

CAPG HEALTH

The Voice of Accountable Physician Groups

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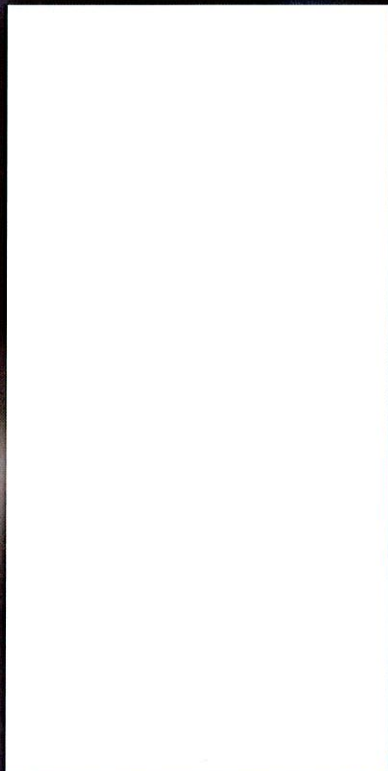
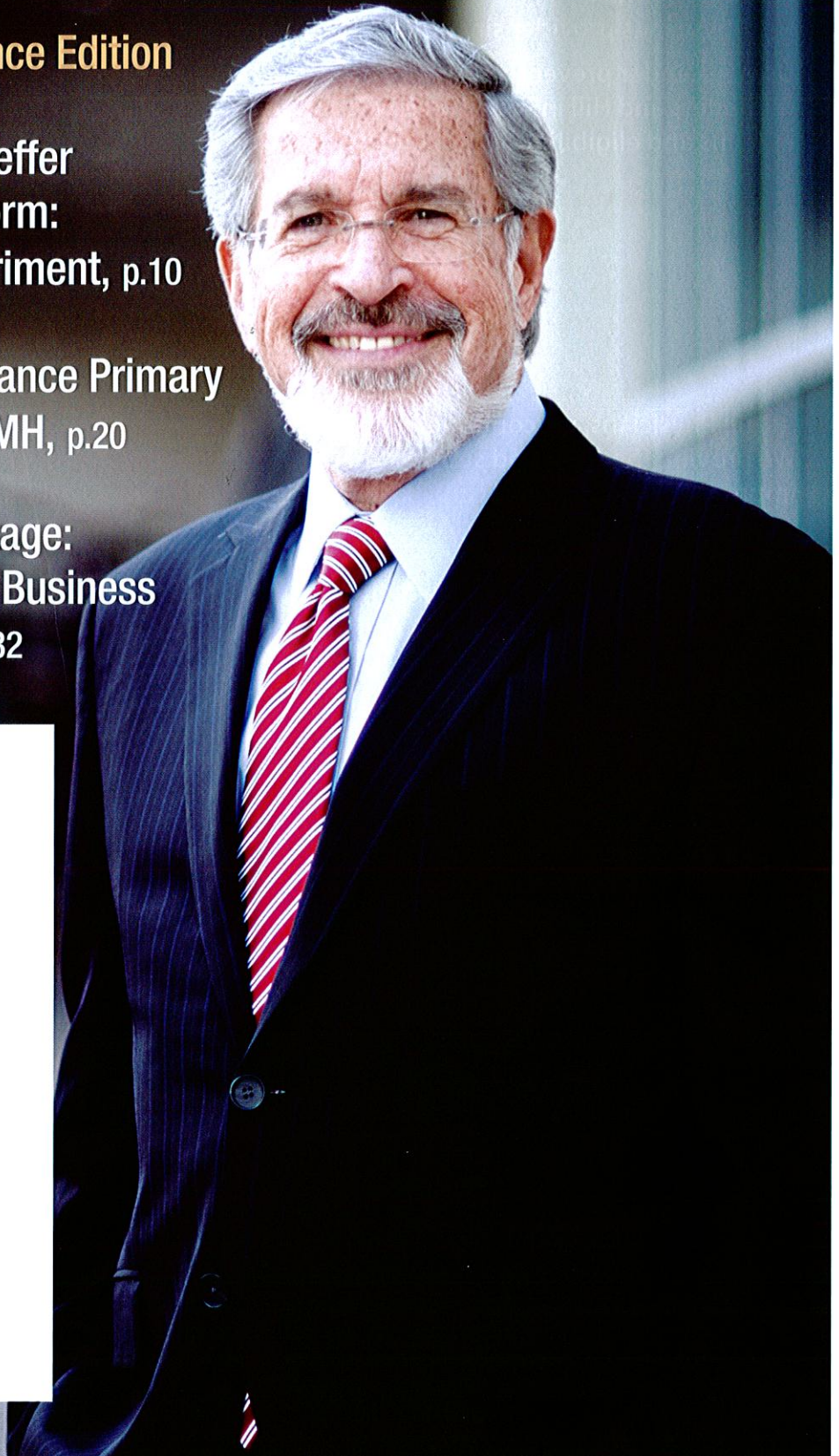
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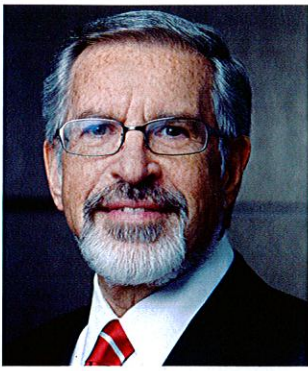
Special Conference Edition

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A Mission to Advance Primary
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Medicare Advantage:
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CAPG HEALTH

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PO Box 674, Sloughhouse, CA 95683
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Please send press releases and editorial inquiries to capghealth@capg.org or c/o CAPG Health, 915 Wilshire Blvd., Suite 1620, Los Angeles, CA 90017

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From the President

A MESSAGE FROM DONALD CRANE, PRESIDENT AND CEO, CAPG

CAPG Members and Friends:

Welcome to our special June Conference Issue of *CAPG Health*. Whether you're with us at the 2015 Healthcare Conference in San Diego or receiving your copy elsewhere, I hope you'll find it valuable. Many of our conference speakers also contributed to this month's magazine.

In recent years CAPG has taken an increasingly active role in helping to shape the future of healthcare. A key part of our mission is to educate and illuminate legislators and other policymakers whose decisions affect our groups. We have had a run of successes this year that I would like to share with you.

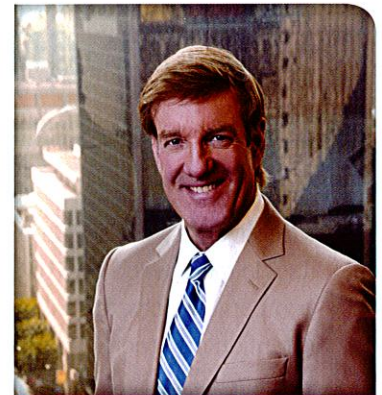
CAPG has joined a coordinated advocacy effort to protect and strengthen Medicare Advantage. This year, over 300 medical groups and independent practice associations signed a CAPG-led letter to the Administration urging an increase in Medicare Advantage payment. CAPG's efforts, combined with the efforts of many others, led to an increase in the 2016 payment rates: Rather than a 0.9 percent cut, CMS issued a 1.25 percent increase—a 2 percent-plus improvement in the overall picture for Medicare Advantage.

While the success is not ours alone, we know that the physician voice is an essential component to this shared victory. We thank all of the physician groups that added their support to this critical message. CAPG also extends our sincerest thanks to the many members of Congress that weighed in with the Administration to protect Medicare Advantage.

In a historic move, a bipartisan majority in both chambers of Congress passed a bill to reform the way traditional Medicare pays doctors. The legislation repeals the flawed, old payment formula and puts in place incentives for physician groups that take financial risk. CAPG has worked on this new payment structure from its inception and we believe that it charts a new course for traditional Medicare that will be favorable to CAPG members and physician groups across the nation.

On March 25, CAPG was privileged to join President Barack Obama, Department of Health and Human Services Secretary Sylvia M. Burwell, and other stakeholders at the White House kickoff of the Health Care Payment Learning and Action Network. This Network will serve as a forum for sharing and learning practices for transitioning from volume to value. I was honored to represent CAPG at the launch of this important program. The Administration's efforts through the Network represent a third area of policy pressure toward capitated, coordinated care models. CAPG looks forward to continuing to work with the Administration as the Network develops.

I also consider it an honor to be associated with America's finest physician groups and their many healthcare professionals. Thanks to all of you for your continued support. ○



Donald Crane,
CAPG President and CEO



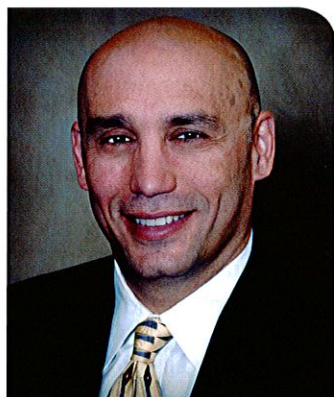
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and join us next year!

CAPG
The Voice of Accountable Physician Groups

13th Annual CAPG Healthcare Conference
June 16-19, 2016
Grand Hyatt, San Diego

Healthcare Innovation and Practice Transformation through Clinical Studies: The Role of Physician Groups

BY PETE FRONTE, MBA, PRESIDENT, ALTURA, LLC



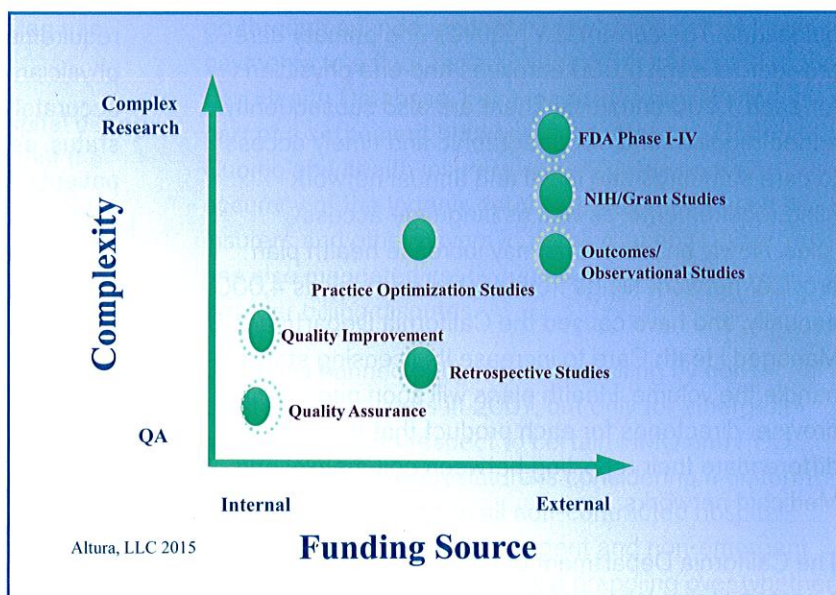
Today, many organizations, including employers, government agencies, foundations, health systems, insurers, and pharmaceutical, biotech and medical device companies are supporting or performing real-world studies and clinical trials to better understand

how to improve healthcare costs, quality and access. Since clinical data and large numbers of patients and physicians are required, these studies are best conducted in structured, coordinated healthcare settings. A 2007 article in the *Journal of the American Board of Family Medicine* said it best: "There is an increasing recognition that research not only about, but also within, primary healthcare is essential in all countries."

At the CAPG Annual Conference in June 2014, Mark Smith, MD, former and founding President and CEO of the California HealthCare Foundation, provided examples of how other industries study all aspects of their customer needs, including the use of control groups. He also asserted that most industries do a much better job than healthcare in understanding the behaviors and psychographics of their customers. Dr. Smith added, "PGs [physician groups] and hospitals do not invest in nor are equipped to study and understand the psychographics of their patient population, or the patient/doctor relationship. We need to know what a patient's life is like, such as their priorities, fears and aspirations,

in order to have a positive impact on patient-centric outcomes."

Leading PGs utilize workflow reengineering and quality improvement (QI) methods such as Six Sigma and Lean. However, structured and well-designed studies bring an additional element of validation and prestige. Internal evaluations and improvements of existing programs of care, service, and education are not considered research. A way to distinguish between QI and research is to understand the intent. If the purpose of the data collection is to contribute to "generalizable" knowledge that is applicable outside of the research setting, the activity is usually classified as research. Such activity is likely subject to Institutional Review Board (IRB) approval and informed consent. An internal, PG based IRB is not required. On the other hand, if the results stay entirely in-house and are used for administrative purposes only, many institutions do not consider this to be research. The continuum of clinical studies is depicted in the graph below.



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Today most physicians and PGs are not involved with clinical studies of any type. One limitation is that many PGs believe research is mostly about FDA-mandated clinical trials for investigational medications and devices.

The fact is that approximately 3 percent of physicians in this country have been involved as investigators for FDA-mandated studies, and most PGs do not have the structure or resources to conduct these types of studies. Experienced staff, dedicated space, standard operating procedures that comply with federal regulations, and custom operating structure are just a few of the elements needed to run the most complex studies. For most PGs, being involved with complex FDA studies is attainable. However, it requires a clear vision by leadership and a long-term commitment of resources.

According to Marc Hoffing, MD, medical director at Desert Oasis Healthcare, "We started with an NIH grant studying depression in the elderly, in collaboration with UCLA, that ultimately was published in *JAMA*. Over time we realized that our patient population, EMR and physician base allowed us to conduct research of all types. Now we conduct a spectrum of clinical studies including phase II-IV FDA-based clinical trials, as well as outcome and proof-of-concept studies."

Communicating results via clinical studies is an effective way to build a PG's image and brand and will help drive growth. When asked about increased brand awareness as a result of clinical studies in PGs, Dr. Robert Margolis, chief executive officer emeritus and co-chairman of the board, DaVita HealthCare Partners, commented, "Organizations that invest in clinical studies and participate in these types of programs are able to attract and retain skilled clinicians and researchers who want to be part of innovation and progress. This establishes a heightened culture of creativity and innovation that is very positive internally and externally, which results in the satisfaction of our customers."

According to Dr. Magued Beshay, research director and principal investigator of the Facey Medical Group, "Involvement in clinical studies is very important to the physician and the patient. Most physicians appreciate the break from the routine, experiencing increased

intellectual stimulation and attaining the prestige of contributing to the community medical knowledge base. They become part of the progress of medicine and this can help prevent physician burnout."

Practice transformation is essential even though PGs face economic and operational burdens that limit their involvement in healthcare innovation. Forward-thinking PGs that conduct clinical studies leverage this effort by bridging research activity to QI. As an example, Geisinger's 2013 System Report, *Transforming Healthcare Through Innovation*, states that clinical research is one of the foundations of Geisinger's QI efforts.

Clinical studies can be aligned with government, ACO and health clinical quality initiatives such as "pay for performance." Dr. Hoffing added, "Our aim is to maximize the integration of clinical studies with our core business, which results in studies being aligned with our core initiatives. As an example, a clinical study's enrollment screening can also support participation in our patient portal or diabetes screening program."

Bill Gil, chief executive of Providence Health Network, Southern California, commented on the strategic focus needed for clinical research. "Many times when organizations commit to clinical research, they isolate and segregate the effort and it does not enter into the strategic value proposition that determines the future of the organization. Clinical studies must become part of the PG's value proposition, not just another department."

PGs that continuously improve systems and processes to enhance quality and contain costs will succeed in attracting and retaining patients. Compelling reasons exist for PGs of any size and structure to be part of internally or externally driven clinical studies in a direct or indirect manner. An important strategic question for PGs is not if, but to what extent and how, they should participate in these studies. ○

Altura is a CAPG Affiliate Partner that has been providing specialized services to physician groups, healthcare organizations and study sponsors for over 15 years. Our mission is to accelerate healthcare innovation by optimizing patient and physician participation in quality initiatives and clinical studies. Mr. Fronte can be reached at pfronte@altura2000.com.