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Healthcare law has more doctors teaming up

A surprising rush to form medical alliances could change the quality and costs of treatment.

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Reporting from San Antonio — Tribune Washington Bureau

As Congress debated the healthcare bill, many critics lamented it would do little to transform a system in which doctors and hospitals bounce patients around in an uncoordinated, costly, sometimes tragic process.

But something unexpected has happened since President Obama signed the legislation in March. Spurred in part by the law, many independent providers across the country are racing to mold themselves into the kind of coordinated teams held up as models for improving care.

In some places, the scramble is so intense that physician groups and hospitals are putting aside rivalries and signing new partnerships almost daily.

"It's kind of like the Oklahoma land rush right now," said Patrick Carrier, a veteran hospital administrator who heads Christus Santa Rosa, a group of Catholic hospitals in San Antonio. "Everyone has their wagons lined up and they're getting ready to go."

Three of San Antonio's hospital systems are competing to form alliances with local doctors who are giving up their private fee-for-service practices in exchange for paid positions on a hospital's team.

Healthcare experts have long argued that such a unified approach to medical care offers the best hope for improving quality and saving money.

While a few institutions such as the Mayo Clinic and Kaiser Permanente have thrived doing this, the entrenched, competing interests of providers were widely seen as a barrier to nationwide change.

It is possible the current rush will fail to reproduce the best models or their results. Further consolidation in the \$2.5-trillion healthcare industry might drive up costs for everyone. It could also reprise problems from the 1990s, when HMOs were criticized for restricting patient choice and access to care.

But some experts and providers see the new courtship dances as a surprisingly hopeful sign. The healthcare debate may have helped spark doctors, hospitals and others to rethink what they do, raising the prospect of better outcomes for millions of Americans.

"There are a lot of people who have reached the conclusion that they need to change the way they practice medicine," said Dr. Mark B. McClellan, a former Medicare and Medicaid chief in the George W. Bush administration and a leading advocate of more care coordination.

In San Antonio, the leaders of the Christus Santa Rosa hospital have made that very calculation.

Over nearly a century and a half, Santa Rosa's onetime infirmary a few blocks from the Alamo stanchied cholera outbreaks and saved polio victims in a ward filled with iron lungs. But it operated on a fairly standard business model.

"We looked at our daily census, and if our beds were filled, we'd say, 'We're doing our job,'" Carrier said. "The more people we have in our beds, the more money we earn."

In Santa Rosa's cardiac telemetry ward, that is still the way it works.

Recent patients included a 48-year-old man and a 71-year-old woman with congestive heart failure, and a 76-year-old woman with high blood pressure. Such chronic conditions, if treated properly, need not lead to a hospital stay.

The new law directs Medicare to reward alliances of healthcare providers, known as Accountable Care Organizations, or ACOs, if they reduce the cost of caring for patients like these while improving quality. That would likely mean fewer hospitalizations — and less income for Santa Rosa.

"In the new world, we're going to have to manage patients' diseases to manage expenses," Carrier said.

The best way to do that, he and others at Santa Rosa have concluded, is to work more closely with doctors, who now largely determine whom to admit to the hospital.

"Some folks are beginning to say that if you're not an ACO, you may not get paid at all," said Peter Maddox, senior vice president for strategy at Christus Health, the Catholic healthcare system that owns Santa Rosa.

Half a dozen times a week, Carrier meets with independently practicing doctors, talking with them about ways to collaborate and even trade their independence for a good pay package from Santa Rosa. And he's not alone.

"Every group of doctors I talk to is also talking to someone else," Carrier said.

Ultimately, Carrier said, Santa Rosa would like to put 100 primary care doctors on the payroll or in some other arrangement so the hospital and the doctors could manage patients' care jointly and benefit from incentives that Medicare and other insurers may offer.

Not everyone is interested in these overtures. Dr. Manuel M. Quinones Jr., who dissolved a partnership with Santa Rosa several years ago, said physicians should be wary. "When a hospital controls the lion's share, it will always be first in line to get the money," he said.

But like Carrier, many doctors in San Antonio see a changing world in which it's increasingly difficult to practice on their own.

"It's scary," said Dr. A. Charles Rabinowitz, a cardiologist who has watched many colleagues sell their practices. "There is a lot of paranoia out there."

Dr. C. Scott Horn, a family physician in suburban San Antonio, is carefully weighing offers from two hospital systems.