Clinical
CONNECTIONS

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How to Control Spending in Healthcare: What are the options?

By Erik Swensson, MD, FACS
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Most everyone agrees that the American system of healthcare costs too much. Many say that the Government (i.e. taxpayers) should pay the nations' healthcare bill so that everyone has access to all of the healthcare services they want. However, research has shown that without a process to make sure dollars are spent wisely and on necessary care, we will all pay a very heavy price and not just in dollars.

A recent editorial in *The New England Journal of Medicine* said: "Healthcare systems in Europe, Canada, Japan, and beyond, all of which spend much less than the US on medical services rely on regulation of prices....System-wide [government-imposed] regulation of spending...is the key to controlling healthcare costs." Is America destined for the same fate? Should we leave cost containment up to a panel of bureaucrats that have only a controlled budget as the end point of their decisions? For the health of our citizens and our country, and from my personal perspective as a practicing physician, I believe that we must find a better way.

I believe the pursuit of health should be a partnership between a patient and his or her physician. The power to decide what healthcare an individual needs and receives should be, with input from patients, in the hands of physicians, not bureaucrats. Patient responsibility and accountability needs to be a major part of cost control as well if we are also going to have a healthier population. There needs to be a national, state and local effort to educate individuals about their health and how their bodies work. Physicians and physician groups are arguably best suited to lead this education effort along with patient groups.

The present system of how doctors get paid, fee for service, is already going away, and with it incentives to produce high volumes of work. However, in order for physicians to truly embrace controlling unnecessary care, I believe we need to have strong and powerful peer review at the heart of the medical liability system.

It is estimated that between 5 and 30% of the $2.4 trillion we spend on medical care every year in this country is unnecessary. Decreasing that by 25% would save hundreds of billions of dollars a year. That is enough to pay for everyone uninsured to have health insurance, with billions more saved for other causes. Without

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Introducing ACES
(Advanced Clinical Electronic System)

Clinical Transformation Journey Fully in Progress

Capella Healthcare has embarked on a clinical transformation journey that will convert all hospitals' core clinical systems to Meditech 6. The ACES (Advanced Clinical Electronic System) project officially launched in June with the first meeting of the Physician Advisory Group (PAG).

David Siepmann, MD, is chairing the Physician Advisory Group (PAG) which provides overall guidance for the implementation of new clinical IT initiatives. A Dartmouth-trained radiologist who practices at Capella's Willamette Valley Medical Center in Oregon, Dr. Siepmann say he spends his life interacting with a number of computer systems and is excited the role of the PAG.

David Siepmann, MD
Chairman
Physician Advisory Group

"It's an exciting thing. We have physicians representing a broad group of specialties throughout Capella who are really helping guide the implementation of this dramatic change in how we all do business," he said. "There are external reasons to do it, such as government mandates, but fundamentally the reason I'm so committed to it is that these computer systems have the potential to truly improve the way we take care of patients. They can help us prevent

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some major change, the amount we spend for healthcare is going to explode. Medicaid in Massachusetts (before their health reform) cost the state approximately $200 million and it now costs over $800 million. The Federal Health Reform Act and the Affordable Care Act of 2010 did not include the patients' role in cost control nor did it include any real medical liability reforms.

Close to 100% of doctors practice defensive medicine because the present legal system is not consistently equitable in its evaluation of a physicians' medical care. It does not protect physicians from frivolous malpractice claims. At the same time it does not, in a just manner, compensate those patients harmed by malpractice. Personally, I feel – as I know many of you do – that the present system of medical liability needs to be completely overhauled. The goal should be to develop a system that is equitable to both patients and physicians, and that allows almost anyone medically injured into the system, and do it in a predictable and timely fashion.

A peer review system that can be accessed by any patient who has a medical care related injury, even with losses as small as $5,000, would be a start. These cases would be reviewed by a panel of three physicians from the specialty of the defendant doctor and one healthcare attorney. Cases would be blinded so the reviewers would not know the name of the physician, patient, or where the care was given. If two or more of the three physician reviewers agreed malpractice had occurred, the patient would be paid a set amount of money for pain and suffering and be fully compensated for actual financial losses.

If two or more of the three reviewers felt there was no malpractice, no payment would be made. However, patients would still have full rights within the states' statute to pursue legal action if they disagreed with the panels' decision. Furthermore, and this is critical in my opinion, the findings and the decisions of the medical review panel would become part of the case record. It would be fully available to both the defense, plaintiff attorneys and the jury to read. If the party who took the case to court loses, they pay court and attorney fees. This type of system would allow for strong peer review of the case with the results given to the doctor for educational purposes. It would be the best way for a physicians' work to be accurately and predictably evaluated and by doing so would remove an obstacle to quality improvement processes hindered by the present random medical liability system. All patients injured who wanted to have their case heard would have this done, and a judgment rendered in an efficient and equitable way. This system of peer review is already successfully used for other professions. One of the main reasons for unnecessary care, defensive medicine, would be greatly diminished.

Only through personal accountability by both the physicians and patients can we hope to control costs and achieve excellent health and health care. Having the best health possible for the longest period of time for citizens of our country should be the goal of the medical community and our patients themselves. It is time for physicians and the American population to work together to create a better vision and plan than what's in place today.

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errors, give us information there's no way we could remember at the time, and help coordinate care between providers. But it takes a lot of work to get things set up the correct way. The role of the Physician Advisory Group is to exploit the range of experiences from physicians who are equally passionate about providing quality patient care and how computers can help."

Al Smith, Capella's Chief Information Officer, is directing the project. "Over the next few years, all of our facilities will make this journey in order to provide a long-term Information Systems foundation to support our clinicians and clinical departments, meet continuing government mandates and engage our physicians in reducing variability to provide the highest quality and safest experience in our hospitals," he said. "Eight hospitals are currently engaged in developing our best practice enterprise system design with plans for our first facility to go live during the summer of 2012."

The initial scope of the project includes Registration, Medical Records, Nursing, ER department, Pharmacy, Lab, Radiology, Ancillaries, Quality, Risk Management, Utilization Review, Reporting, Order Entry, Physician Order Entry (CPOE) and Physician Documentation.

Any physician whose hospital is in the first wave of Meditech conversions is encouraged to bring questions or concerns to their hospital's representative on the PAG. For more information or to see the listing of PAG members, visit the "For Physicians" section of Capella Healthcare's website.

To hear Dr. Siepmann discuss the development and role of the PAG, visit the "For Physicians" section of Capella's website or the YouTube channel at http://www.YouTube.com/CapellaHealthcare

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