



Hospital/Physician Gainsharing – Role within Hospital –Physician Alignment Strategies

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THE DILEMMA OF HEALTH CARE REFORM

PROVIDERS FACE MARKET
AND REGULATORY
FORCES

REDUCTIONS
IN REVENUE



HOSPITALS &
PHYSICIANS



CONTINUED
DEMAND FOR
QUALITY

Physicians Control The Majority of Hospital Costs

1

- Boston University School of Public Health study on Health Care Costs from 2000-2005: Physicians control 87% of spending

2

- Physicians know where the waste exists.

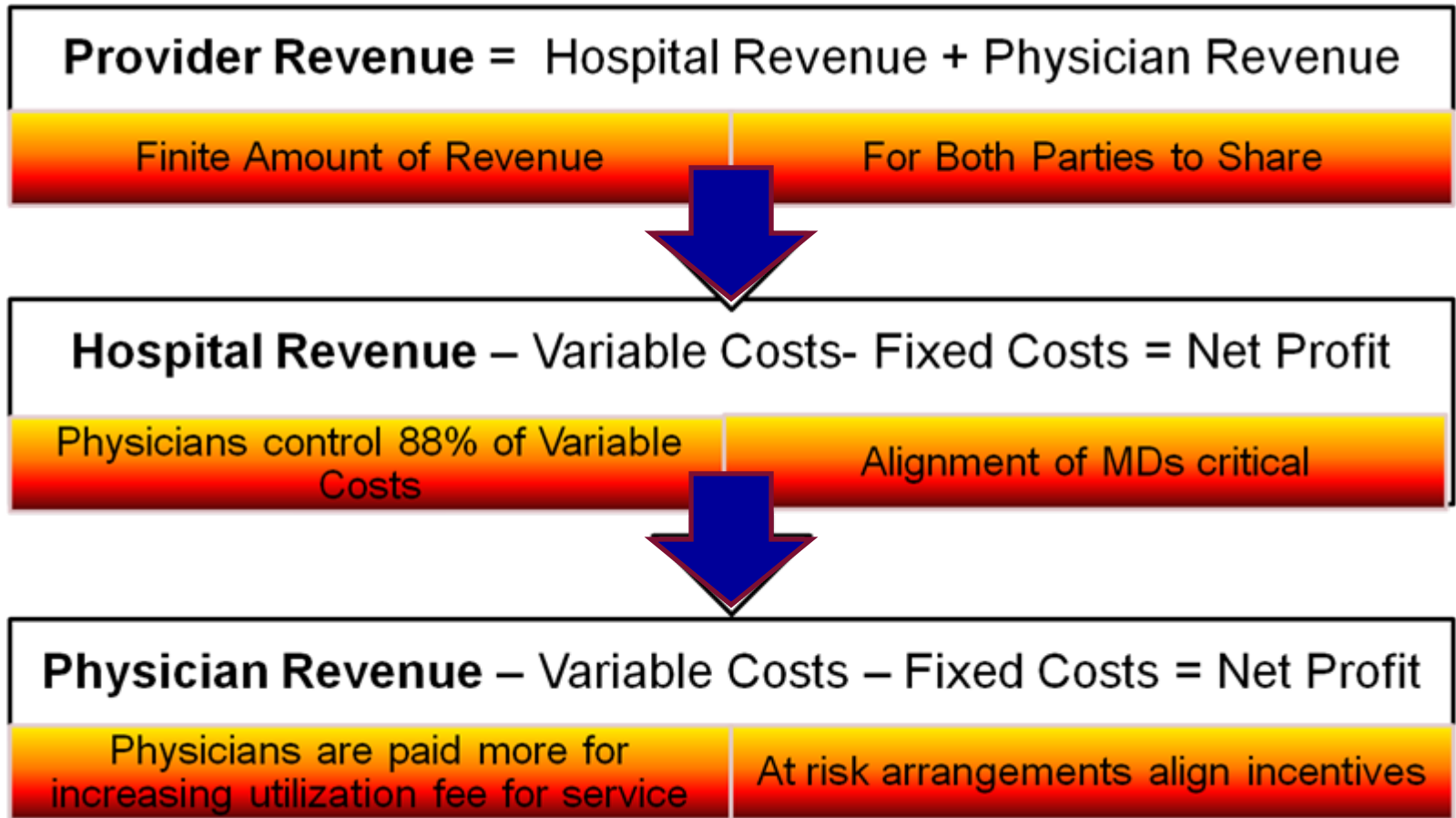
3

- An individual doctor's decision is the best way to assure that patient care is not compromised when saving money.

4

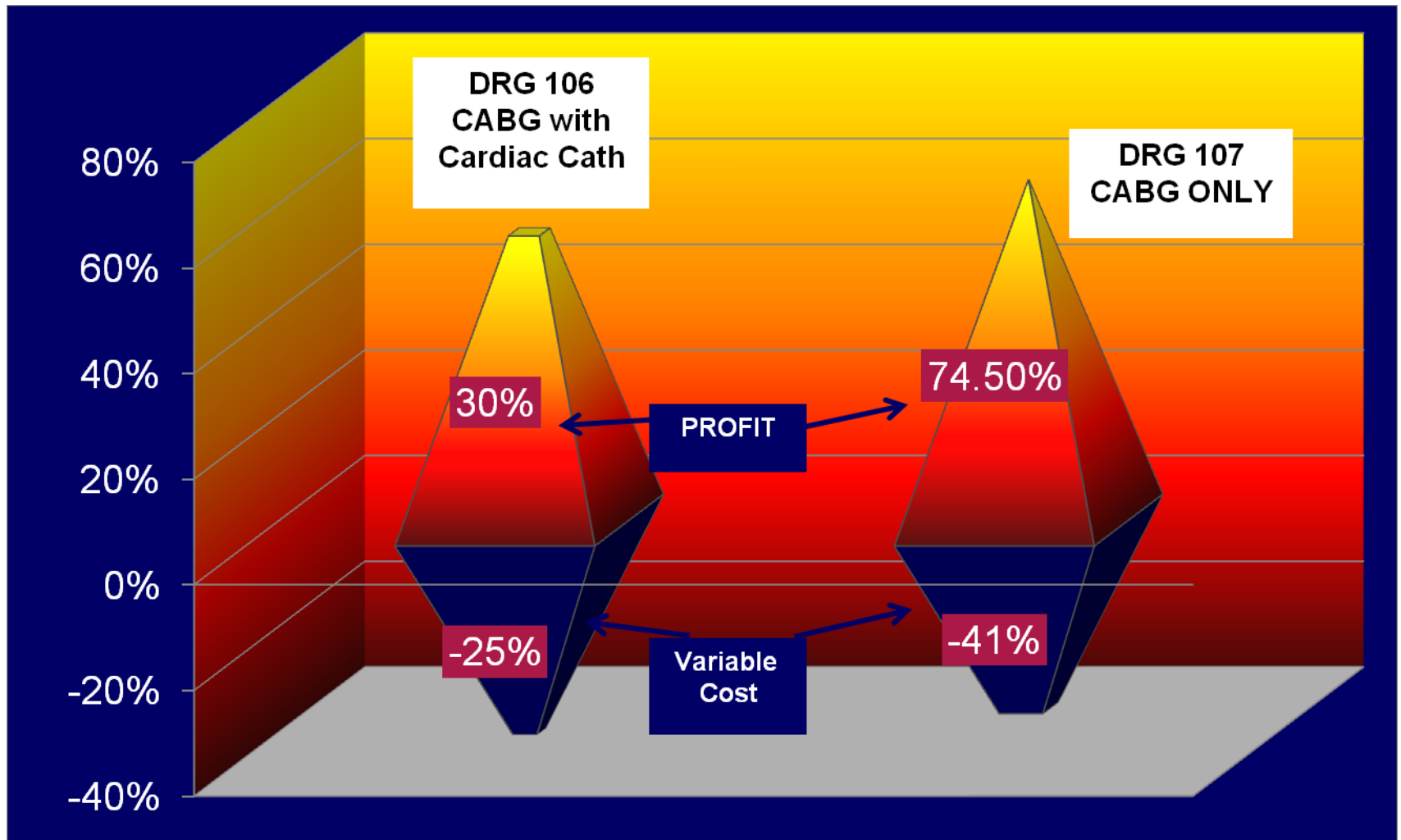
- Physicians assume the risks of delivering care.

The Algebra of Healthcare Reform



Saint Joseph's Hospital of Atlanta

Medicare Coronary Artery Bypass Project :
Hospital-Physician Alignment Program



OLG Definition of Gainsharing

“...arrangement in which a hospital will share with each physician group a percentage of the hospital’s cost savings arising from the physician groups’ implementation of a number of cost reduction measures in certain cath lab procedures.”

Quality

Defined approach

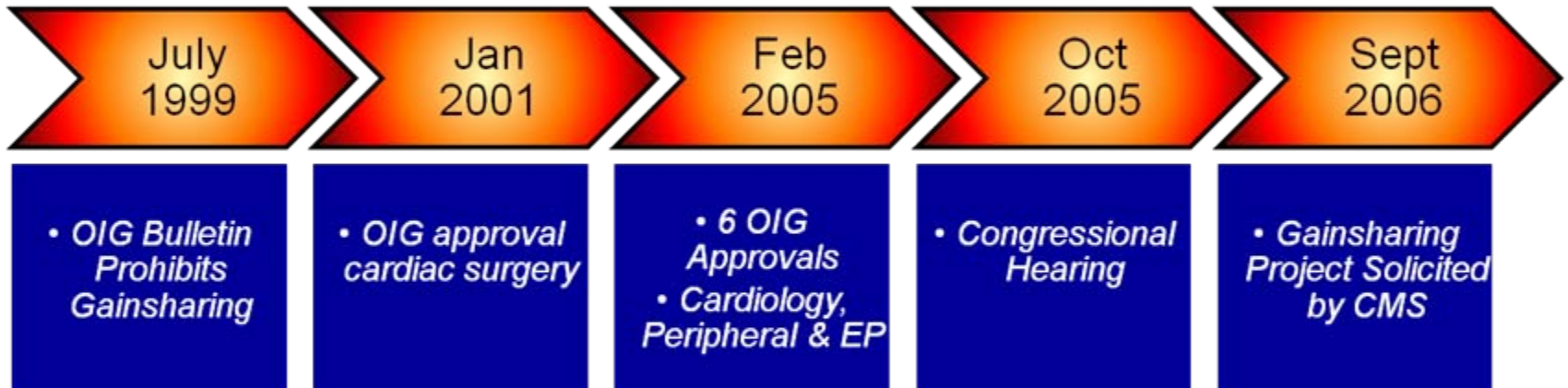
Defined measurement

Do NOT limit supplies and technology

Patient focused

Physician Driven

Gainsharing Timeline

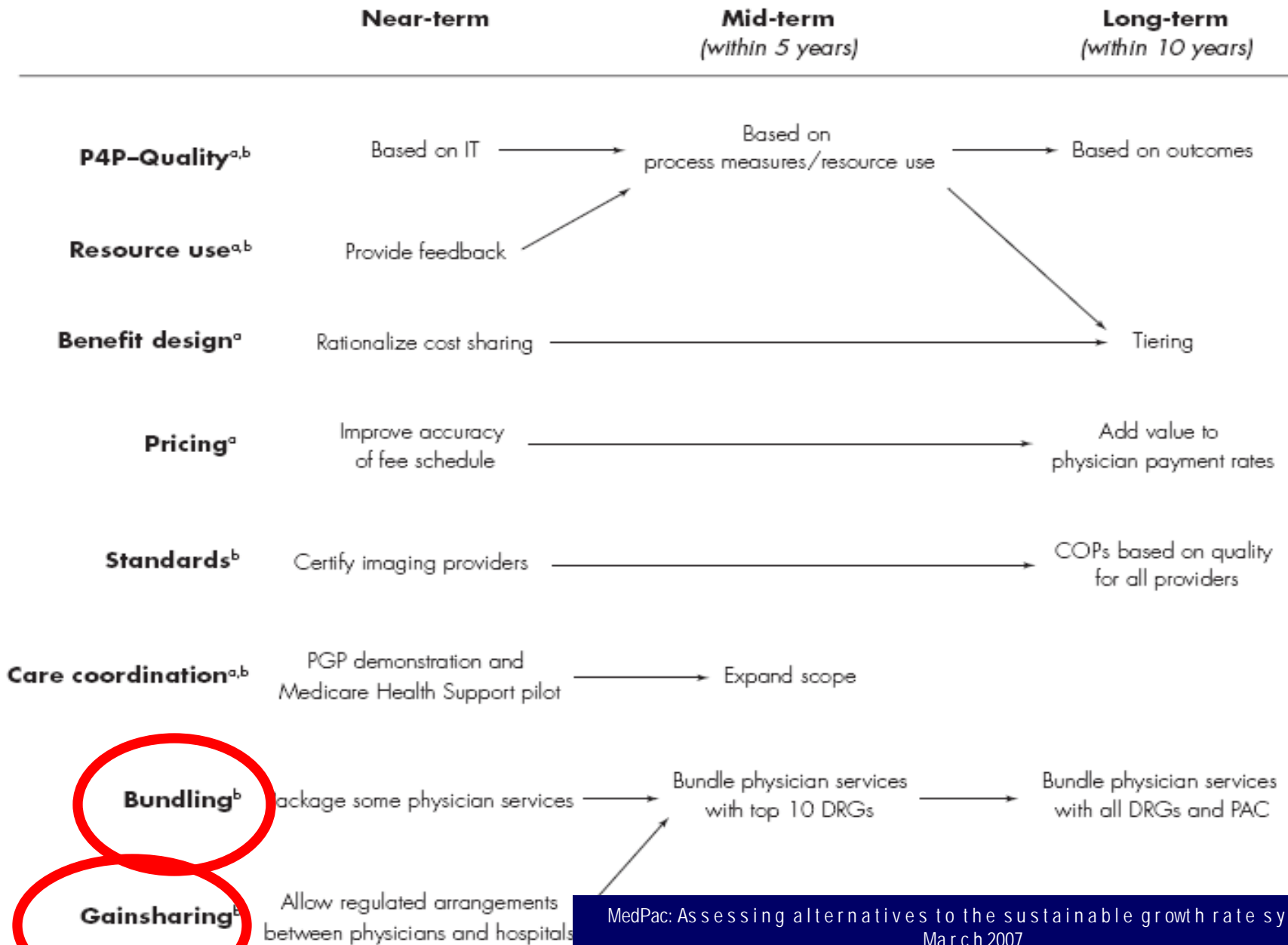


Gainsharing Timeline

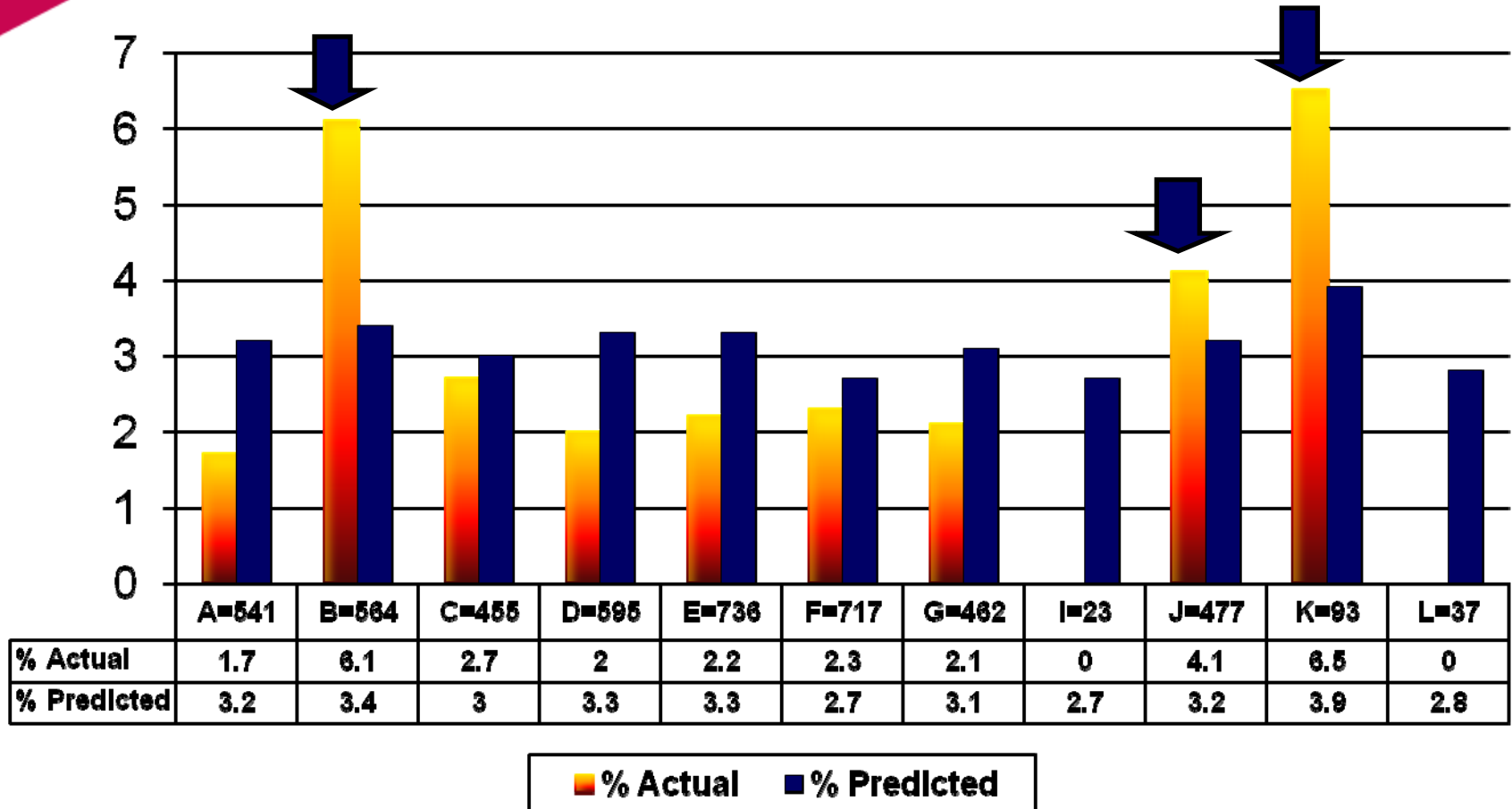


***Gainsharing limited for hospitals and physicians by the laws.
The same does not apply for managed care companies.***

Timeline for possible physician policy improvements

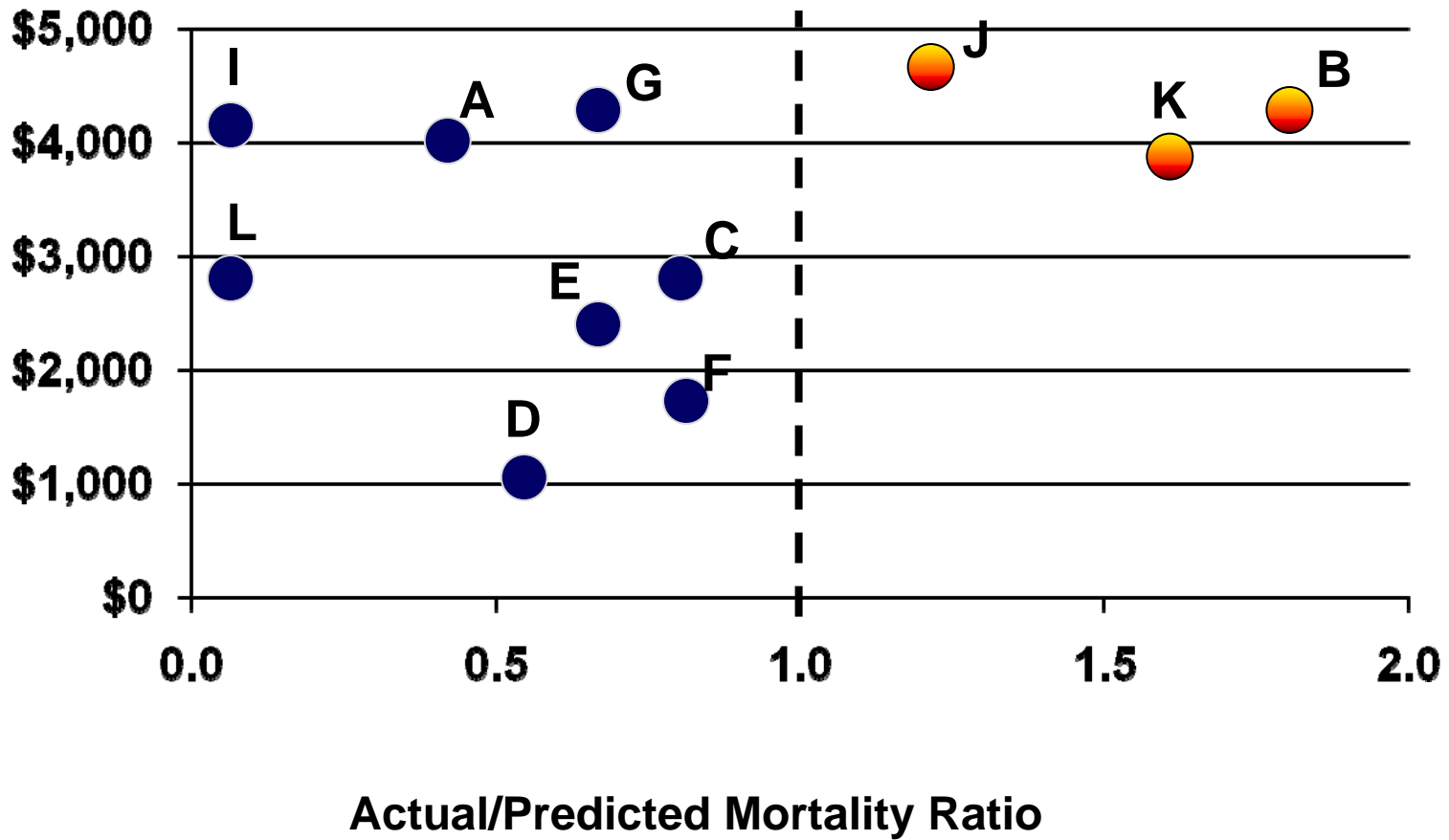


Coronary Artery Bypass Cases Three-Year Mortality By Surgeon

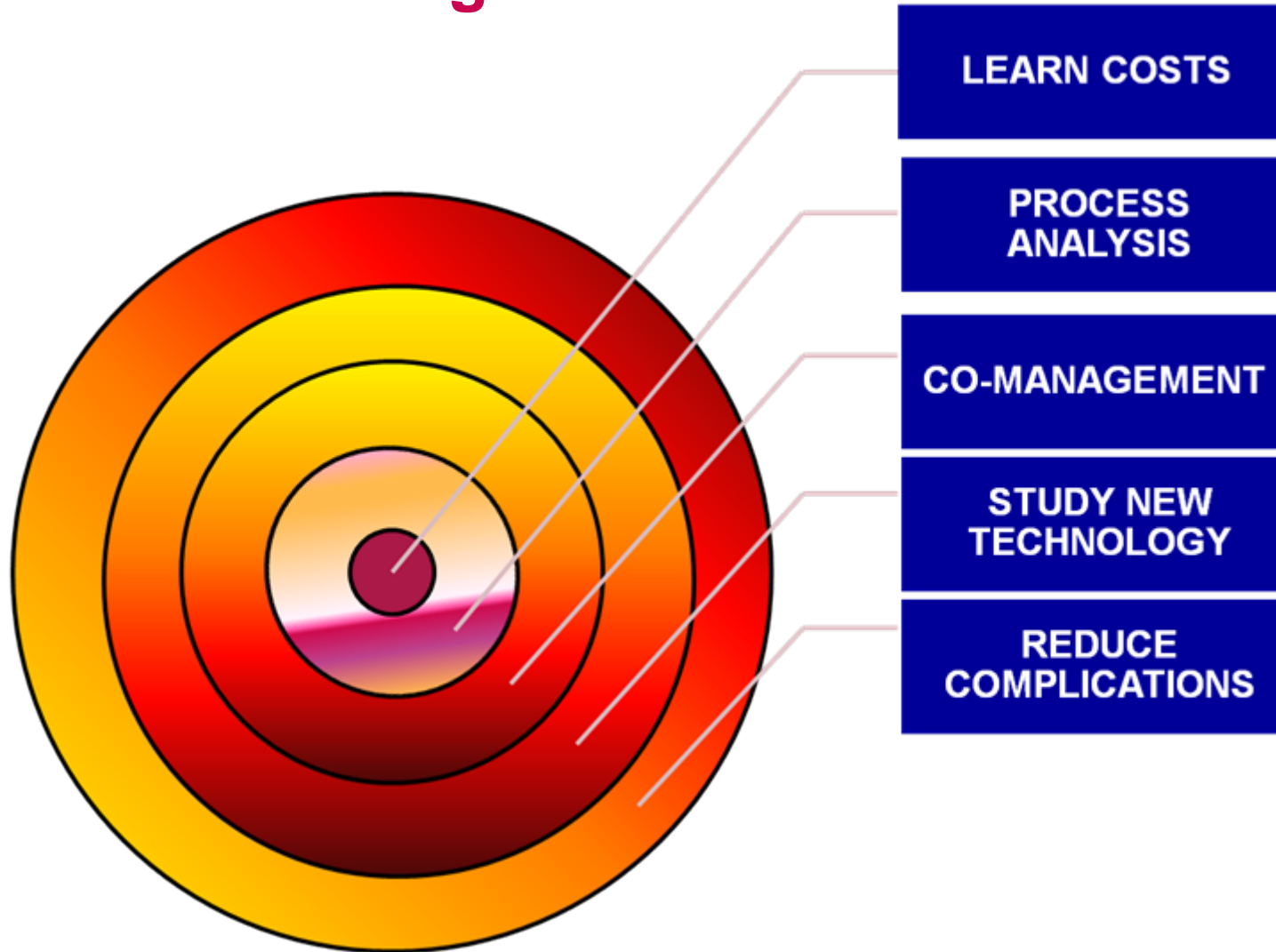


Surgeons with less than 20 cases excluded due to statistical variance.

Coronary Artery Bypass Cases Operating Room Cost and Mortality Ratio

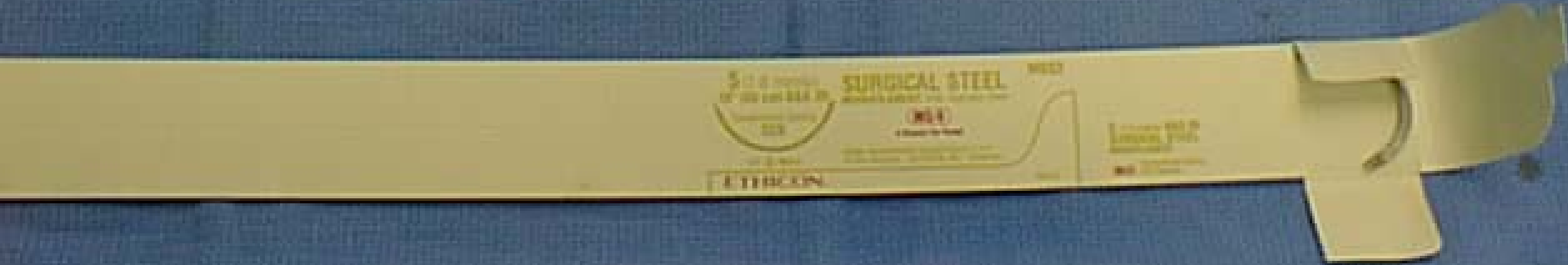
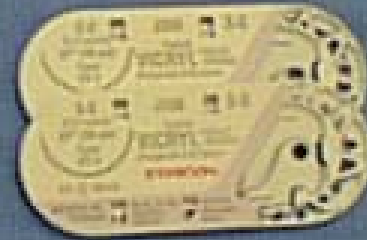
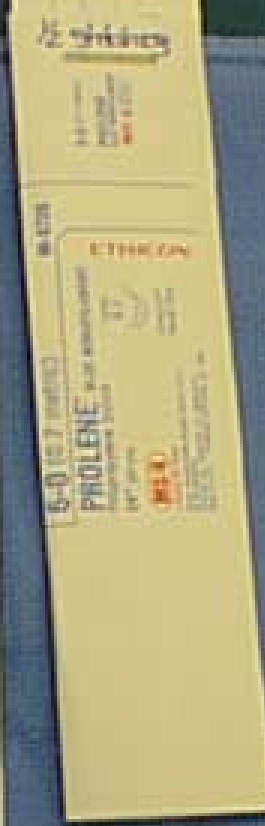
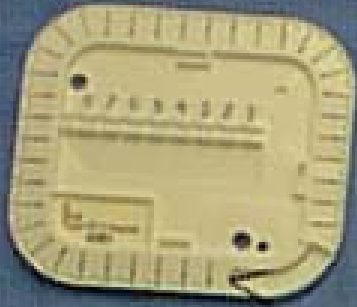


Physician Driven Cost Management



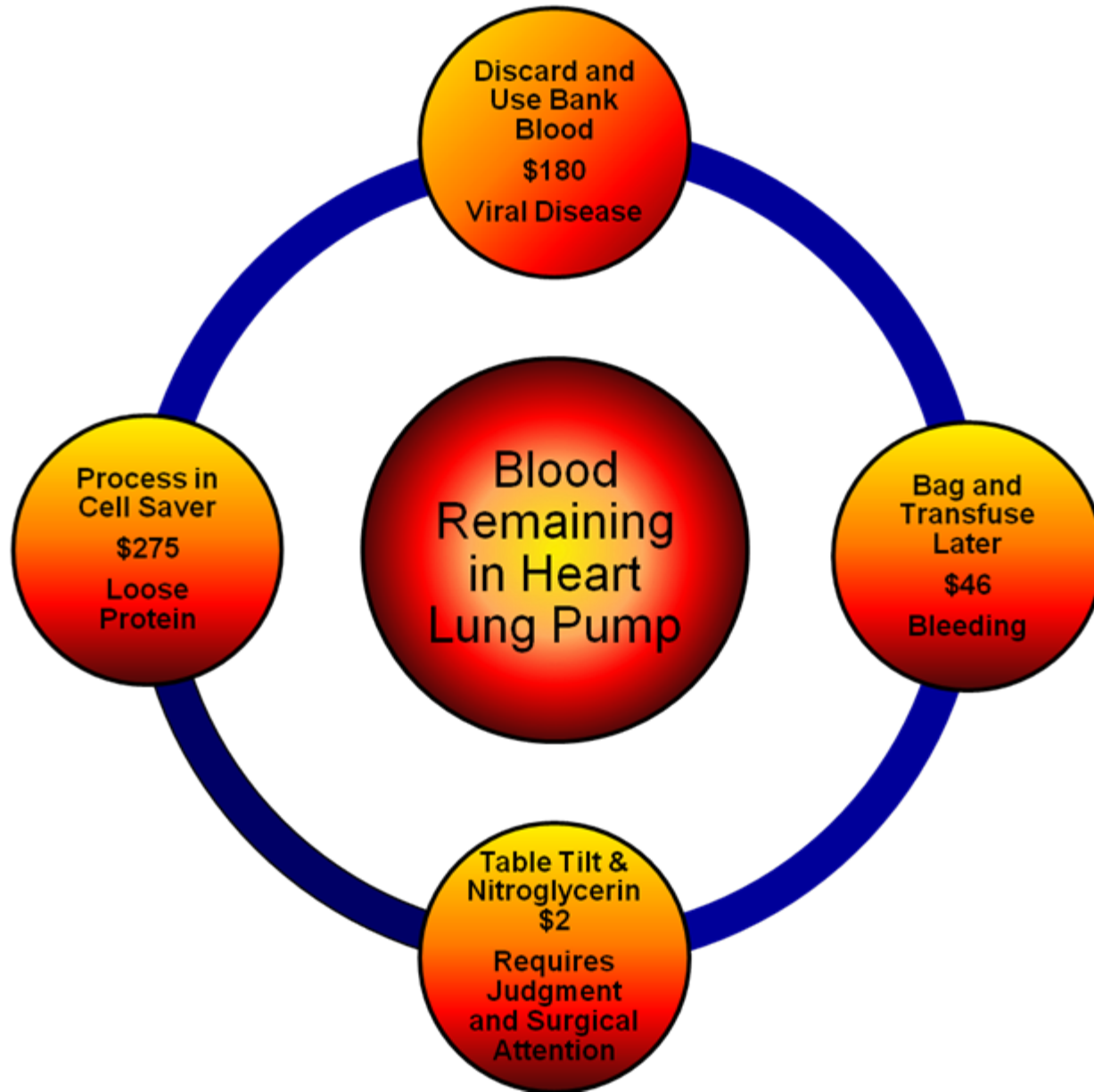


\$526



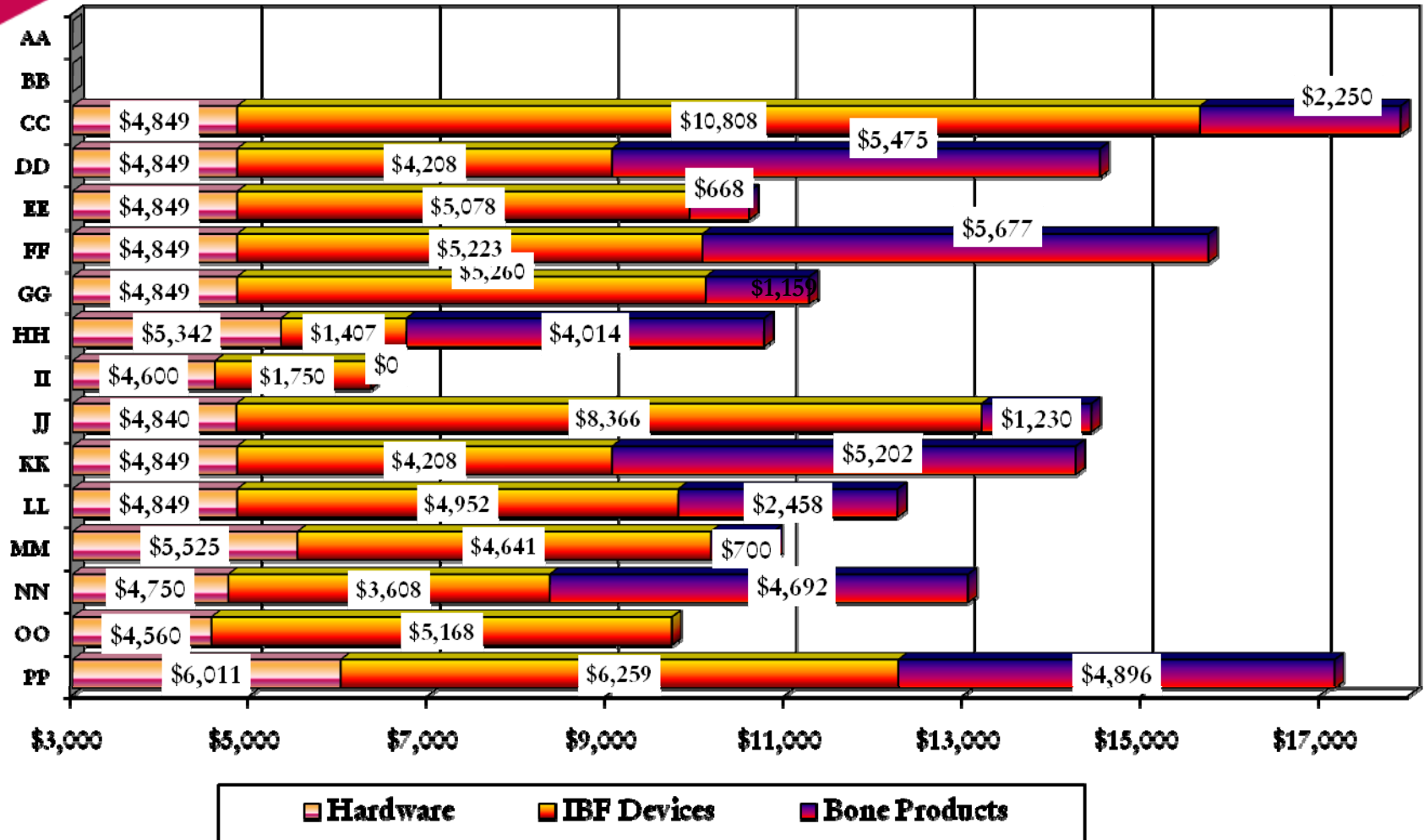
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A Process With Four Options





Posterior Thoracic/Lumbar 1 Level – Average Total Implant Cost Per Patient



Key to Healthcare Reform

