



TECHNOLOGY

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Medical Information Technology

Economic Challenges Will Change The Healthcare Delivery System

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Healthcare is not recession proof. The current economic crisis is finally affecting the entire healthcare industry and will probably worsen. In South Florida, hospitals are facing significant cuts in Medicaid funding and a sharp increase in uncollectible receivables. The growing unemployment rate will further decrease the number of patients with health insurance. These patients are also unable to pay the high COBRA premiums to maintain their insurance coverage. The seven-largest commercial health insurers in Florida representing about two-thirds of the total commercial health plan enrollment in Florida report a loss of 190,000 enrollees during 2008. This trend will continue and may accelerate.

This affects private physician offices too, decreasing cash flow and reducing profit margins. Financial institutions tighten credit requirements and limit commercial loan facilities. I personally know of several physician practices on the verge of insolvency. This is being compounded by unexplainable and unreasonable prepayment reviews imposed by First Coast Service Options, the regional contracted Medicare administrator (see *Presidents Corner* article).

So what can we do to maintain our professional autonomy and financial viability?

There are few options left. Some may still believe that the storm may pass and that they will be able to continue practicing the way they are used to. This is an illusion and will lead to financial disaster. But let's not forget: crisis breeds opportunity and success favors the prepared mind.

So how can we move forward?

We need to promote practice integration ranging from collaborative practice models to fully integrated group practices.

Such models will allow us to respond to complex reimbursement changes that will focus on value versus volume. This will require the utilization of complex medical information technology tools, including Electronic Health Records to measure the quality and outcome of the services rendered. The emergence of pay-for-performance and quality reporting initiatives require sophisticated care delivery and data reporting systems. The technology investments required to meet the increasing standards can be shared within an integrated practice model. Furthermore, centralized billing, supply management and human resource administration will create efficiencies and reduce the overhead of individual practices. Such integrated practice models will not jeopardize professional autonomy. Depending on the framework of integration, most physicians will be able to remain in their local practice settings, oversee many day-to-day practice operations and be rewarded based on individual productivity while still achieving a high level of practice integration.

Above all, such integrated practices which can assess and evaluate the performance of medical services rendered, can bargain for higher reimbursement from third-party-payers for higher reimbursement.

None of the above outlined ideas are new but the urgency to implement those models to meet the challenges posed by the worst economic crisis of our generation is. Let's not miss this opportunity. Our DCMA will assist you to continue practicing medicine. **Join us! Together we are stronger!**

Disclosure: The author is a practicing family physician, addiction specialist and computer consultant. In addition, he is a founder and managing partner of a medical IT company.