilities,” what are the patients’ and providers’ rights? The patient has the “right” to excellent healthcare and to have access to needed care. However, the rights of the patient must be balanced with the rights of the managed-care company and with the rights of the healthcare providers who provide care. Likewise, the rights of these latter two groups must be balanced against and with the rights of the patient. The patient has the “right” to choose any PCP (Primary Care Provider) who is in the contracted network of the managed-care company and/or for the IPA (Independent Physician Association). And, the patient has the right to go to any specialist who has agreed to cooperate with the managed-care company.

But, the patient’s right to choose his physician cannot interfere with the right of the managed-care company to manage the “risk,” which it has assumed. The patient has the right to request that their favorite physician contract with the managed-care company.

But, the physician has the right to refuse. And, the managed-care company has the right to expect the patients and providers to comply with the utilization management guidelines and standards required to manage effectively the “risk” the company has assumed.

Providers have rights also. Most physicians have resorted to demanding their right to lead health care management. The new realities result in that demand being rejected.

If providers wish to exert influence over the delivery of healthcare, they will have to accept their responsibilities and collaborate with payers and patients.

Changing Accountability

New standards of care are being enunciated by:

1. HEDIS, The Health Plan Employer Data and Information Set, which is the National Committee on Quality Assurance’s standardized set of about sixty performance measures for managed care plans. It has become the industry standard and is at the core of most health plan report cards being developed all across the United States. It is the standard against which all healthcare providers are going to be judged.
2. The National Committee for Quality Assurance (NCQA) is an independent, not-for-profit organization dedicated to assessing and reporting on the quality of managed care plans, including health maintenance organizations (HMOs). It is governed by a Board of Directors that includes employers, consumer and labor representatives, health plans, quality experts, regulators, and representatives from organized medicine. The NCQA indicates that within two years, they are going to be offering NCQA certification to individual medical groups as well as to health plans. The time will come when NCQA certification will be a critical component for success in the emerging medical marketplace.

3. National Standards of Care are going to apply – not only in lawsuits, as they are now – but in provider evaluation and contracting decisions. More and more, in addition to board certification, clinic performance as measured by these standards is going to be the entrée to participating in health plans, as well as board certification.

Critical performance indicators, such as HEDIS, national standards of care and NCQA certification are going to be increasingly used as measures of clinical performance. Computerized Patient Records can be utilized not only to meet these standards of care, but also to prove that they are being met.

In the 20 months that SETMA has been using EMR, we have had five HEDIS audits, all of which have resulted in a superior rating. We are gradually building national standards of care guidelines into the database of our EMR. In all of these areas:

- NCQA Certification
- HEDIS audits and/or compliance
- Medicare audits and/or compliance
- National Standards of Care

CPR is the only record keeping and patient management tool, which can solve the complex problems facing healthcare providers in the 21st Century.

The Issues Facing Southeast Texas

The solution to all of the healthcare issues facing Southeast Texas, whether the uninsured or those on fixed incomes, whether integration of the delivery network or the solving of emergency care issues, are so complicated today they require systems solutions.

- Without the ability to track HEDIS data, it will be impossible to “prove” that you are doing quality work.
- Without the ability to examine patterns of behavior among the providers in your group, it will be impossible to improve the quality of care.
- Without being able to monitor the behavior of your patients, it will be impossible to affect the health of a population of people.

Without systems, none of these things can be done effectively. In the future, primary care doctors are going to be a cross between clinician, counselor, epidemiologist, and business man/woman. To integrate each of these functions, without neglecting the attention, which the individual patient deserves, systems are going to have to carry the burden of the capturing, documenting and the analyzing of the data necessary to accomplish each of these functions.

Selling A Systems Approach to Healthcare Delivery

Once a healthcare provider has been “sold” a systems approach to healthcare delivery, the sells task has only begun. Any successful implementation of a computerized patient record requires

the “selling” of the idea to several different groups. SETMA has never stopped this selling process to our:

- Providers,
- Patients
- Payers
- Community.

SETMA’s patients now expect to have a record, which is complete, accurate and accessible. Their expectations are such that quality care for them begins with the capturing of precise and accurate data about their healthcare events whether in the clinic, on the telephone or in the hospital. SETMA’s healthcare providers now expect to challenge every patient with preventive healthcare issues many of which are irrelevant to the event which precipitated the current encounter, but each of which addresses long-term health needs of every patient. SETMA’s customers, the payers, who pay our charges, are coming to expect the kind of documentation which gives them the ability to properly access the quality of care and appropriateness of care which their membership is receiving from SETMA providers.

The selling of a systems approach to the process of healthcare delivery not only encouraged each participant in the healthcare process to “buy in” to the concept, but it also put SETMA in the position of “having to” succeed. Once we announced that we were going to do CPR, and once we “bragged” on what it would accomplish for our practice and our patients, we had no choice but to succeed. Selling the CPR is not unlike the Spanish Explore, Hernándo Cortés, who arrived on the Yucatan peninsula in the year 1519. One historical account relates the events:

“The Spanish soldiers were divided between their desire for fame and wealth and their fear of defeat and death. ‘We’re only 500,’ they told Cortez, and he answered, ‘Then our hearts must be doubly courageous.’ ‘We are dying of fevers and Indian attacks,’ others complained. ‘Then let us bury our dead at night so that our enemies will think that we are immortal.’

‘Let us go back to Cuba, let us sail back,’ others said in frank mutiny. ‘But there are no ships,’ Cortez answered, ‘I have sunk the ships, right here. There is no way but up, there is no retreat. We must go forward to Mexico and see if this great Montezuma is as great as he proclaims himself to be.’ So, the soldiers cheered and acclaimed Cortez as their leader, and all cried ‘Forward, to Mexico, to Mexico!’”

Cortez insured the success of his mission by making it impossible for his troops to retreat. He burned the ships. In many ways, the “selling of the CPR” is like that. It makes going back impossible and makes going forward to success the only alternative.

The Information Systems Department

Whether the IS Department is one person who “knows more about computers than others,” or is a fully equipped department with network and systems engineers, the issues are the same. The

IS Department exists for the support of healthcare delivery. The goals and objectives of each IS Department must be spelled out, but some are generic:

1. To facilitate the effective and excellent treatment of all patients.
2. To securely store all patient records.
3. To make the patient records available at ALL times, with minimal, if any, interruptions because of system complications.
4. To make all changes and/or upgrades to the system at times when there is minimal need for the records, i.e., after-hours and/or weekends.
5. To have a “can do” mentality about solving new problems and/or providing new functionalities for the system.

The IS Department exists for the care of patients, not the care of patients to support an IS Department. While this distinction may seem trivial, it has tremendous practical implications.

Interim Judgment of A Systems Approach to Healthcare Delivery

It is the future and the future is now. There is no way to do managed care effectively without systems and there is no way to meet the documentation and preventive care demands of all health plans in the future without CPR. If healthcare is going to be driven by the provider, it is going to be so because of excellent records and particularly excellent Histories and Physicals. The only way both to integrate healthcare databases and to utilize that database at every patient encounter is with CPR.

Now that SETMA is virtually paperless, we find ourselves to be more efficient and more excellent in all areas of our practice. Without CPR, we could not be consistently performing at the level, which has become the acceptable standard in our practice.

CPR is not easy to implement, and it is not easy to modify an existing practice to comply with Managed Care principles, but the two compliment each other and make it possible to be successful in the new healthcare environment.

In closing, let me share with you a quote from a young attorney with whom I shared the idea of “sinking your own ships,” as a metaphor for implementing CPR at SETMA. Speaking of the Cortez story, he said:

“I have always loved that analogy. I was wondering if other doctors realize the implications of what SETMA has done. By showing that it is technologically attainable to have a paperless office, with electronic safeguards against giving contraindicated medicines and losing or misplacing files, you have in essence raised the standard. Doctors with paper files can no longer claim to be acting prudently, when information is missed due to legibility or misplacement of paperwork, since there is an available cost-effective alternative.

“As an example, plaintiff lawyers typically compare a company with an unsafe working condition to DuPont, which has some outstanding safety procedures and a good record,

to the chagrin of other industry. SETMA may find itself being the ‘DuPont’ of med/mal cases in the future.

“You have burned your ship, but I wonder if your colleagues realize that their sails are on fire as well?”

Southeast Texas Strategy for Success

Collaboration between business, hospitals, healthcare providers, insurers, media, patients, and governmental agencies will allow Southeast Texas to:

1. Recognize that our sails are on fire,
2. Devise a plan for success,
3. Burn our ships,
4. Move successfully into the 21st Century

With a healthcare model which will enable us to:

1. Remain competitive in attracting new business enterprises to Southeast Texas
2. Allow those businesses to remain competitive in winning new contracts
3. Maintain the excellent quality of healthcare which our citizens now receive
4. Control the cost of that healthcare.

Vested Interests Often Resist Solutions

Nevertheless, there are many “vested” interests in Southeast Texas, which make solutions more difficult to implement:

- Politicians often refuse to address issues because of fear of not getting reelected.
- Physicians often resist change for fear of losing control of their practices and/or losing income.
- Patients often refuse innovation because the unknown is always threatening.
- Employers, driven by a survival instinct, want quick fixes to their insurance cost, often without regard to long-term implications.
- Human Resources departments want no complaints from their employees regardless of the cost making innovation difficult.

These are real and understanding concerns, but if we want a “systems wide” solution, we must get past these parochial perspectives, to find global solutions. For those of us who have lived more the half of the Twentieth Century, Pogo is a cartoon character we knew well. And, Pogo, as a philosopher often told the truth. His wisdom applies to the issues facing healthcare delivery in Southeast Texas in the 21st Century, for as Pogo said, **“We have met the enemy and he are us!”**

We, the members of the Beaumont Chamber of Commerce and the members of the business and economic community of Southeast Texas, hold the key to successfully meeting the challenges we face. The only questions that remain are:

- Do we have the resolve to look at the whole rather than our small part?
- Do we have the resolve to accept solutions, which in the short term may require sacrifice on our part?
- Do we have resolve to accept nothing but real solutions?
- Do we have the resolve to work until we do solve these problems one at a time?