

Development and Implementation of Revenue Sharing for Interdisciplinary Clinics

Thomas A. Draper, MBA, FAACVPR

Stephen G. Maxwell, MSM

University of Michigan Health System
Cardiovascular Center
Ann Arbor, MI

November 18th, 2010

Overview

- Review traditional Cardiovascular “silos”
- Understand trend of Cardiovascular procedures to becoming more inherently competitive
- Identify financial implications and strategies of the competitive paradigm shift
- Discover new approaches to more collaborative Cardiovascular patient care

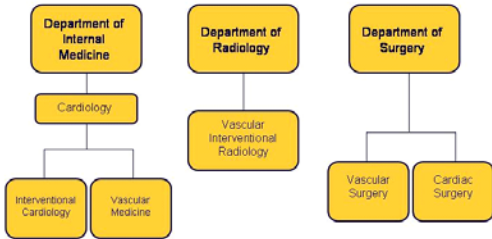
“A competitive world offers two possibilities. You can lose. Or, if you want to win, you can change.”

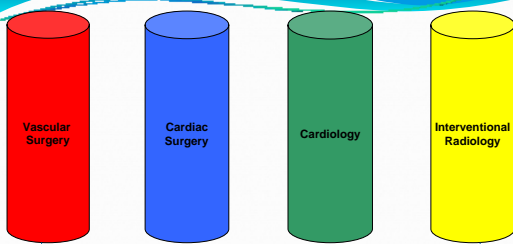
**- Lester Thurow
Economist**

Traditional Procedural Domains

- Cardiology
 - Percutaneous Coronary Interventions
 - EP Procedures
 - Diagnostic Angiography
- Cardiac Surgery
 - Coronary Artery Bypass Grafts
 - Valve Repair
 - Aortic Arch Repair
- Interventional Radiology
 - Diagnostic Peripheral Angiography
 - Interventional Lytic Therapy
 - PICC Lines
 - Minimally Invasive Diagnostic Procedures
- Vascular Surgery
 - Aortic Aneurysm Repair
 - Peripheral Arterial Disease
 - Venous Disease
 - Carotid Disease

Traditional Academic Organizational Structure





Silo'ed Competition



The Evolution of Endovascular Procedures
Has
Created Inherent Internal Competition
Among Specialists

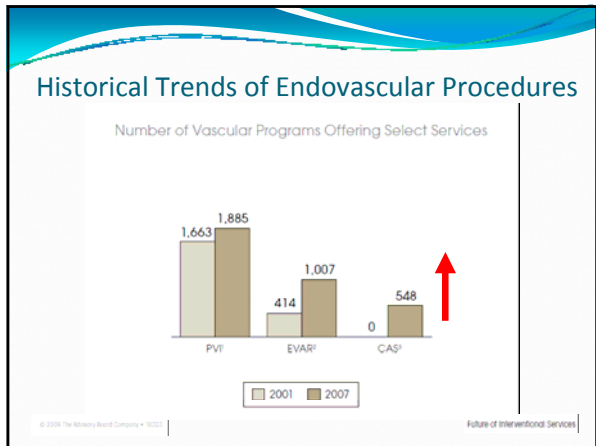
Aortic Aneurysms
Carotid Artery Disease
Peripheral Arterial Disease
Valve Disease
Venous Disease

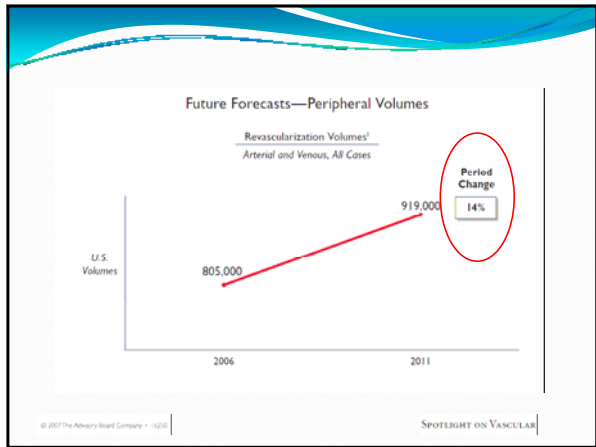
Playing in Each Others Playground

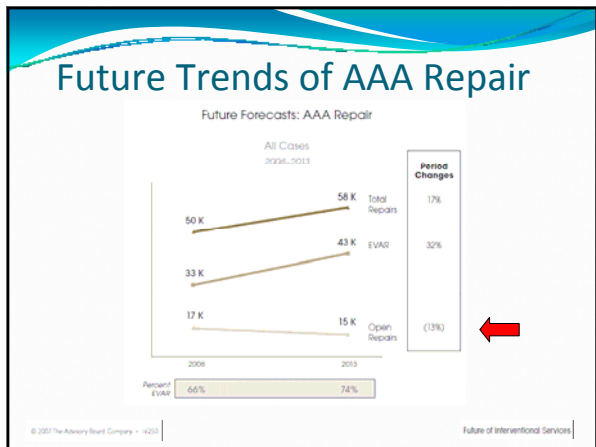


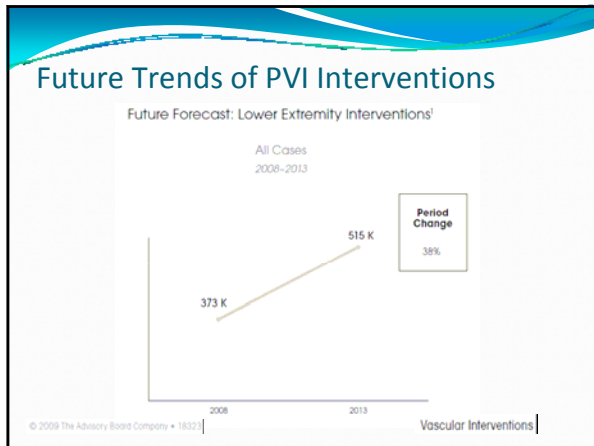
Future Trends in CV Endovascular Procedures

Competition or Collaboration







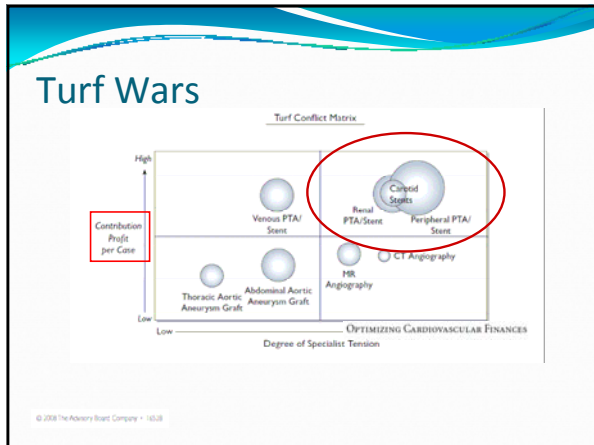


- ### Overall Drivers for Endovascular Growth
- Improving indications for endovascular therapies
 - Technological advances
 - Increased screening efforts to attract patients
 - Numerous clinical trials
 - Aging population which make endovascular more attractive option
 - Facility commitments to hybrid suites
 - Long-term follow-up for some endovascular therapies
 - Insurance reimbursement limited
 - Some endovascular therapies have same clinical outcomes as traditional methods
 - Turf conflicts among specialists

“At every crossroads on the path that leads to the future, tradition has placed 10,000 men to guard the past.”

-Maurice Maeterlinck
-Belgian Poet





- Inherent Desire to Compete**
- Maintain RVU Targets
 - Desire to do more profitable cases
 - Sectional/Departmental revenue
 - Specialty “narcissism”
 - Academic interests
 - Interesting cases
 - Traditional silos

Competition's Impact on Resources

- Inefficient use of operating rooms, endovascular suites and cath labs
- Inefficient flow to inpatient units and inconsistent care on different units
- Referring physician confusion
- Impact on patient satisfaction
- Impact on staff satisfaction
- Impact on academic collaboration and development
- Impact on quality
- Costs/reimbursement discrepancies

Costs and Reimbursement Implications for Endovascular Procedures

- Carotid artery stenting still unclear on long-term Medicare reimbursement and coverage
- Variation seen in costs for carotid artery stenting by specialist – not enough standardization
- Peripheral vascular interventions more cost-effective in a radiology/endovascular suite than in an operating room
- Coding is more complex for endovascular procedures and may vary between departments – RAC audit risks
- Internal competition does not maximize patient throughput and resources

Costs, technology and expertise are driving the need for more collaboration.

Collaborative Care



High-Level Steps Towards Collaboration

- Identify existing competition and its impact on resources
 - Overlap
 - Inefficiencies
 - Patient/Referring physician confusion
- Identify the need and desire to collaborate
- Identify existing synergies
- Faculty participation and buy-in
 - **PHYSICIAN CHAMPION**
- Develop list of needed resources and infrastructure
- Inter-Departmental discussions and planning

Faculty Buy-In

- Most faculty are not adverse to collaboration
 - Want assurances that their salaries, academic interests will not be compromised
- Need to model potential increases in activity
 - Activity level will increase for all involved
 - More interesting cases
- Patient throughput and coordination should improve
- Need to show commitment from institution
 - Provide infrastructure resources (mid-levels, care coordination, etc.)
- Incentive for collaboration?

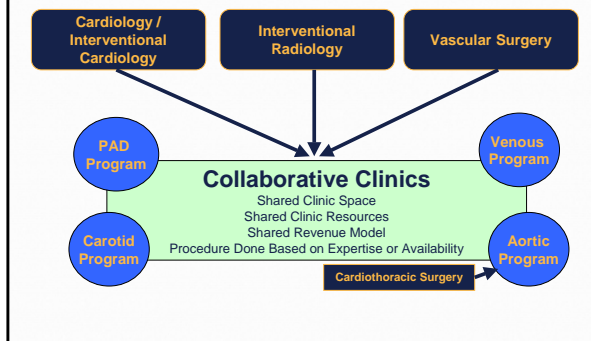
Institutional Commitment

- Shared clinic space
- Dedicated mid-level provider
 - Consistent provider that is neutral to any particular specialty
 - Facilitates throughput, standardizes care
- Specific marketing
- Centralized front-end processes
 - Call-center
 - Scheduling
- Departmental commitment to share data
- Professional revenue sharing model

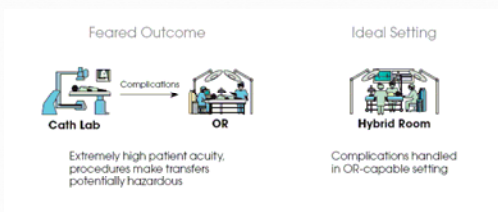
Collaborative Clinical Care

- Clinical care algorithms – evidence-based
- Multidisciplinary case conferences
- Quality data review
- Still maintain level of autonomy
 - Individual faculty differences can be point of competitive differentiation
- Can lead to collaborative research

The Ideal Clinical Scenario



The Ideal Operative Scenario



Potential Certificate of Need Implications

Creation of Collaborative Programs at the UM Cardiovascular Center (CVC)

- Created a proposal to the CVC leadership outlining collaborative programs, performance metrics and resources needed
- CVC leadership agreed to fund two part-time nurse practitioners to coordinate and run collaborative PAD and Venous clinics
- Provided funds for marketing
- CVC Collaborative Call Center
- Created professional revenue sharing model
- Development of a larger Aortic Program
- Protects direct referrals to providers

Peripheral Arterial Disease Management Program

- Began March 2009
- Includes Interventional Cardiology, Interventional Radiology, Vascular Medicine, Vascular Surgery
- NP led clinic 2 half days per week
 - 2 faculty members from different disciplines in each clinic
- Professional revenue sharing model
- Dedicated marketing

Venous Health Program

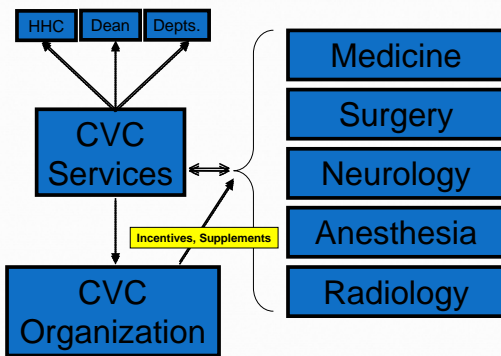
- Began April 2009
- Includes Interventional Radiology, Vascular Medicine, Vascular Surgery
- NP led clinic 2 half days per week
 - 2 faculty members from different disciplines in each clinic
- Professional revenue sharing model
- Dedicated marketing

Aortic Program

- Includes Cardiac Surgery, Cardiology, Genetics, Interventional Cardiology, Interventional Radiology, Radiology, Vascular Surgery
- Nurse practitioner led clinic 2 half days per week
- Weekly multidisciplinary conference
- Concierge type of services with collaborative call center
- National marketing campaign

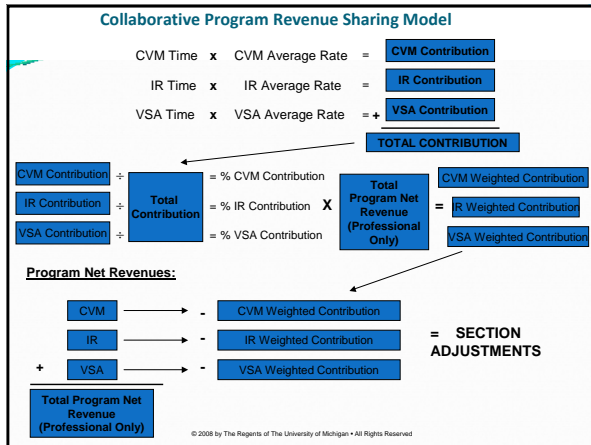
Collaborative Financial Model

Facility Revenue Model



Evolution of Collaborative Financial Model

- Facility funds flow enabled the creation of programs through the hiring of:
 - Nurse practitioners
 - Collaborative call center
 - Other infrastructure support
- Hospital benefits from collaborative programs by increased facility activity
- Departments share pro revenues to eliminate competition across specialties



Financial Model

- Allows for faculty interests/expertise to be leveraged
 - Time spent in clinic is just as valuable as time spent in OR/Procedure room
 - Can include inpatient rounding, program development
- Could incorporate private practice model where compensation is weighted by specialist
- Time/procedures are incremental – so is the revenue



Barriers and Obstacles at UMCVC

- Some faculty choose to opt out of collaborative programs
- Have not been able to develop carotid collaborative program as of yet
- Faculty time and availability
- Compensation models of some faculty may not be conducive to collaboration long-term
- Bed access limits program expansion which makes faculty participation inefficient
- Existing clinical support staff not completely embracing change

Why Collaboration??

- Enhanced patient satisfaction
- Enhanced referring physician satisfaction
 - Eliminates question as to what specialist to send the patient to
- Maximizing hospital resources
 - Collaboration leads to increased OR/procedure room utilization
- Cross-educational opportunities
- Cross-specialty research opportunities
- Decreased internal competition
- Becoming a marketing macro-trend
 - Create a competitive advantage
- Activity level will increase for everyone involved

Conclusions

- Traditional procedural domains between Cardiology, Interventional Radiology and Cardiac and Vascular Surgery are overlapping
 - Numerous specialties are now performing endovascular procedures
- Endovascular procedures are on the rise, continuing to evolve and are creating a decisional crossroad:
 - Compete or Collaborate
- Collaborative programs can be developed to capitalize on internal synergies to decrease competition
- Institutional commitment is key to collaboration
 - By collaborating level of activity should increase
- Collaborative care is a fast-moving macro trend
 - Technology and money is driving this increasing trend

Can this model be translated to other provider models?

- Employed non-academic
- Private practice
 - Professional revenues only
 - Facility included
- For Profit

“.....if you want to win, you can change.”

