

ACO Workgroup
Meeting Notes 10-1-2009

We met this evening to discuss the information presented in the September Webinar.
In attendance: Drs. Penuel, Quinonez, Metke, Castellanos, Phil Lotti (FHA), Diane Hoxsey (PPC)

The attached information was presented and discussed. The models discussed in the webinar are communities that already have an integrated delivery system. To get to this level, we would have to develop a substantial infrastructure. For such models to succeed, we would also need to make significant changes in physician incentives.

It was felt that in order to implement such a program in our community, we would first need to establish a structure to bring the medical community together. The best model appears to be clinical integration, which would be the foundation upon which any of the other models could be implemented. This model would offer physicians a better opportunity to negotiate more favorable contracts with insurance carriers while also preparing to deal with the changes anticipated in payment reform. The greatest obstacle is physician education and motivating physicians to become interested in the topic and engaged in the process. If physicians do not take the lead, the hospital will be forced to take action. Physicians will then likely be in a more subservient role. This is not the outcome that any of us want. If we want to lead and have a say in how this happens, we must be the ones who make it happen.

Ron Castellanos offered a number of insights into what is happening in Washington. MEDPAC has been studying ACOs for about 3 years. The models being presented in the ACO Learning Project are all non-Medicare. There are already 10 large Medicare ACO Demonstration projects that have been in existence for the past 2-3 years. Ron suggested we look at the one in Fairfield CT, as it involves a large number of independent physicians.

As of January, 2009, MMA has been able to present information about physicians, with data that can compare a physician to his group, community, state and national peers regarding resource use. He predicts that payment bundling will be implemented within the next two years for high cost items such as cardiac and diabetic care, bypass surgery and joint replacement.

It is estimated that up to 30% of medical care costs are unnecessary.

For postgraduate training programs, Medicare pays about \$100,000 per resident per year.

Congress and MEDPAC are reviewing the exception for in-office ancillary services. This could have drastically negative impact on physician office revenue if this exception is removed.

I have archived all the information about the webinars, related information, and meetings on the IPALC web site on the following page:

http://www.ipalc.org/ACO_Workgroup.asp

Please email any questions or comments to me. All of you are invited to attend our meetings and participate in the webinars.

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