Could Tallahassee Hold the Key to the Future of Health Care?

The State of Medicine

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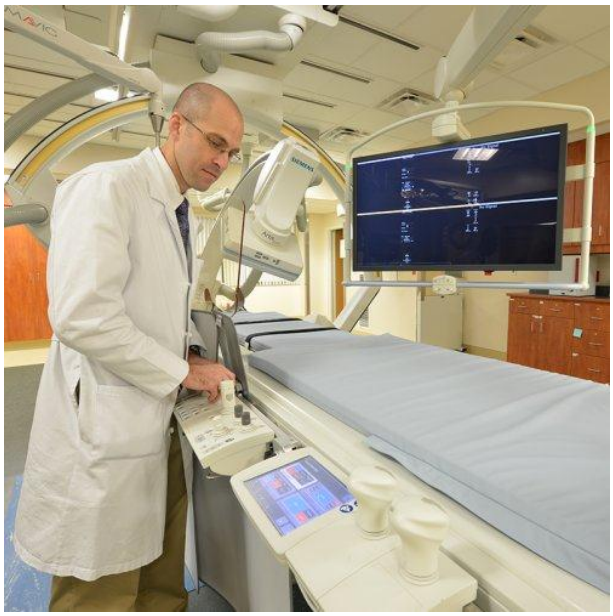


Courtesy Tallahassee Memorial Hospital

Remember the Good Old Days of health care? When Old Doc delivered you, made house calls and would get paid with a chicken when cash was hard to come by? No? How about when nurses wore white dresses topped by starched hats, and you might merit a week-long hospital stay when you had a baby? Still no? OK, do you recall when your company paid the lion's share of your health insurance premium and you might write a check for a five- or 10-buck copay after a visit?

As the nation ages, the costs of health care eat up an ever-growing percentage of family budgets, and even experts are throwing up their hands when asked to predict how the federal Affordable Care Act (read: Obamacare) is going to affect the industry. Many of us long for simpler times.

Sorry to break it to you, but those days are in the rearview. And lest we continue to wax nostalgic for those times, we might recall those were also the days when Granddad dropped dead of a heart attack at 64 because of untreated blood pressure, flu would put you in the hospital or kill you outright, and many a cancer was discovered via "exploratory surgery" and deemed inoperable.

To a person, local experts agree the current model for delivering health care — payments per procedure, focusing on health "events," treating symptoms as they arise, cost not being taken into consideration when making treatment choices, to name just a few — isn't going to work in the long run. "Unsustainable" is the word they use — a lot.

“When you look at health care costs today, it already represents one out of every six dollars we spend,” said Tallahassee Memorial HealthCare President and CEO Mark O’Bryant. “We recognize that if we don’t change things, we’re not going to be spending one out of every six dollars on health care in the next 10, 20, 30 years, we’re going to be spending one of every five, one of every four dollars on health care, maybe even more. I don’t think the model we have is sustainable. I don’t think we can continue to spend on the path we’re spending on and stay competitive.”

The alternative, they say, is a wholesale rethinking of how medicine is delivered.

Currently, “If you need rescue care, if you are crashing, the United States has the largest armory of high-tech health care,” said John Hogan, president and CEO of Capital Health Plan (CHP), a locally based HMO. “But I think a sustainable health care system can’t just be focused on the high-dollar care after everything’s gone bad. We’ve really got to, as a society, come to grips with the (fact that) our health care system is not the be-all and end-all having to do with good health.”

The newer models of health care encourage physicians and their patients to engage in continuing care, with a focus on living a healthy lifestyle in an attempt to avoid or delay chronic illnesses, and early intervention when a person does get sick.

“A lot of it has to do with things in the health system that are much more on the front end,” Hogan continued. “Good primary care, access to preventive services and a good bonded relationship between a patient and their personal family physician; those are the things I think are the real opportunities.”

Love it, hate it or something in between, the ACA is poised to dramatically alter the health care landscape over the next several years. Even without the law’s mandates, change is inevitable, said Tim Stapleton, executive vice president of the Florida Medical Association, a Tallahassee-based group that represents 20,000 Florida physicians.

Why? “Because employers that were paying the cost of insurance were demanding it … and as our baby boomers move into Medicare it’s taking up more of the federal budget,” said Stapleton. “The reality is a lot of these different payment models and a lot of these delivery model innovations were happening and the ACA has accelerated it. It didn’t create it, it just accelerated the change.”

THE FUTURE IS HERE

For a number of reasons, li’l old Tallahassee might just be the place where health care’s bright new future begins — and, in fact, has already started.

“Tallahassee is very rich in its health care. I think one of the strengths of the community is the health care provided,” said Brian Cook, CEO of Capital Regional Medical Center. “Residents have two very good hospitals to choose from … they have lots of great doctors and many access points to choose from (including) walk-in clinics.”

The concept at the core of health care’s future, say those involved in the industry, is trending away from hospitals, emergency rooms and specialists and toward primary care — the family doctor, pediatrician or internal medicine doctor. Or maybe not even a doctor at all, but a physician’s assistant or nurse practitioner.

TMH's O'Bryant sounds practically giddy when discussing the subject.

"We are in a great, great environment for transforming health care. It's going to be a very difficult transition in any market, but we've got the perfect laboratory population for really creating a new model of care," he said. "It's a large population but not too large. It's large enough to have morbidity patterns that reflect what you see across entire communities. We're a diverse population, which is a very positive thing because it also is representative of the challenges people have. Community health research is not something a lot of people want to do or can do well, but we think with the new medical school … (TMH can) partner with them to do community health research."

In addition, primary care has been front-and-center in Tallahassee for decades.

Forty years ago, the TMH established the Family Medicine Residency Program, a three-year post-graduate program that has since graduated more than 300 physicians.

"If you look at … residency programs, one of the roles is to bring doctors into your community," said O'Bryant. "Probably two-thirds of them are practicing somewhere in the bandwidth of North Florida and South Georgia. It's been very effective at doing what it was designed to do."

In conjunction with Florida State University's College of Medicine, TMH recently added a residency program in internal medicine, now in its second year, with an ultimate capacity of 24 doctors. It's also in the midst of establishing a five-year-long residency program in general surgery, slated to begin in the fall of 2015.

THE LOCAL HMO THAT COULD

HMOs have been around since the early 20th century and got a huge boost in 1973 when federal law encouraged employers to offer managed care plans in their benefit package and subsidized the creation of HMOs. But this "new" way to deliver health care caused a backlash, and many HMOs fell by the wayside.

“The public, the health care system and the house of medicine did a really, really, really good job of beating managed care back into submission,” said Dr. John Fogarty, dean of FSU’s College of Medicine and a family care doctor for more than 30 years. “Because what they described wasn’t managing care; they really cast it as managing *access*. ‘What do you mean I can’t see my cardiologist? What do you mean I can’t see my dermatologist?’ America was not going to stand for that one minute.”

In the midst of the HMO hullabaloo, in 1982, a group of local civic leaders created Capital Health Plan. While CHP embraced managed care, it has thrived over three decades, with about 126,000 members, a more than 30 percent share of the potential market in its seven-county service area — one of the highest rates of HMO coverage in the nation. It has received national acclaim, most recently ranked as the No. 3 private health insurance plan in the U.S. by the National Committee for Quality Assurance.

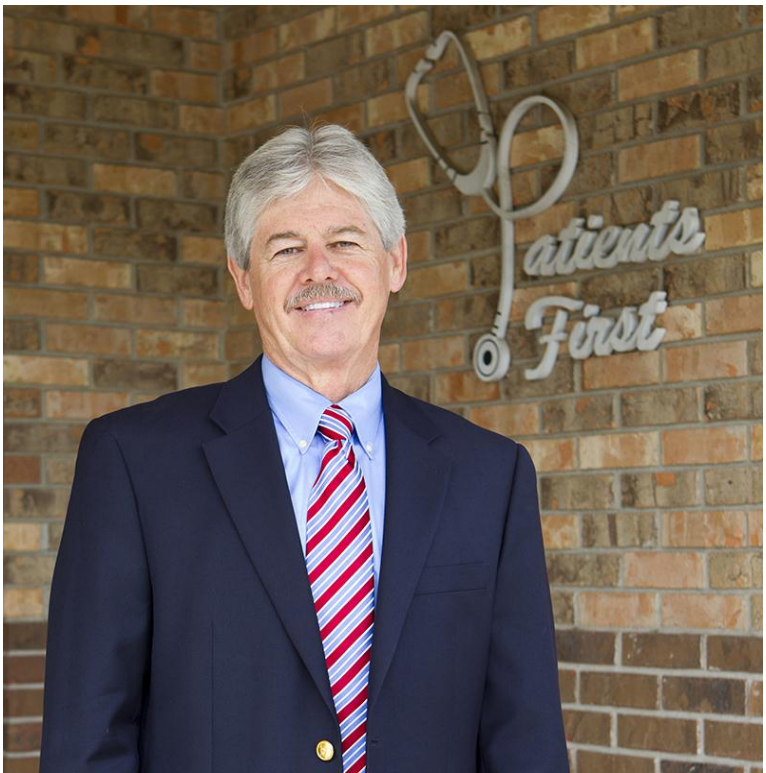
Why did CHP make it when so many other HMOs failed? Two words: nonprofit and local.

One distinct advantage in the beginning was that CHP was able to draw from a huge pool of potential members who work in government and education jobs. But Hogan, who has worked for CHP since its inception, credits the hyper-local focus of the organization — and its responsiveness to the needs of both members and network physicians — with its continued success.

Many of the HMOs operating in Tallahassee that weren’t successful were operated from afar, often by insurance companies that were well versed in the payment end of things but not in the actual delivery of medical services, said Hogan.

Without taxes and shareholders to pay, Capital Health Plan can invest in local wellness projects such as CHP Champions, a joint effort with the Leon County school system to provide physical activity — “45 or 50 minutes in constant motion,” is how Hogan described it — to more than 18,000 schoolchildren in first to eighth grades.

In another project, in 2011 CHP partnered with Tallahassee Memorial HealthCare to establish The Transition Center, a facility that provides follow-up care to patients after they are discharged from the hospital.



A familiar pattern, said O’Bryant, is that uninsured patients seek medical attention in the emergency room when they are gravely ill. “We typically admit them, we spend a lot of energy getting them well again only to discharge them. (Because) they don’t have support systems (or) they don’t have the financial wherewithal to buy their medications, oftentimes they go into noncompliance, and within some period of time they’re back in our ER and we do the same thing,” said the TMH chief. “This is very expensive, (and) it’s costing us money because we don’t get paid for these patients for the most part.” The center gives these

patients a temporary health care “home” with staffers who can connect them with needed services, including doctors, medicines and services. O’Bryant said providing these ongoing services for free is still considerably cheaper than the frequent ER visits the patients would otherwise need.

From its inception, CHP has encouraged primary care, with free wellness visits and preventive screenings, and urged members to select a personal physician with whom they can have a long-term doctor/patient relationship.

“The primacy of the relationship between physician and patient is key to everything we do,” Hogan said. And decisions about appropriate care — even those that may entail telling the patient “no” for a particular test or treatment — are made easier when the doctors have long-standing relationships with CHP and easy access to the gatekeeper.

“If we have clinical issues going on in Tallahassee and a physician wants to talk to the chief medical officer about something, he picks up the phone and calls Nancy (Van Vessem). I think that’s a huge advantage of our program and how we operate,” he said.

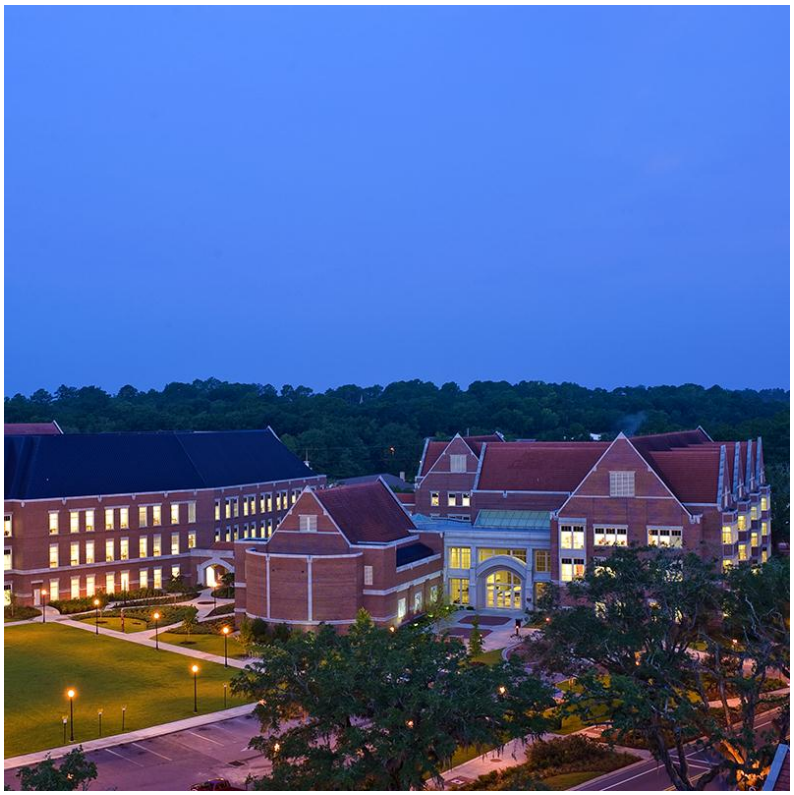
While it could serve as a model for other HMOs, Hogan said CHP is not interested in expanding its geographic reach.

“We get asked why don’t we go to Gainesville, why don’t we go to Panama City,” he said. “We don’t because we’re very local and focused on Tallahassee. We’re comfortable in our own little niche.”

Another homegrown health care innovation is Patients First. While the urgent care “doc-in-the-box” concept existed before the company started nearly 25 years ago, Patients First took it a step further, by combining the convenience of urgent care with a family care practice.

“I’m hearing it from everybody,” said President and CEO Brian Webb, “the concept we have is where the next generation is heading.”

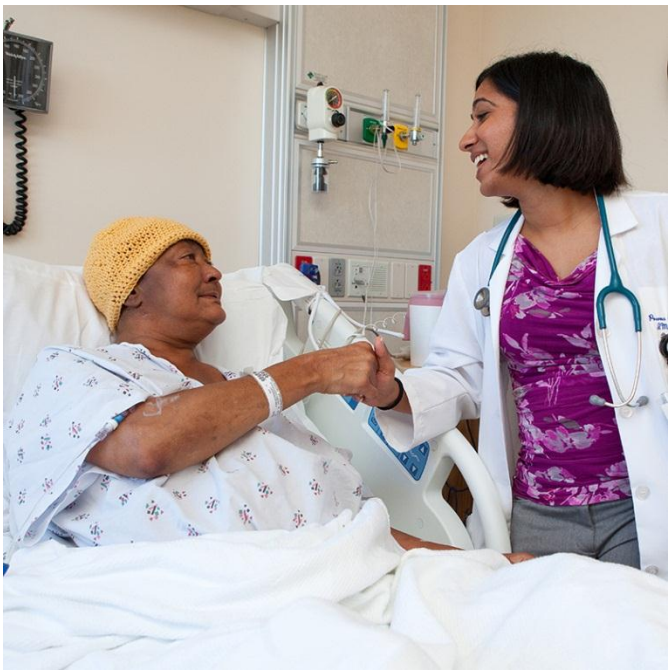
There are now seven locations in Tallahassee with an eighth, at the intersection of Capital Circle and Crawfordville Highway, in the works. Like CHP, Webb said his company doesn’t feel the need to expand into other regions. “We need to do it well in our hometown; that’s our main focus,” he said.



A NEW WAY OF TEACHING DOCTORS

One of Tallahassee's most advantageous assets when looking to the future of health care came in 2000, when Florida State University opened its College of Medicine, the first new med school established in the U.S. in a quarter century. The Florida Legislature funded it, but with strings attached — this new school was tasked with graduating doctors focused on primary care, particularly for the elderly and in underserved rural areas.

Aside from the obvious benefits of home-growing more doctors, FSU's med school also adds a certain cachet to Tallahassee — O'Bryant said it was one of the reasons he chose to take his TMH position 10 years ago. The College of Medicine also attracts talented doctors to its faculty as well as research projects to the community.



In the ensuing years, FSU has not only embraced its mandated mission, but also chosen to create a new model for training the next generation of doctors that provides an exceptional opportunity for students to learn via hands-on care.

For the past 100 years, the standard for health care training was centered on "big, academic medical centers," according to Fogarty, who came to FSU in 2008. But, he said, "in the last 25 or 30 years, health care has changed dramatically, so the only people that are in the academic medical centers are the

sickest of the sick … the high-end folks with unusual diseases." These days, "more and more care is being provided out in the community hospitals and more care (is provided) outside the hospital" in doctors' offices and other medical settings.

For their first two years, students learn on the college campus, but for their final two years of medical school they are sent to one of six satellite campuses located throughout the state to get their clinical training in doctor's offices, nursing homes and other facilities from board-certified physicians.

"We have over 2,400 community faculty that take students into their offices and provide them the six or eight weeks of rotation experience," Fogarty said, in such areas as obstetrics and gynecology, general surgery, pediatrics and family medicine. In a typical medical school, a student might be assigned one or two patients in a hospital, he said. "When you're in the office, you're seeing six, eight, 10, 12 patients every day … . Our students are delivering 20 or 30 babies over the course of their time in their third-year rotation. They're picking obstetrics (for their residencies) at twice the national average, because they're having such a positive experience."

A common comment when doctors are introduced to FSU's learning experience is, "'I wish I could have gone to this medical school.' It really is unique," the dean said.

Since the FSU school started, several medical schools have come online, including three others in Florida at the University of Central Florida, Florida International University and Florida Atlantic University. All of them, said Fogarty, are using the more traditional teaching model rather than FSU's.

BRICKS AND MORTAR AND DOCTORS

Mention "health care" and "hospital" is one of the first images that comes to mind. And hospital care does eat up the largest part of the nation's health care expenditures — 31 percent of the total in 2010,

according to the Henry J. Kaiser Family Foundation. (Physician/clinical services came in a distant second at 20 percent.)

Tallahassee's hospitals are large and visible businesses — the fourth (TMH) and 11th (CRMC) largest employers in the area.

So it's a bit of a surprise to hear the chief executives of both hospitals say the future of health care lies outside of their hallways.

"We're creating more outreach efforts for people to see primary care doctors and specialists," said CRMC's Cook. The region's for-profit hospital, part of the HCA chain, just added two floors — 44 patient rooms — to the top of its building, bringing the bed count to 242.

But much of the focus now, he said, is on developing physician practices around the hospital and in communities outside of Tallahassee. And enhanced select medical services are seen as growth areas in the future.

"What hospitals are realizing (is) their business model, which is filling beds, is the opposite direction of where things are going. The movement is to keep people out of the hospital," said the FMA's Stapleton of statewide trends. "They're having to adjust their business model to deal with the outpatient side of things and to make sure they're not just on the losing end of this. What we're looking at more and more is cooperative types of relationships."

Cook said the model of physicians on the payroll model "started to blossom" six or seven years ago, with primary care doctors. "They were tired of running a practice — the billings, the collections, the hiring and firing," he said, as well as expensive mandates relating to patient privacy and electronic records. "The overhead became cost prohibitive but also the time. Basically we run the practice; we give them a place to practice." That has now expanded, with Capital Regional practices dedicated to such specialties as cardiology and obstetrics and gynecology.

Nationwide, HCA employs about 3,000 doctors, according to Cook, with the chain's central service managing such things as billing, collections, credentialing and insurance. And it's not just older, established doctors who are embracing employment. Newly minted doctors are also getting on board with working for a paycheck.

"A lot of the younger ones have no interest in running a practice," Cook said. For Gen Xers and Millenials, "it's work/life/family balance and being a doctor, not being a business person. It's about balance with these doctors, more so than the money aspect."

Another doctor-related trend is the rise of the hospitalist, a physician who cares for patients when they are in the hospital, rather than their primary care doctor. "What we are seeing are less and less doctors that want to round on their patients," Cook said. "They feel they're more productive, their time is better spent, by staying in their office seeing clinic patients. They have no desire to go to the hospital, they have no desire to be on call."

When Dr. Gary Winchester started practicing medicine more than 30 years ago, he was not only responsible for his patients in the hospital, but was also on call to work in the emergency room. Today,

he lets the specialists do those jobs. With fast-changing medicines, techniques and equipment, for both inpatient and emergency room care, “medicine has just gotten too complicated,” he said. “It’s utterly impossible for somebody who does outpatient medicine to be able to do hospital medicine, because they’re worlds apart.”

Tallahassee Memorial Hospital recently completed two major brick-and-mortar projects that are not directly attached to the main hospital campus. The TMH Cancer Center is located a few blocks away, while the freestanding, 45,000-square-foot Tallahassee Memorial Emergency Center – Northeast was built in that population center near the intersection of Interstate 10 and Thomasville Road.

TMH has also unveiled plans for a $170 million, 294,000-square-foot Surgery and Adult Intensive Care unit expansion on the south side of the existing hospital. O’Bryant calls it a “50-year-building” because it is planned to meet the community’s needs for that long, with design flexibility to accommodate new health care equipment that might come along in the future and the ability to add more floors if they’re required.

TIME magazine dedicated most of its March 4, 2013, issue to an article named “Bitter Pill: Why Medical Bills are Killing Us,” and author Steven Brill aimed particularly harsh comments at not-for-profit hospitals that were, in fact, posting multi-million-dollar profits. Florida’s Agency for Health Care Administration (AHCA) reported TMH posted a profit of $66 million in 2011 (Capital Regional’s profits in the same time period were nearly $3 million.)

These profits, said O’Bryant, are used to fund construction and community projects as well as keep the hospital attractive to investors when it seeks bond money. Not to mention serve as a rainy day fund for unexpected expenses, such as lowered payments for Medicare and Medicaid — even federal sequestration is taking a financial toll, according to TMH Chief Financial Officer Bill Guidice, who estimates profits in 2013 will probably drop to about $40 million.

O’Bryant doesn’t apologize for trying to keep a healthy balance on the books, even though his hospital is considered nonprofit. It’s a lesson he learned from a nun when he worked for a Catholic hospital system before coming to TMH. “Sister Thomas de Sales was a great mentor and boss during my early years as a health care executive. She would constantly remind me, ‘No margin, no mission!’ Sister would add, ‘All those visions you have are just pipe dreams if you don’t have a margin to support them.’”

IF IT IS TO BE, IT’S UP TO … YOU

With all the talk about coordination and cooperation between providers and payers, those on the front lines of health care's evolution say one key player often seems to be left out of the conversation.

"One of my big frustrations with all of this discussion around health care reform is we talk about the government, we talk about the hospitals, we talk about the doctors, we talk about insurers — we very rarely talk about the patient," said Dean Fogarty. "Maybe the paternalistic health care system that we've developed has created this, but at some point we're going to have to empower patients to actually care for themselves."

Half jokingly, he puts the blame on little Speedy Alka-Seltzer. He might be best known for the "Plop, plop; fizz, fizz" line, but in one of his earliest commercial incarnations, he assured us "relief is just a swallow away."

"We've created a little bit of a monster in terms of saying whatever you've got, we can manage it," Fogarty said. "From the family physician's viewpoint and from the generalist's viewpoint, I think we're more interested in having you take care of yourself as opposed to me taking care of you when you have a problem."

While carrots will continue to be offered to entice patients to become actively involved in maintaining their health, Winchester thinks it might take a financial stick to get people to actually make a change.

"I think the only way that will happen is if either health care itself or health insurance is somehow tied to healthy lifestyles, and I suspect that's a direction it's heading toward," the family physician said. "For example, if you are morbidly obese, your insurance may cost you twice as much it would if you weren't. It would take something economic, in my opinion, to change people's behavior."

THE FINAL SAY

"Nobody has a crystal ball that can say exactly what all the impacts of the (ACA) are going to be," said CHP's Hogan. "I'm optimistic that in spite of all the uncertainties of health care reform that Tallahassee's in a good position to have sustainable high quality health care and hopefully increasing the healthy population going forward."

O'Bryant has loftier ambitions.

He only half-jokingly says "the goal is to have Tallahassee on the cover of TIME magazine as the healthiest community in the nation. I think the new models of care aren't going to come out of the big academic centers. When we talk about community health initiatives, primary care programs and engaging around populations … I think people will be looking at the Tallahassees of the world and trying to figure out how (to) take population health management and move it into the communities."