

Implications & Initiatives for Survival

Healthcare reform is here to stay; and with it comes changes to the way physicians run their practices - both operationally and financially if they are to survive and practice on their own terms. And, OB/GYN practices will be one of the first specialties to be impacted by payment reform.

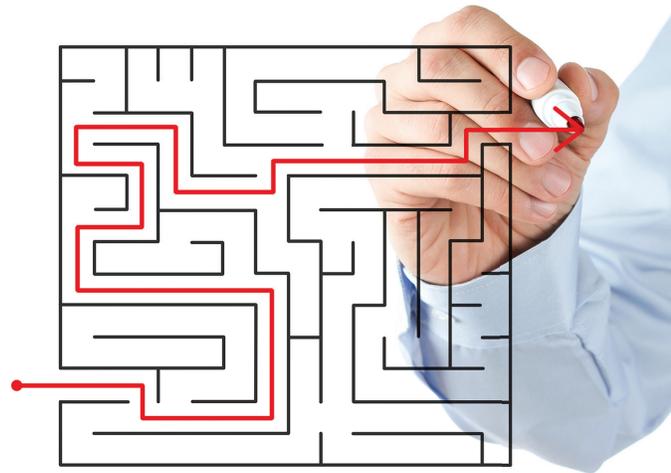
Typically, OB/GYNs provide both primary and specialty care to women and under the Affordable Care Act, OB/GYNs are finding themselves in a position of having to create an integrated system centered on the patient, clinical outcomes, and value - the Triple Aim of Healthcare. To meet this requirement, physicians will need new practice tools and resources to retain their independence and thrive in the new healthcare environment.

Challenges for OB/GYN Practices

OB/GYNs face many challenges as healthcare is transformed from a fee-for-service to a value-based payment system. The shift to pay-for-performance goes beyond just changes to reimbursement - it involves greater coordination of care for the whole patient and greater reporting requirements demanded under payment reform.

The transition to value-based payments involves a shift of risk from payers to providers, from treating illness to promoting wellness, from individual episodic care to coordinated, longitudinal care - all with the goal of lowering cost and improving quality. And all this will take personnel, new workflow, technology, and financial resources to maintain current reimbursement levels.

It is projected that OB/GYNs will have more than \$36,000 of their revenue at risk in 2016 and as much as \$100,000 by 2020 if they do not take steps to protect their income.



Physician hiring statistics suggests a trend toward the employed physician.

The American Hospital Association describes a 32% increase in hospital-employed physicians since 2000; HealthLeaders Media's annual Physician Alignment Survey showed that 71% of their membership anticipated an increase in physician employment through 2015.

How OB/GYN Practices Can Succeed

Providers will need to develop a new practice mindset to ensure the viability of their practice going forward. Physicians must now look at their patient population in the aggregate, as well as individuals within their practice. They will be required to assume more risk, improve quality over the whole population and then be able to report on the health status on a case-by-case basis and the population as a whole. And, they will need to be able to coordinate care more broadly across the care continuum.

OB/GYNs have options to adapt the way they practice (or not) in this new era.

- Do nothing, which will likely result in a loss of payer contracts and declines in provider compensation putting the practice at risk of closing.
- Engage in practice transformation adopting technology and implementing processes that support their ability to stay independent. The key transformational changes might include a new operational model like: becoming a Patient Centered Medical Home (PCMH) as recommended by ACOG; optimize operations; and invest in an EHR – all of which can help the practitioner maintain or increase compensation.
- Become part of an ACO (which harkens back to 1990s HMO structures), large multi-specialty practice, or health system which will still require practice transformation, but leaves much risk to compensation and control.

Tools for Success

Electronic Health Record

The foundational technology to support the practice paradigm shift is an electronic health record; one designed to support the clinical, operational and financial requirements of payment reform. The EHR will need to support structured data elements to document patient information using controlled vocabulary rather than narrative text; and today, 80% of EHRs do not have structured data. Structured data and standardization both support sharing patient information with other providers as well the analytics for reporting on quality and outcomes.

CMS will replace Medicare fee-for-service with value-based payment models such as ACOs and bundled payments over the next three years.

HHS will work with private payers, employers, consumers, state Medicaid programs to expand alternative payment models into their programs.

Conversion of



of payments to
alternative models
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Tools for Success (continued)

Clinically-Driven RCM

Physician practices will need to shift their mindset from “billing” to “revenue management” to accommodate both ICD-10 and payment reform initiatives. Revenue Cycle Management services improve billing processes to increase reimbursements in an uncertain time. By tightly integrating clinical data and RCM in a clinically-driven model, practices can maximize financial performance. The automated flow of data captured in the EHR directly into the RCM system increases overall efficiency, accuracy and accountability.

Analytics

Practices will need actionable analytics in real-time within their workflow to provide value by improving outcomes and lowering costs of their patient population.

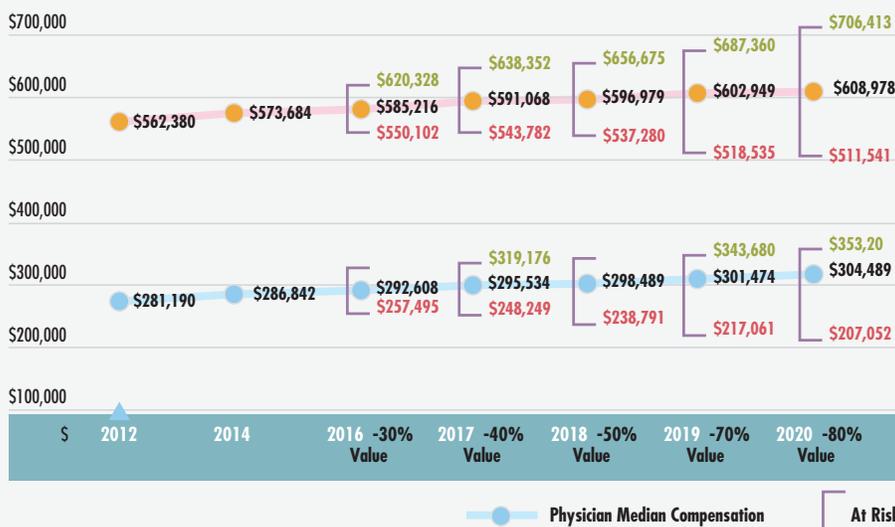
Patient Engagement

Providers will need to actively engage with patients in new ways – supporting greater levels of compliance, education and interaction. Some tools to consider include patient portals, messaging, and learning management platforms among others.

Care Coordination

Providers will now be responsible for their patients’ needs beyond what happens in the office setting. Care coordination will require tools and people to accomplish widespread care coordination:

- Continuous outreach
- Care plan development and adherence monitoring
- Health education and nutritional counseling



digiChart is uniquely positioned to help OB/GYN practices remain independent and thriving over the next several years – face ICD-10 and payment reform with a company who offers proven technology to deliver the clinical efficiency and productivity you need, with surround services to support the financial and operational challenges, and the people with specific OB/GYN expertise to provide superior client service.

Provider
Collections & Compensation



Based on MGMA
OB/GYN Private
Practice Median
Salary in 2012



Focused Technology for Specialty Care

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ABOUT digiChart

digiChart delivers a comprehensive, specialty EHR, as well as a select offering of practice management and revenue cycle solutions to help its practitioners improve quality, increase revenue and enhance patient relationships. The company's flagship offering is tailored to the specific workflow needs of OB/GYN providers and is the EMR of choice for hundreds of practices nationwide. A privately-held company, digiChart is based in Brentwood, Tennessee with investors including MedCare Investment Funds and Vanderbilt University Medical Center.



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