

PINEHURST SURGICAL

e x c e l l e n c e i n p r a c t i c e





Confront the Brutal Reality

1. Certainty of Reduced Reimbursements

- ✓ **Healthcare is the main source of U.S. Debt -> biggest challenge to National Solvency**
- ✓ **Facing an older and sicker population**
 - **American over 65 YO 13% in 2008 will be 20% in 2030**
- ✓ **Pressure on finding a fix to the Sustainable Growth Rate challenge**
- ✓ **Payment responsibility shifting to patients**

Confront the Brutal Reality

- 2. New Payment Systems will increasingly place a greater emphasis on the demonstration of quality and value**
 - ✓ **CMS PQRS and Meaningful Use reporting**
 - ✓ **Customized Employer Health Plans**
 - ✓ **Accountable Care**

Confront the Brutal Reality

- 3. Market forces are pushing hospital/physician collaboration and/or mergers**
 - ✓ **Site of Service Reimbursement Differences**
 - ✓ **Shared Risk Based Payments**
 - **Bundled Payments to ACO**
 - ✓ **Systems have competitive edge**

Confront the Brutal Reality

- 4. The Structures and Behaviors that led to success in the past will not lead to success in the future.**
 - ✓ **From Production Based Reimbursement to Quality Based Reimbursement**
 - ✓ **From Individual Practice Autonomy to Care Coordination and Interdependence**

The Medical Group Dilemma:

How does our organization make the transition for success in the new healthcare environment while maintaining success in the current?



1. Adopt a Customer Focused Vision

Pinehurst Surgical seeks to be the surgeons of choice in our region

- a. We believe we will become the surgeons of choice by offering unrivaled quality and value to our customers.
- b. Quality is defined as anticipating and exceeding customer expectations. *The two components of quality are the absence of defects and the presence of desired services*
- c. Value is the net gain to a customer, comparing the costs and benefits derived, from a service they have received.



Our Customers include anyone who receives the output of our services.

Our primary customers include:

- 1. Patients and their families**
- 2. Referring physicians**
- 3. Our physicians**
- 4. Our Employees**
- 5. Hospitals**
- 6. Payers**
- 7. Our Communities**

2. Collaboration with Hospitals in Our Region

a. Current

- ✓ **Professional Service Agreements**
 - **Medial Director**
- ✓ **Clinical Co-Management Agreements**

b. In Development

- ✓ **Bundled Payments**
- ✓ **Joint Venture – joint ownership of facilities**

c. Future

- ✓ **Regional Growth Strategy**
- ✓ **Inpatient Gain sharing – share in cost savings across inpatient stay**
- ✓ **Performance Based Joint Contracting – full clinical integration**

3. Robust Data Driven Improvement System

- a. Invest in Information Systems**
- b. Key Performance Indicators**
- c. Quality Emphasis**
 - ✓ **Specialty Specific Meaningful Use**
 - ✓ **Hospital Based Quality Measures**
- d. Physician Performance Reports**

2011 Key Performance Indicators (KPI)

Pillar	Measure	2011 Goals
Service	Patient Satisfaction Scores	9.46
	Percent Phone Calls Answered	80%
	Patient Satisfaction with wait times	8.92
People	Physician Staffing Plan Attainment Rate	100%
	Employee Retention Rate	90%
	Overtime	\$12,344
Quality	Charting Deficiencies	10%
	Tobacco Use Documentation	95%
	Missing Allergy Reactions	4%
	Medication Reconciliation	80%
	Unresolved Incidents after 30 days	0
Growth	Work RVUs Per Day	1,618
	New Patient Volume/Day	105
	Contract Revenue/Month	\$163,152
	Execution of 30-day plan	100%
Finance	Cost to Revenue Ratio	54%
	True Net Collection Rate, DOS 180days	96.7%
	Days in AR	31.5
	Avg Days from DOS to Claim Entry	5.0

- 4. Sophisticated Resource Management**
 - a. Lean Training**
 - b. Budget for Medicare Cuts**

- 5. Develop structures that emphasize the pursuit of group and system level goals**
 - a. Physician Compact**
 - b. Compensation Models**

- 6. Look for and Take Advantage of Opportunities**
 - a. Health System Leaders**
 - b. Small Group Support**



Our Challenge: To pursue changes in our business model before the change is required.

The Stakes are High

The Verdict is Out

 **PINEHURST SURGICAL**
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This could be our finest hour

