Physicians throughout the country are trying to figure out how to best achieve their professional goals in the changing health care delivery environment. Physician payments are increasingly being structured in a way that incentivizes quality and cost effectiveness over volume, and many place physicians at financial risk. In addition, public reporting of physicians' performance will now be the norm, rather than the exception, with Medicare's expansion of its Physician Compare website in 2013. Will physicians need to be employed by a hospital or a large medical group or health system in order to provide the quality and manage the costs that these payment and reporting systems require and take advantage of the emerging opportunities resulting from health system reform?

Not necessarily. While some physicians may ultimately decide that formal alignment with a large medical group or hospital system is their best option, others are actively working to integrate new care coordination and accountability capabilities into their smaller practices. Indeed, there are a number of avenues that physicians in smaller practices can take that will allow them to retain their independence while also achieving the new capabilities they will need to succeed in this new environment.

**Developing new capabilities to coordinate care and improve results**

AMA has published a new resource to assist physicians in small and solo practice in taking advantage of the opportunities presented by the changing health care delivery environment, entitled “Retaining independence while embracing accountability: care coordination and integration strategies for small physician practices,” available at [www.ama-assn.org/go/ACO](http://www.ama-assn.org/go/ACO). This resource identifies the core capabilities physician practices will likely need to enhance to be successful in the future and describes how small physician practices can attain these capabilities, which are summarized briefly below. The resource also discusses options small practices may have to collaborate with other physicians and to obtain financing for practice enhancement, which will be covered in a subsequent article.

**Three steps to improve quality**

There are at least three things that even the smallest of practices can do to improve care:

- **Standardize care** through the use of accepted guidelines, policies and procedures;

- **Facilitate better coordination** and interaction among all the parties involved with the care, including the patient;

- **Develop and analyze data** to change behavior, produce better outcomes, and provide care more efficiently.
One practice’s success story

For example, in "Achieving Clinical Integration with Highly Engaged Physicians," the authors point to Consultants in Medical Oncology and Hematology (CMOH), a ten-physician independent hematology practice in Delaware County outside of Philadelphia. These physicians were dissatisfied with their inability to contract on acceptable terms with managed care plans, and therefore began collecting their own data that would demonstrate the practice's value by measuring performance on issues such as keeping their patients out of the hospital, and producing high satisfaction scores. They implemented an electronic health record to track their patients' utilization of services and provided standardized approaches to care. With collaboration among its clinical support teams, the practice adhered to evidence-based guidelines, provided enhanced patient access to care through same day/next day visits, and educated patients to improve medication, evaluation, and treatment compliance, etc. According to the study, the results of these efforts were impressive, as the practice:

- Increased its financial margin by lowering its full-time employee staffing requirements by 10%;
- Lowered the number of emergency room referrals for its patients;
- Reduced hospital admissions for its patients;
- Increased the number of patients seen within 24 hours of a telephone call five-fold.

By 2010, the group’s clinical integration program resulted in it receiving the first oncology patient-centered medical home designation by the National Committee for Quality Assurance. (Id. at 10-11.)

Tools for small practices

Tools are available for physicians to help them make changes to their practices and manage patient referrals and transitions necessary to support coordinated care. For example, the Institute for Healthcare Innovation, funded by the Commonwealth Fund, has provided a toolkit entitled "Reducing Care Fragmentation" that introduces four key concepts for enabling change, and offers activities, model documents, and other tools to support their implementation. This toolkit is available at www.improvingchroniccare.org.

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1 See Alice G. Gosfield, JD, and James L. Reinertsen, MD, "Achieving Clinical Integration with Highly Engaged Physicians," a copy of which can be found at http://www.wsma.org/files/Downloads/PracticeResourceCenter/Achieving_Clinical_Integration_GR.pdf.
Similarly, there are a number of tools that small physician practices can use to aggregate and evaluate their data efficiently:

**Flow sheets.** The American Medical Association-convened Physician Consortium for Performance Improvement (PCPI) has developed prospective data collection flow sheets for a number of clinical conditions that incorporate evidence-based performance measures. See [www.ama-assn.org/ama/pub/physician-resources/clinical-practice-improvement/clinical-quality.page](http://www.ama-assn.org/ama/pub/physician-resources/clinical-practice-improvement/clinical-quality.page). These prospective data sheets can serve as a reminder checklist to ensure that all care team members know what needs to be done when the patient is in the office.

**Registries.** The ability to generate and use registries, that is, lists of patients with specific conditions, medications, or test results, is also considered a proxy for high quality health care. Such registries help office staff identify patients who are overdue for recommended services and facilitate contacting them and arranging for office visits, lab monitoring, referrals and other needed care. Some registries can even be developed using free software. The AMA has provided guidance on patient registries, including information on how to create them. See "Optimizing Outcomes and Pay for Performance: Can Patient Registries Help?" a copy of which can be found at [www.ama-assn.org/ama1/x-ama/upload/mm/368/pt_registries_102005.pdf](http://www.ama-assn.org/ama1/x-ama/upload/mm/368/pt_registries_102005.pdf). In addition, the California Health Care Foundation’s resource "Chronic Disease Registries: A Product Review," available at [www.chcf.org](http://www.chcf.org) may also be helpful.

**Electronic Health Records.** Electronic health records (EHR) can also assist with care coordination. Physicians in smaller practices may be particularly interested in investigating some of the newer, cheaper cloud-based EHR systems. “Cloud computing” refers to a number of technology solutions that: (1) operate over the Internet; (2) use shared resources such as storage, processing, memory and network bandwidth with other users; and (3) are "on-demand," meaning capabilities such as network storage can be adjusted virtually, eliminating the need for on-site IT staff. For more information on health information technology, including the Medicare/Medicaid EHR incentive programs, go to the AMA's website at [www.ama-assn.org/go/HIT](http://www.ama-assn.org/go/HIT).

**Claims data.** Another potentially valuable source of information is claims data. AMA has published a toolkit to help physicians use these data for practice improvement activities, whether they are received from health insurers associated with their physician profiling reports or directly from a physician’s practice management system or clearinghouse. This helpful resource, “Taking Charge of your Data,” is available at [www.ama-assn.org/go/physiciandata](http://www.ama-assn.org/go/physiciandata).

**Potential benefits**

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Finally, this resource outlines the benefits which accrue from engaging in quality measurement programs and using practice data to monitor, report, and improve:

**Increased quality.** Measurement drives behavior.\(^3\) Measurement can result in both improved outcomes for patients and lower health care costs generally due to the avoidance of duplicative and/or unnecessary health care services. For example, in 2000, "U.S. patients were much more likely—three or four times the benchmark rate—than patients in other countries to report having had duplicate tests or that medical records or test results were not available at the time of their appointment."\(^4\)

**Improved “profiles” (and more patients).** Private third-party payers have ranked physicians for years. And now, Medicare has gone into the "quality reporting" business by launching a Medicare Physician Compare site which, starting in 2013, will include Physician Quality Reporting System (PQRS) results based first on the 2012 reporting year.\(^5\) Increasingly, anyone who has access to a website can find out information about his or her physician, and how that physician "compares" to other physicians.

While many physicians have been concerned about such public ranking, physicians who are acknowledged as recognized providers in these programs have gotten more patients to treat than non-recognized physicians and often get the opportunity to participate in more networks.\(^6\) Consequently, despite their drawbacks, performance measures can mean that those who score well will be in a better position to obtain: (1) higher payment; (2) increased consumer attention, and (3) better branding opportunities.

**Increased financial benefits.** The National Priority Partnership, convened by the National Quality Forum, has identified four activities which require physician involvement that reduce costs substantially and improve quality. The opportunity for estimated savings can be summarized as follows:

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\(^5\) See 42 U.S.C. §280j-2. Further, although the PQRS was once voluntary, if eligible professionals do not satisfactorily submit data on quality measures for covered professional services for the quality reporting year beginning in 2015, the Medicare Fee Schedule amount for such services will be reduced. (42 U.S.C. §1395w-4.)

\(^6\) See Berry, Emily, "Narrow Networks: Will You Be In or Out?" AMedNews, Oct. 4, 2010.
## Opportunity and Savings Table

<table>
<thead>
<tr>
<th>OPPORTUNITY</th>
<th>SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventing hospital readmissions</td>
<td>$25 billion</td>
</tr>
<tr>
<td>Improving patient medication adherence</td>
<td>$100 billion</td>
</tr>
<tr>
<td>Reducing emergency department overuse</td>
<td>$38 billion</td>
</tr>
<tr>
<td>Preventing medication errors</td>
<td>$21 billion</td>
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</table>

See [www.nationalprioritiespartnership.org](http://www.nationalprioritiespartnership.org).

Thus, not only is performance measurement likely to improve patient care, it may also serve as a foundation for financial incentive and reward programs in value-based purchasing strategies. In California alone, since 2004 approximately $400 million dollars have been distributed to physicians by certain health plans participating in a pay for performance initiative. See Results of Integrated Healthcare Association Pay for Performance Program, at [www.iha.org](http://www.iha.org).

In the end, physician practices that enhance their competency with respect to the three core areas outlined above, (1) standardization, (2) care coordination, and (3) data evaluation, will likely perform better, both clinically and financially.

(Note to editor: Below can be put in a side “box” to provide more information about accessing these resources. If you have any questions about these communications, please email kate.seremek@ama-assn.org and also please copy Kate on any of the communications you send out about these resources, thank you.)

### Access AMA resources online

“Retaining independence while embracing accountability: care coordination and integration strategies for small physician practices,” is available as part of the AMA resource, [ACOs, CO-OPs and other options: A how-to manual for physician’s navigating a post-health reform world](http://www.ama-assn.org/go/ACO), at [www.ama-assn.org/go/ACO](http://www.ama-assn.org/go/ACO). Stay up to date with all of the new resources from the AMA, by signing up to receive the free AMA Practice Management Alerts emails at [www.ama-assn.org/go/pmalerts](http://www.ama-assn.org/go/pmalerts).

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