

Weathering Major Changes that Impact Medical Practice Finances

by Bill Appling

Gains in performance and revenues from adopting new technologies depend on timing, thorough implementation planning, and the balancing of a practice's infrastructure.

The Centers for Medicare and Medicaid Services (CMS) and the Federal Drug Administration (FDA) have set the tone for more aggressively pro-technology policies. Changes loom on the horizon as a result of the Medicare Modernization Act (MMA) of 2003. As a result of President George W. Bush's executive order declaring it a national goal to make the nation's healthcare "paperless" within 10 years, medical groups are in various stages of evaluation or implementation of electronic health records (EHRs).

Information technology will finally offer real increases in productivity and returns on investment, but with strong warnings that half-hearted implementations can result in expensive failures.

A common characteristic of successful EHR selection and implementation is teamwork, with medical group executives and physician leaders working together. A statement articulating the goals and expected outcomes to provide a higher level of care and ensure patient safety is consistent with a group's success to maximize the costs and efforts associated with EHRs.

Both Mid-South Pulmonary and Memphis Orthopedic Group have taken a proactive stance using CMS protocols and measurements to prepare for pay-for-performance and other requirements. Both organizations agreed the importance of time efficiencies, decreasing costs to provide services, reduction of errors and improved satisfaction for patients, providers and staff were priorities.

Mid-South Pulmonary Specialists looked at numerous EHRs and visited 12 sites during their due diligence before selecting NextGen as the practice's EHR system.

Mid-South has 15 providers. Kim Avery, business administrator, Teresa Golden, practice manager, and Dr. Roy C. Fox, managing partner, knew the investments of both finances and people required a detailed analysis. The group had input from everyone in the practice to create a list of key processes affecting EHRs.

Office statistics show that 85 percent of their patients are seen in the hospital, with the majority having multiple chronic conditions that must be documented. Mid-South Pulmonary had to take into account multiple interfaces with radiology, laboratory, pharmaceuticals, hospital medical records, other clinical devices and insurance information. These interfaces are important to insure healthcare continuity and patient safety.

Part of Mid-South's evaluation process included a system that had the flexibility for clinical measurements and outcomes in preparation for the future in meeting criteria, which will be required by Medicare and other payers in pay-for-performance initiatives.

Mid-South Pulmonary Specialists already has some interfaces with both Methodist and Baptist hospitals. The goal is to work toward more collaboration with both hospitals to achieve complete integration of information from and to the hospitals.

Memphis Orthopedic Group also went through an exhaustive due diligence involving numerous physicians and the management team in bringing together their four locations.

Dan Hein, executive administrator, and Dr. Riley Jones, one of the physician leaders of the group, went through some of the same intense scrutiny for their group, and they were concerned about making a good decision because of the financial costs associated with it.

They also took into account the functions and features of such a decision with pay-for-performance and Medicare's emphasis on quality measurements and the tie to reimbursement. Examining a variety of issues, from the increase in aging baby boomers and orthopedics being on the front line to emergency room visits by individuals, the group also was concerned with the technologies and their interfaces.

Memphis Orthopedic Group evaluated the implications of using EHRs as a productivity-enhancing technology, which requires substantial redesign of work processes, training and IT support and the integration of security to meet HIPAA requirements. The group eventually chose Misys as its EHR system.

Both Memphis Children's Clinic, with 28 physicians and six locations, and Pediatrics East, Inc., with 20 physicians and five locations, use the NextGen EHR system. The physician leaders of these two groups worked collaboratively in the development of a pediatric knowledge base, which is the backbone of any EHR system. These knowledge bases are instrumental in providing the information to effectively measure medical outcomes that will be used by the different payers to pay physicians and other providers.

These two pediatric groups combined have the largest secured database of clinical information for children in Tennessee. Memphis Children's Clinic and Pediatric East can use this information to provide better access and research for the healthcare needs of children. They are constantly looking at sharing their clinical data with other pediatric specialists to speed up the processes in providing better care and increasing accesses for children for other specialized services when needed.

Currently, NextGen and Misys together now have the largest installed base of EHRs in the greater Memphis area.

Many healthcare organizations will face an explosion of data from new devices and information systems, with an urgent challenge to turn the data into actionable information. Successful adopters, such as the groups in this article, will gain data-driven processes for the management of administration and clinical care.

They will also develop economic strength resulting from direct improvement in profitability and indirect enhancements to physician and employee satisfaction and retention. Innovative groups

such as these improve productivity and quality combined with protocol-driven management procedures. They also generate important new business models that should allow these early acquirers of technology to provide support and care management to a wide range of individuals and institutions.

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