The West Tennessee Health Care System in 2020

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Why Change?

- Three Inconvenient Truths about Health Care—Victor R. Fuchs, NEJM 23 October 2008
  - Health care expenditures have grown 2.8% faster than the rest of the economy for 30 years. This crowds out spending for other purposes.
  - Advances in medicine account for most of this 2.8% premium.
  - Universal coverage requires subsidies for the poor and sick, and compulsion for everyone else.

Quality Medical Care Is

- Safe
- Timely
- Effective
- Efficient
- Equitable
- Patient Centered
  - Does this sound like what you mean when you say a colleague is a good doctor?

Standardization of Practice

- Safety in complex systems requires considerable standardization of care processes.
- Improving quality outcomes likewise requires standardization of care.
- Maintaining 24 hour availability with coverage requires standardization.

Standardization of Practice

- Physicians are trained to see their efforts as primary, and measure them in terms of individual patients—we see exceptions, not the "standard."
- The goal is to standardize that which must/should be standardized, but no more.

Chronic Disease Management

- More than half of physician encounters involve management of chronic, rather than acute, self-limited diseases.
- Many acute processes, e. g. surgery, are complicated by chronic disease issues.

Chronic Disease Management

- Coordination of Care
- Philosophical/moral issues
- Remembering
- Necessity for IT systems—but who sets the rules

Care Level Definitions are changing

- What are primary, secondary and tertiary care today?
- Where are they delivered?
- Who gets paid and for what?
- Does MD provided primary care have a chance outside ZIP code 38305?

Care Level Definitions are changing

- The Hill-Burton county hospital is dead.
- Hospital based procedures are increasingly sub-specialized.
- Maintaining competency in most procedures requires doing adequate numbers every year for the physician.
- Does this mean Jackson General is now a secondary hospital?

Putting These Together

- The best health care systems in the future will be able to match dollars and resources to meet patient care needs wherever they occur.
- The best health care systems in the future will be CLINICAL organizations capable of rapid adjustments to changing clinical realities.

Bottom Line

Excellent health care systems of the future will be organized around clinical realities, not business units.

Excellent health care systems of the future will need flexible business units to capture the dollars necessary to achieve the medical mission.

Buzzwords

- Integration (of doctors and hospitals)
- Aligning Incentives
- Breaking Down Silos
- BUT—
  - Doctors and hospitals have different strengths and weakness; properly done, integration builds on respective strengths and mitigates respective weaknesses

The Dual Nature Problem

- Given that medical organizations are both clinical entities and business entities, it is important to have physician and administrative leadership at every level of the organization

Basic Belief 1

- Physicians do not respond to traditional management methods, so it is important to organize the physicians into a separate organization where they can take care of their own governance.
  - Budetti, P. P., et. al. Physician and Health System Integration. Health Affairs J 2002; 21(1) Jan/Feb 2002, p. 203

Basic Belief 2

- Maximizing strengths means that physicians serve best as clinical decision makers and lead the professionals (with administrative input) while administrators make business decisions and manage the organizations (with physician input.)

Doctor Strengths

- Deep knowledge of clinical realities
- Comfort level operating within broad statistical probabilities
- Flexibility to rapidly adjust to changing realities
- Focus on individual patients and their particular needs at a particular point in time

Doctor Weaknesses

- Short attention span—difficulty dealing with projects that take a long time to produce results
- Lack of knowledge of business and administrative realities
- Lack of community awareness and community needs
- Business organized to pay all of the excess to the physician this year—no financial capital

Hospital Strengths

- Bureaucratic structure necessary to sustain long-term efforts
- Financial capital
- Community awareness, if not responsiveness

Hospital Weaknesses

- Rigidity
- Non-responsiveness to individual needs of patients (or doctors)
- Inability to incorporate clinical information into decision making

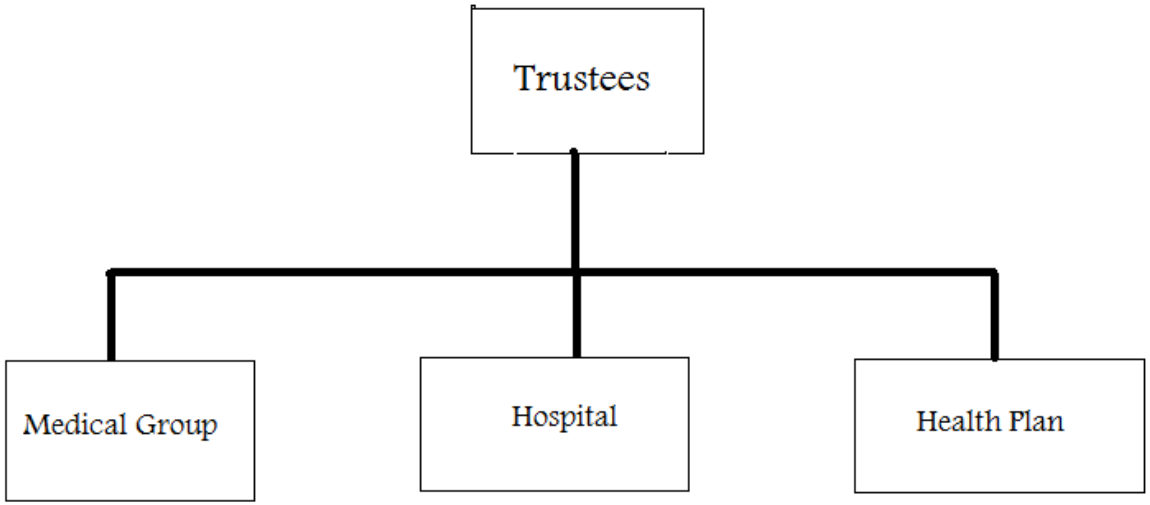
Summary

- Doctors have intellectual capital, decision making capability, and flexibility to focus on the individual
- Hospitals have financial capital, organizational infrastructure, and the steadiness to focus on long-term projects

Building on Strengths and Mitigating Weaknesses

- The best integrated systems today, and for the foreseeable future, do NOT merge doctors into hospitals, but do bring physicians into positions of leadership and decision making capability.
- What does this look like, and why is it necessary to do it this way?

Organizational Structure



Implications of change

- For the patient
- For the community
- For the hospital
- For The Jackson Clinic
- For other physicians
- For you