



Health Watch USA Newsletter

www.healthwatchusa.org Jan. 30, 2012

Member of the National Quality Forum and a designated "Community Leader" for Value-Driven Healthcare by the U.S. Dept. of Health and Human Services

Med PAC May Recommend to Fix Payment Discrepancies between Free Standing Doctors and Hospital Employed Doctors.

At the last MedPAC Mtg., the problem of paying huge amounts of money for hospital outpatient physician services as compared to services from free-standing physician was addressed. This payment discrepancy is resulting in a significant loss of Medicare dollars. (Click on Slide to Enlarge)

According to the MedPAC presentation, mid-level doctor visits are 80% higher in a hospital outpatient setting as compared to a free-standing doctor's office. With the large employment of physicians by hospitals, this has resulted in a huge loss of Medicare Dollars (see enclosure).

Shift of services from free-standing practices to OPDs

- Hospitals have been increasing employment of physicians; services likely to shift from free-standing practices to OPDs
- Problem: OPPS rates typically much higher than physician fee schedule (PFS) rates; mid-level E&M visit 80 percent higher in OPD
- Result: Increase program spending and beneficiary cost sharing; may not change clinical aspects of care

MedPAC

8

Some of the savings could be used to fix the Sustained Growth Rate (SRG) doctor payment formula.

For more information go to the MedPAC Meeting webpage for Jan 12, 2012:
http://www.medpac.gov/meeting_search.cfm?SelectedDate=2012-01-12%2000:00:00.0

There is a similar discrepancy between Outpatient and Inpatient Surgery. Both of these issues are addressed in a June 1st article in the ACS Bulletin.

http://www.facs.org/fellows_info/bulletin/2011/kavanagh0611.pdf

Cardiology Doctors Leaving Private Practice for Hospital Employment.

http://www.fiercehealthcare.com/story/heart-docs-leave-practices-hospital-employment-transform-care/2012-01-27?utm_medium=nl&utm_source=internal

Organized Medicine Asks for part of Defense Savings to fix the SRG Formula as the US is forced to Cut Defense.

Letter from organized medicine to use excess projected war funds: <http://www.ama-assn.org/resources/doc/washington/medicare-sgr-sign-on-letter-23jan2012.pdf>

News article on the impact of projected defense cuts:

<http://www.foxnews.com/politics/2012/01/27/military-plan-to-delay-submarine-engine-projects-could-hurt-connecticut-towns/>

76% of Hospitals Use a Full Employment Medical Staff Model. 70% of Hospitals Plan to Hire More Physicians.

http://www.fiercehealthcare.com/story/70-hospitals-health-systems-plan-more-physician-employment/2011-10-12?utm_medium=rss&utm_source=rss

<http://www.californiahealthline.org/articles/2011/10/13/report-70-of-hospitals-health-systems-plan-to-hire-more-physicians.aspx?p=1>

<http://www.fiercehealthcare.com/story/physicians-leaving-practices-health-system-employment/2011-06-13>

By 2013, over 2/3 of doctors will be employed in hospitals.

<http://www.fiercehealthcare.com/story/physicians-leaving-practices-health-system-employment/2011-06-13>

Passport Helps Mercy Hospital in Buffalo, NY, Prevent VAP & Reduce Sedation

"Mercy's VAP (Ventilator Associated Pneumonia) rate has stayed at zero for almost a year and a half."

[Click on Picture to Enlarge](#)

TW@IHI INSTITUTE FOR HEALTHCARE IMPROVEMENT

This Week of the Institute for Healthcare Improvement January 17, 2012

Passport Helps Mercy Prevent VAP, Reduce Sedation

IHI is seeing tremendous progress across the US in reducing the incidence of ventilator-associated pneumonias (VAP), the leading cause of death among all hospital-acquired infections. Mercy Hospital, a hospital with 300+ beds in Buffalo, NY, is one success story that inspires optimism. Mercy's strategy to eliminate VAP includes reliable implementation of the [IHI Ventilator Bundle](#) with a special focus on reducing the amount and duration of sedation for patients on ventilators in the intensive care unit (ICU). Leaders at Mercy have tracked data on the percent of patients on Propofol exceeding three days. They report a 77.2% reduction in days on Propofol and an 82.2% reduction in doses dispensed. Not coincidentally Mercy's VAP rate has stayed at zero for almost a year and a half. Linda Horton, Mercy's Vice President of Clinical Innovations and Outcomes, credits her organization's participation in the IHI [Passport](#) program, specifically the [Preventing Complications in the ICU Expedition](#), for their improvements. Horton says that Mercy—a Passport Charter Member—has participated in over 20 [IHI Expeditions](#) and has "...taken something valuable away from every single one of them...new ideas, affirming we're on the right track, tools. There's a nugget in every one."

LOOK FOR...

- An article in the *Bulletin of the World Health Organization* co-authored by IHI SVP Dr. Pierre Barker on improving public health information
- An open call for entries to the *Healthy New Year Video Challenge*—a consumer video contest launched by HHS and the National Coordinator for Health Information Technology aimed at highlighting personal stories of patients and families using health IT to improve health

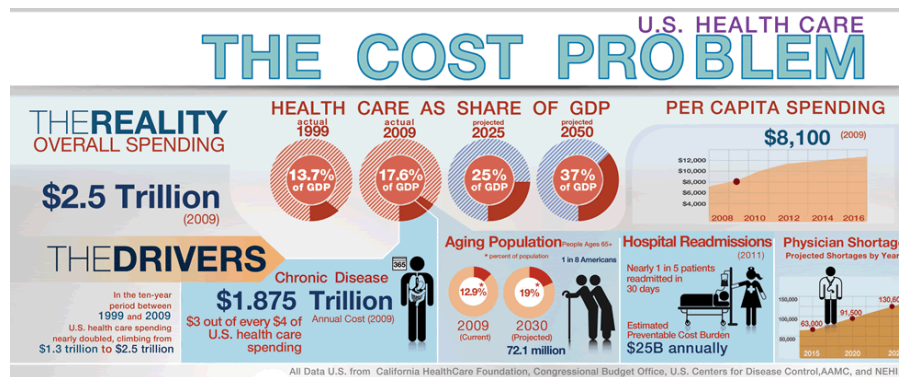
<http://www.ihl.org/knowledge/Pages/Changes/ImplementtheVentilatorBundle.aspx>

Innovation Summit Conference

Over 1200 participants and almost an equal number online gathered in Washington, DC this week for participation in the 2012 Innovation Summit. (Acting CMS Administrator Marilyn Tavenner shown on the right.)



Statistics on the magnitude of the problem in the US Healthcare System is shown below
Click on Picture to Enlarge:



Chris Olivia, MD, Board Member, Eviti, Inc., presented data on uncontrolled spending, whose major cause in cancer patients was not receiving appropriate treatment either because of:

- Misdiagnosis (wrong staging, tumor type or genetic classification) in 15%.
- Treatment deviated from evidence-based guidelines in 32%.
- Due to non-compliance in 45%.

Medicare's Coordinated Care Value Purchasing Initiative Has Not Saved Significant Dollars ??

CBO Report 2012:

<http://www.cbo.gov/ftpdocs/126xx/doc12663/01-18-12-MedicareDemoBrief.pdf>

FierceHealthCare Article: http://www.fiercehealthcare.com/story/coordination-value-based-payment-didnt-save-medicare-dollars/2012-01-19?utm_medium=nl&utm_source=internal

Heart Attack Patients in U.S. Leave Hospital Sooner, Return More

68% higher readmission rates for US Heart Attack Patients than Canada, France and Germany.

<http://www.businessweek.com/news/2012-01-05/heart-attack-patients-in-u-s-leave-hospital-sooner-return-more.html>

Infection Numbers Reported are Flawed:

Colorado: http://www.cpr.org/#load_article%7CHospitals_Infection_Numbers_Flawed

California: <http://californiawatch.org/node/14502>

Clarity Needed as to When to Report Adverse Events

AMA News -- Oct. 23, 2012.

<http://www.ama-assn.org/amednews/2012/01/23/prsb0123.htm>

Next Health Watch USA Meeting is on February 15th, 2012. If you wish to attend please call Kevin Kavanagh, MD at 606-875-3642.

The above news letter is the expression opinion of Health Watch USA.