

## **Physician Panel Presents to Health System Development Advisory Council on Payment Reform**

MMA President David McDermott, M.D., MPH represented MMA members Friday afternoon as part of a panel presentation on payment reform at a meeting of the Health Systems Development Advisory Council. Also participating on the panel were Michael Roy, M.D., acting Chief of Medicine at the Maine Medical Center and Douglas Jorgensen, D.O., immediate past President of the Maine Osteopathic Association. This presentation followed three earlier meetings focusing on the subject of payment reform. At the previous sessions, the presentations were largely from employers, insurers and hospital providers. The Council recognized the importance of hearing from practicing physicians and scheduled this panel presentation focusing solely on physicians. After being introduced by MMA EVP Gordon Smith, Esq., the panelists described their thoughts on expectations relative to how the payment system might be moved away from fee-for-service reimbursement. The alternative models discussed in previous discussions and in a primer prepared for Council members included Accountable Care Organizations (ACO), Global Budgets Episodic Treatment Groups, Pay for Performance, Gain-Sharing, Capitation and the Patient-Centered Medical Home. Not surprisingly, a lot of the focus on Friday afternoon's session was on the increasing amount of physician employment and the concomitant decrease in the number of physicians who have an ownership interest in their practice. Dr. McDermott's prepared statement can be viewed on the MMA website at [www.mainemed.com](http://www.mainemed.com). But in summary, his comments revolved around the following themes.

- The current trend in Maine and elsewhere toward hospital-employment.
- The activities of MMA related to payment reform, including the presentation in June, 2008 of Elliott Fisher, M.D. at the MMA/MHA/MOA Quality Symposium.
- The history of the Maine Medical Assessment Foundation, recently featured in a series of broadcasts on National Public Radio.
- The positioning of the healthcare marketplace in Maine toward the ability to model some new payment systems.
- The need to bolster primary care, while recognizing that an effective health care system cannot survive on primary care alone.
- The need for anti-trust reform if physicians are expected to more fully integrate their practices for the purposes of reimbursement and quality improvement.
- The need to be aware of the role of medical liability and its significant impact on physician behavior.

Dr. McDermott noted that no single payment system was likely to solve the problems associated with inappropriate utilization of care or with variations in care delivery. These issues need to be worked on independently, regardless of payment reform. He also asked that the Council proceed slowly in the area of payment reform, as the law of unintended consequences is likely to apply. Any new payment system should be piloted and modeled prior to widespread adoption.

Dr. Jorgensen spoke of the need to better educate residents and young physicians in how to operate a private practice and lamented the growing shortage of role models in this area. He also advocated for improved reimbursement for primary care physicians. He also noted that Maine

was a leader in the development of quality metrics but that patients also needed to be part of this process.

Dr. Roy spoke of the efforts in the Maine Health system to more fully integrate and noted the six month engagement with the Dartmouth Institute to do analytical research and to look at integration through some service lines including end-of-life care and spine surgery. At least three workgroups have been organized at the Medical Center to develop a road map toward the goal of the Center and related practices becoming an ACO.

During the public participation, Mr. Smith noted the various factors that were causing physicians to flee private practice in favor of employment. He also noted that Maine was not an anomaly, but that many other states, particularly small rural states, were seeing the same trend. 78% of Maine's primary care physicians are now employed by hospitals or hospital systems, with over two hundred more employed in rural health centers and large group practices. Overall, it is estimated that 45% of physicians (both primary care and specialists) in Maine are employed by hospitals.

Following the panel presentation, the HSDAC's subgroup on payment reform met to discuss further its legislative mandate to report back to the legislature in January on payment models that would move reimbursement away from fee-for-service. A robust discussion evolved regarding what state laws or rules needed to be changed in order to pilot or model some alternative payment schemes.

Further meetings on this topic are scheduled for Nov. 16 and Dec. 11. The meeting in December will focus on review of the draft report being prepared for the Legislature which reconvenes in early January.