

# Physician Hospital Alignment for Central Oregon



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Oregon Health Policy Board

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# Regional Efforts

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- St. Charles Health System, along with physicians, caregivers and community partners, is embarking on an exciting path toward what is believed will result in meaningful health care reform for the region.
- Much of that work has centered around the Triple Aim, as defined by the Institute for Healthcare Improvement (IHI).
- PHA Membership: **470+ physicians and providers**



# Physician Hospital Alignment Objectives

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## The Triple Aim

(Institute for Healthcare Improvement)

- 1. Improve population health**
- 2. Reduce per capita cost**
- 3. Improve patient experience**
  - 1. Outcome**
  - 2. Safety**
  - 3. Satisfaction**



# Assumptions

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- 1. Medicare reimbursement will decline**
- 2. Employer-sponsored coverage will continue to decrease**
- 3. Number of uninsured will continue to increase**
- 4. Larger emphasis from payors and purchasers placed on value and quality metrics**
- 5. Payment reform will focus on bundling around specific conditions**
- 6. Access will continue to be problematic for Medicare, Medicaid and uninsured patients**
- 7. Integration will allow for better care coordination and outcomes**
- 8. Regional vision needed to align multiple stakeholders**



# Physician - Statement of Commitment

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## ■ Mission Statement

- The mission is to be a unified, principles-based group of physicians that works with St. Charles Health System and other partners to build a physician-directed, community-based health care system in Central Oregon that will improve the health of the community, enhance the patient care experience, and reduce or control the cost of care.

## ■ Code of Conduct

- Abide by the principles of trust, mutual respect, accountability, and loyalty to the group as a whole.



# St. Charles - Statement of Commitment

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The Board of Directors of St. Charles Health System approved and adopted the following statement of commitment to signal alignment with physicians and stakeholder communities:

**“The St. Charles Health System Board of Directors commits to co-create a community-based, physician-led health care system in Central Oregon that aims to enhance the patient care experience, improve the health of the population, and reduce or control the overall cost of care by working with physicians, caregivers and community partners who are aligned with these goals.”**



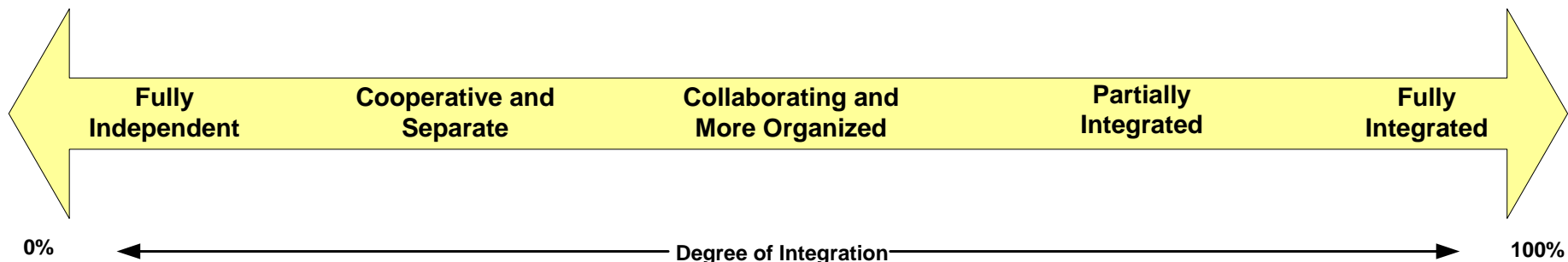
# Background, Research, and Findings

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- **Key Contacts**
  - **Bellin Health**
    - Green Bay, Wisconsin
  - **Group Health Cooperative**
    - Seattle, Washington
  - **Geisinger Health System**
    - Northeast - Pennsylvania
  - **Governor John Kitzhaber**
  - **Institute for Healthcare Improvement (IHI) – Dr. Don Berwick**



# Alignment Continuum



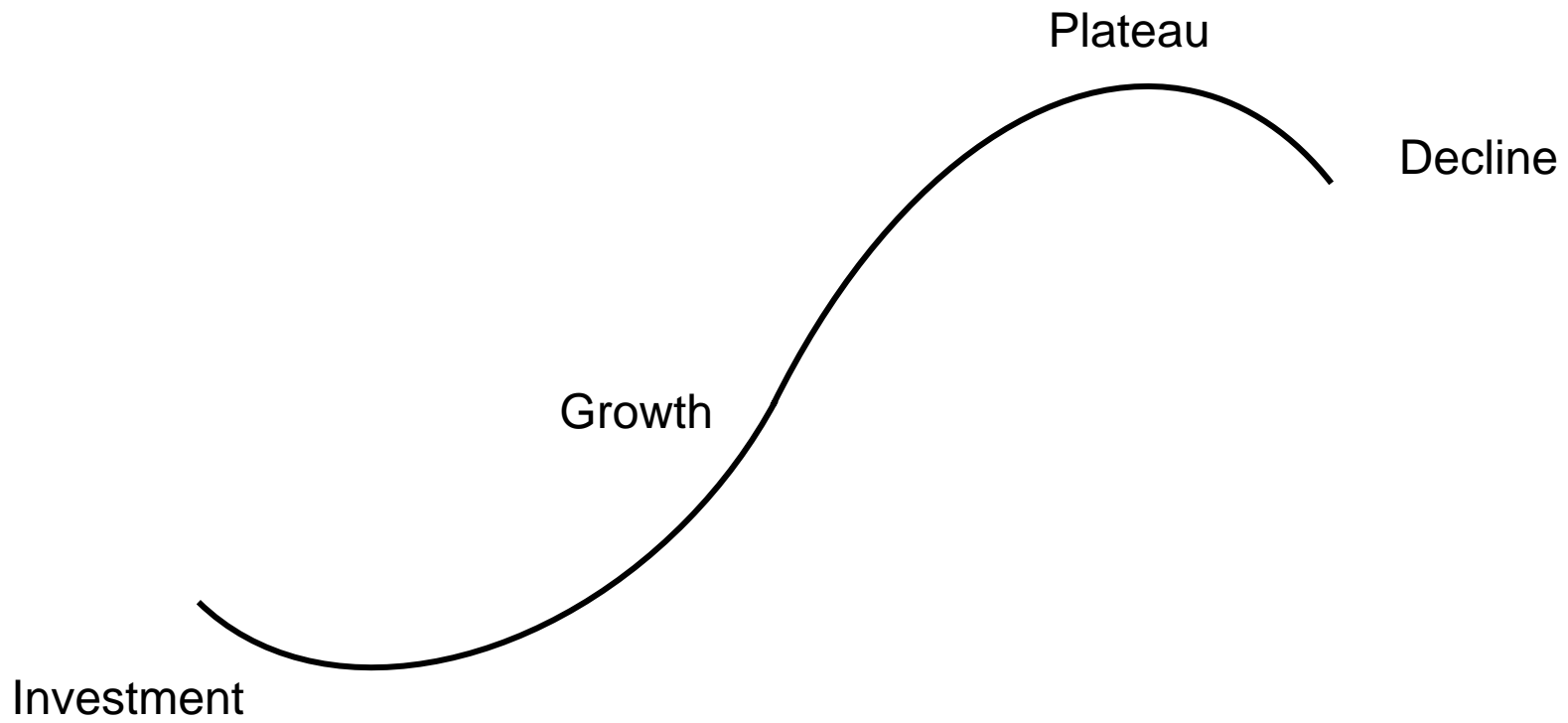
**Fully Independent:** We function in separate worlds and sometimes/often compete. The hospital and physicians are fully independent both economically and organizationally.

**Cooperative and Separate:** We get along most of the time and work together some of the time with most of our physicians, but have problems with competition and lack of physician engagement.

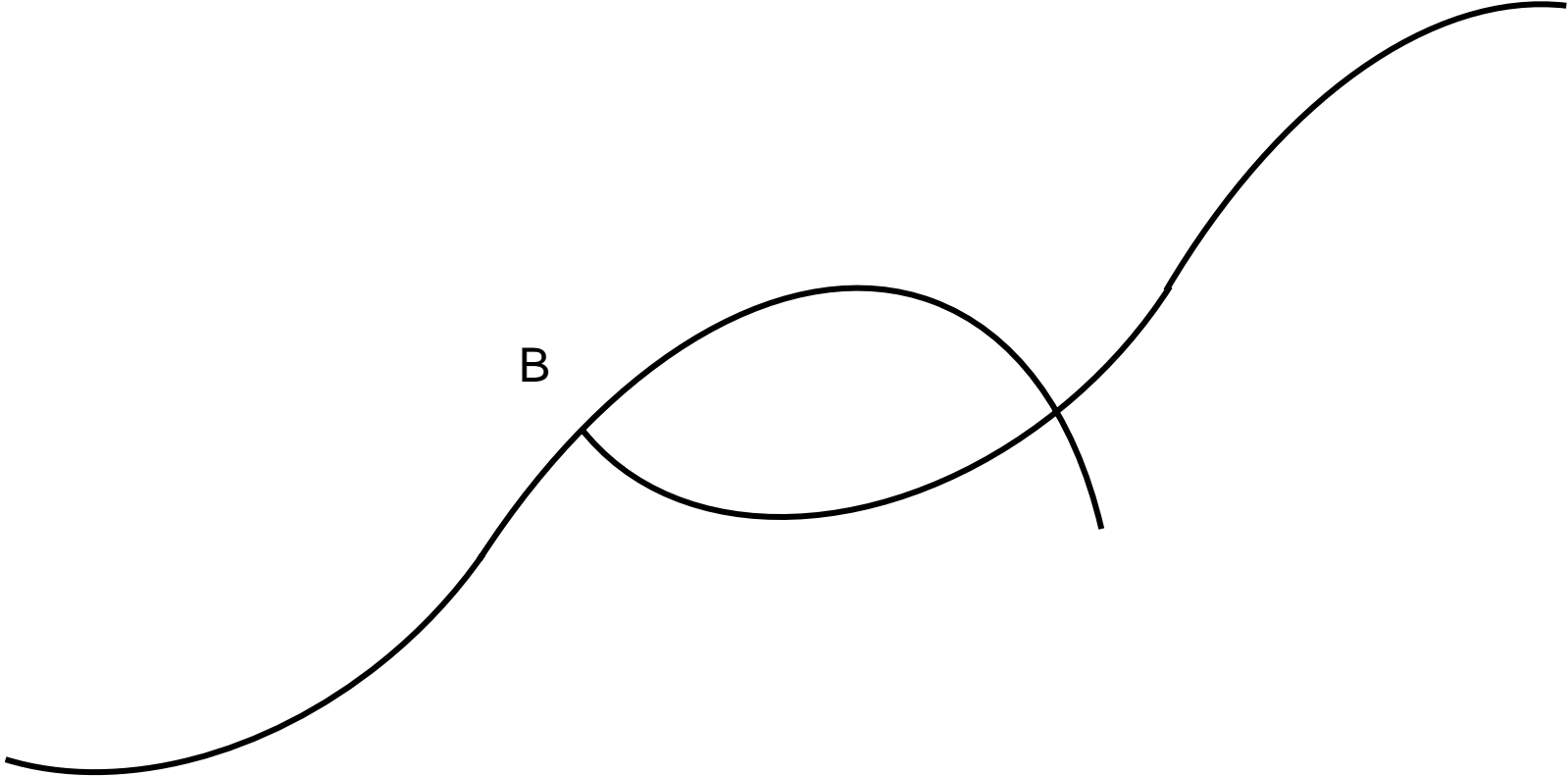
**Collaborating and More Organized:** We're implementing a co-developed strategic plan to align our interests using various mechanisms, including physician employment, joint ventures, and professional services contracts. We have a policy to address physician competition.

**Partially Integrated:** We have implemented a "preferred" alignment model and are far along toward engaging aligned physicians into system-wide strategic planning, co-management of clinical service lines, quality improvement activities, and joint contracting.

**Fully Integrated:** The hospitals and physicians operate as a single integrated enterprise, with physician leadership and professional management, resulting in integrated strategic planning, financial incentives, quality goals, and contracting with health plans. The hospitals and physicians are tied economically and function in organized systems of care delivery.



Excerpt from "The Age of Paradox," Charles Handy, 1994



The Second Curve  
Scenario B