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What Does Value Based Care Really Mean?

A new term is making an impression on healthcare....."Value Based Care". What does value based care really mean?

Healthcare is evolving from a proficiency-based art to a data-driven science, from freelance physicians to hospital-employed physicians, from one-size-fits-all community hospitals to vast hospital networks organized around centers of excellence. As more independent physicians begin to be hired by hospitals, the opportunity for large group practices and hospital consolidation grows. As consolidation expands, data and transparency become increasingly important, as a way to ensure that caregivers across the system are providing comparable care. All of this, of course, leads back to quality, which requires an effort to achieve standardization, reduce variation, and eliminate unpleasant surprises. It's analyzing processes, measuring outcomes, and changing practices until you get it right. At least that's the way the Harvard Business Review has reported it.

The key factors that every practice can take away from the Harvard discussion are:

- More employed physicians
- More data mining for information to re-think medical decision-making
- Practice consolidation with other practices should be realistically considered
- Cost control does not have to mean compromise of patient care
- Providers will be paid less to deliver better care

And therein lays the rub! How do you convince providers that it is in their interest to provide more cost effective and measurable care for less revenue?

The answer is probably in the age group of the providers. For new providers, time off can bring value to them and should be considered in employment agreements as part of compensation. For older providers, early retirement or part-time work is being considered by many of them. 20 years from now, most of the baby boomer providers will be retired and a new population of providers understanding new technology gains, and employment models will be equipped to embrace the Harvard scenario. Until then, the business of healthcare will struggle with what will give patients better outcomes, reduce cost and continue to define value differently. The gains will not be achieved through sweeping one time changes in protocols; but in consistent measuring and tweaking processes and changing habits that will bring meaningful change.

Data mining for better outcomes primarily means standardization. The disparity between treatments among same specialties for very similar patients can be far-reaching. The same diagnosis, the same patient geography and similar history can mean between \$18,000 and \$20,000 difference in treatment options. Finding ways to standardize care through data mining and discovering ways to enhance outcomes based on large volumes of data to analysis will bring the largest gains in cost cutting.

As a physician practice, how do you prepare for changing payment models and position yourself for future success in a changing healthcare environment? While seeking hospital employment is one avenue, I truly believe physician-to-physician consolidation is the better answer. This could be practices of similar size merging with one another and/or large physician practices rolling up smaller practices. In any event doctor, sitting on your hands and doing nothing is definitely not an option. As the old adage goes – "People don't plan to fail, they just fail to plan." So take a hard look at your practice and make some decisions about how to position it for the future of healthcare.

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