



Next Steps for Hospitals in an Era of Reform: What Board Members Should Consider

The Issue

With the future of the Affordable Care Act more certain, hospitals and health systems should focus on initiatives that improve the patient experience, enhance population health, and reduce healthcare costs.

Background

Despite vigorous legal challenges, last June, the U.S. Supreme Court upheld the constitutionality of the Affordable Care Act (ACA), a little more than two years after it passed Congress. And following a long and contentious campaign, President Obama was elected to a second term in November, thus ending—for all practical purposes—any threat that the ACA will be repealed.

Now that the future of the ACA is more certain and reforms are beginning to be implemented, hospitals and health systems should steer a course toward a healthcare delivery system that pursues the “triple aim” of improving the patient experience (quality and satisfaction), improving the health of populations, and reducing the per-capita cost of health care.

Action Steps for Providers

There are five innovative ways in which hospitals are preparing for an era of reform.

Developing virtual-care models that enhance access to care. For example, KentuckyOne Health has developed a community-based “virtual-care model” that uses physician assistants, nurse practitioners, dietitians, and other nonphysician providers who are linked through telecommunications to physicians within the larger system. In Kentucky, half of the state’s counties are underserved by physicians, and some counties have no physicians at all. This technology enables

Summary of
“SCOTUS and the
Voters Have Spoken:
Where Do We Go
from Here?” by
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the health system to increase access for residents in communities that are economically challenged, with a large number of uninsured patients, so that care may be provided locally, says Daniel W.

Varga, MD, chief clinical officer for KentuckyOne Health.

Entering into joint arrangements with other health systems to form accountable care organizations. Interviews with provider executives point to efforts to develop ACOs and ACO-like entities on the provider side. For example, Glenn Fosdick, president of Nebraska Medical Center in Omaha, points out that for more than two years, his facility has been offering an ACO-like arrangement in a joint project with Methodist Health System.

“We knew there were going to be market-driven changes regardless of the outcome of the Supreme Court decision,” says Fosdick. “Reimbursement couldn’t continue the way it had been structured, so we had to plan to reduce costs while maintaining or improving quality.” Nebraska Medical Center has done so by aligning physician and hospital interests for the betterment of both.

Working internally to improve value, enhance customer satisfaction, and reduce costs. “We’re working to help our communities understand the implications of reform, and we’re working

internally to improve value, add customer satisfaction, and reduce costs,” says Michael M. Allen, CFO and treasurer, Winona Health Services in Minnesota. “We’re doing this to be prepared for whatever the regulatory scenario happens to be.”

Promoting the use of standard clinical protocols for certain procedures. Both Fosdick and Varga promote the use of standard clinical protocols for certain procedures, and both see management of a population’s health as the key paradigm shift. “Global capitation is a long way off for us, but what we learn in the interim will help us when it finally comes,” says Vargas.

Investing in initiatives designed to reduce readmissions. In Nebraska, the challenge in reducing readmissions through improved management of chronic conditions is not so much poverty as it is access issues, due to the distances involved. “One of the quality issues we face is to reduce the number of hospital readmissions,” says Fosdick of Nebraska Medical Center. “When the patient has to travel 100 miles or more to get to a hospital, readmission is a real issue for patient satisfaction.”

For more information, read the full article on this topic: hfma.org/january2013bev2.