Gastroenterology: A Look into the Future

Things to Consider for Independent Gastroenterology
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Independent Gastroenterology: A Look into the Future

Healthcare is changing rapidly. Keeping up with new regulations and technology can be a full time job. With all of these changes, it can be tempting for physicians to give up their independence in favor of Hospital ownership.

Introduction

The next few years are likely to be tumultuous ones for the practice of gastroenterology. With health reform’s key provisions kicking in, Accountable Care Organizations forming, ICD-10 coding becoming a requirement, meaningful EHR use a reality for medical practices across the board, and the growing importance of exporting data to registries, physicians have a tremendous amount to address.

In this paper, you will read about some of the key trends you should prepare for if you want to successfully ride out the massive changes coming to your practice. Brace yourself: there’s a lot of work to do.
Price, Quality and Availability Will Be Transparent

These days, finding a hotel room is easier than ever. By using one of the Internet booking sites, you find a room at your favorite location that is within your price range, check the customer and critic ratings and book it on-line.

Booking appointments with providers will become similar within the next five years. Patients will seek providers that are highly rated, have the lowest out-of-pocket cost, are reachable via the Internet and have appointments available at their convenience.

Today, companies like ZocDoc™ publish appointment availability, while Healthgrades™ summarizes physician ratings and CastLight™ provides detailed out-of-pocket cost estimates. There are also sites like PokitDok™, which allow consumers to get price quotes for services directly from physicians. Over the next few years, the number of Internet services which help lower the cost and increase the availability and quality of physician services is going to multiply rapidly, driven by consumer demand.

Gastroenterologists will be no exception to this trend. Practices will be required to become accessible to patients through a variety of channels, including mobile applications and Internet portals, to attract and retain their patient base. As patient-centered care becomes the norm, patients will expect a high level of customer care and a clear understanding of the value gastroenterology brings to their health.

Healthcare Reform is The New Status Quo

The rollout of healthcare reform will have a dramatic effect on many gastroenterologists during the next three years. Some will be prepared, but others will end up facing challenges that could threaten their practice.

Healthcare reform offers everyone access to low-cost insurance through public exchanges, similar to buying airline tickets and hotel rooms through sites like Expedia.com™, Travelocity™ and Hotels.com™.

This could mean a flood of new patients to your door. With healthcare reform, there will be a massive wave of newly-insured patients showing up in medical practices. The federal government estimates that at least 40 million new patients will seek preventive care in 2014. Some of these 40 million will inevitably end up in your practice.

These patients will bring new expectations with them. For example, under health reform, patients in health plans issued after September 23, 2010 will be entitled to colorectal cancer and other preventive screens with no cost-sharing for the patient.
Health reform is also bringing with it a broad range of changes to reimbursement, including a change in the utilization rate assumption for facilities or equipment and potential adjustments to billing codes deemed misvalued or overvalued.

Many other changes will transform the overall healthcare marketplace, including the rise of patient centered medical homes and Accountable Care Organizations (see more below). The bottom line is that care is going to shift substantially in ways that force gastroenterology practices to deliver streamlined, coordinated care with higher levels of effort and complexity.

▶️ Case Study: Gastro One

Gastro One is a 21-person gastroenterology group with five locations cutting across Memphis and nearby regions. In addition to office-based care, Gastro One owns two ambulatory surgery centers, processes its own specimens and maintains its own research department.

Looking ahead at the next few years, Gastro One is taking several steps to keep its independence and function well in the new post-health-reform world.

One of the main moves Gastro One is making to prepare for the future is to merge with another large GI group in the area, a merger which, when complete, will create a practice with 35 doctors. Gastro One is doing this to maintain its independence and to remain attractive to insurance companies.

"I think it's extremely important to maintain independence from the hospital," says Michael Dragutsky, MD. "Doctors who merge with a hospital now are going to find out in a few years that their financial model is not sustainable anymore. [For one thing,] the facility fees to do procedures under hospital administration are triple the cost of non-hospital owned facilities, and insurance companies won't be able to afford those fees over the long haul."

According to Dr. Dragutsky, the merged Gastro One will be able to provide better quality care than the hospital at a much better cost than if its physicians were employees. "The insurance companies would rather pay our rate than pay for hospital outpatient fees," Dr. Dragutsky says.

The practice's leaders have begun benchmarking data using their EMR, including disease detection rates, complications, adherence to best-practices, indications for procedures and how often to do a colonoscopy. The practice is also doing in-house peer and quality reviews.

Ultimately, Dr. Dragutsky says, Gastro One will be able to leverage its financial and clinical benchmarking data to offer attractively-priced, high-quality care."[In an
accountable care world,] you don't have to be the lowest cost provider, as long as you're the best value provider," Dr. Dragutsky says.

### Changes in Compensation Will Shift Relationships

Most physicians are paid a fee for each service they provide, including evaluation and management, procedures, anesthesia and pathology. However, as health reform and insurance industry shifts arise, this is likely to change.

With healthcare reform, payors will sub-contract providers willing to offer these services as part of a bundle, where a single payment covers pre-procedure evaluation and preparation, professional fees, facility fees, anesthesia, pathology and possible complications. Large groups are able to understand and assume the complication risks, but smaller practices could see their profits disappear with a few complicated cases.

Additionally, large healthcare systems and hospitals will be paid to manage populations, and are forced to make one of two choices: build and control their own gastroenterology services by buying practices and hiring physicians, or subcontract gastroenterology groups that can demonstrate better outcomes at lower cost (high value providers). For this reason many small practices are merging or selling out to hospitals.

Along the way, many gastroenterologists are likely to accept employment, at a high cost in personal income. According to one journal, as of 2011 one in five gastroenterologists were already employed, and that number has grown substantially in recent times. Employed gastroenterologists earn less than self-employed colleagues.

To stay independent, gastroenterologists will need to understand their cost and risk structure well enough to proactively offer bundled care packages and provide a full range of services that marks them as the provider of choice in their market at a reasonable cost and profit.

### Case Study: Gastrointestinal Associates PC

Gastrointestinal Associates PC is a 13-physician gastroenterology practice based in Knoxville, TN. The practice has three offices spread across the Knoxville area, and also owns three ambulatory surgical centers.

These days, practice leaders at Gastrointestinal Associates are gearing up for a post-reform world. "[Under reform], practices have the option of staying as they are or they can grow and remain successful financially," said Dr. Gene Overholt. "Our practice has opted to grow and provide new services."
According to Dr. Overholt, practices that want to remain independent in the face of reform pressures -- and buyout offers from hospitals -- need to develop services that make them the go-to practice in their region.

In recent years, the practice has been building up its capabilities to offer comprehensive services to patients. This includes not only practice-owned ASCs, but also its own pathology and anesthesia services (anesthesia is currently offered through a separately-owned corporation that hires CRNAs to provide services). The group is also preparing to develop an inflammatory bowel center of excellence and nutrition services.

Taken together, these steps will help Gastrointestinal Associates stand out. "It's not a single thing that a GI practice does, it's a combination of activities, including services that aren't available anywhere," Dr. Overholt said.

But growth isn't everything, Dr. Overholt says. "We plan to improve," he says. "We will improve on quality measurements and reporting. Quality will become part of our culture." The practice will also seek to be the lowest-cost provider in its market. That's particularly true of services like endoscopy, which the group can do at an ASC at a much lower cost than the hospital.

By taking these steps, Dr. Overholt suggests, his organization will not be forced into the arms of an Accountable Care Organization, something he's trying to avoid. "Unless things change, I don't plan to recommend to our group that we join an ACO," Dr. Overholt says. "I'm not convinced ACOs will survive. Instead, if you can demonstrate that you offer quality care, good communication with primary care physicians and offer services at the lowest cost, the ACO will come to you."

### Changes in Technology Are Inescapable

To further complicate things, practices will be forced to adopt a new expanded coding system and a more elaborate version of Meaningful Use.

The second phase of Meaningful Use requires communication with at least 5% of patients using the internet (patient portals), coordination of care with other providers, computerized order entry systems and clinical decision support, to name a few examples.

Few practices are well prepared to adopt these changes, and worse, many technology vendors still haven't implemented all of the features necessary to allow practices to keep up with Meaningful Use demands. For this reason we estimate that at least one third of practices will switch their healthcare information technology partners in the next 3 years.

ICD-10 brings another layer of complexity. Effective October 1, 2014 gastroenterology
practices will need to manage between 5 and 7 times more codes. ICD-10 codes are highly specific, require extensive training and will have deep impact on productivity as everyone in the practice (including physicians) learns how to use them.

A significant operational challenge physicians will encounter is the amount of time it will take to select a specific code. Given the much larger set of codes from which they must choose -- and added factors to consider, such as cause, location or type of lesion -- physicians will need to spend more time on coding than they have in the past. Thus, the physician will lose ground on previously gained efficiencies.

Despite the difficulties involved, getting ICD-10 coding right is imperative. Practices that don't spend enough time on learning ICD-10 coding are likely to attract unwanted attention from CMS, which will be auditing practices to see that they're using the new codes appropriately. Auditors will be on the alert for up-coding, and will be quick to challenge excessive use of any higher-level visit code. Practices must be prepared to defend themselves with careful documentation.

### Accountable Care Will Be a Fact of Life

Accountable Care Organizations may or may not succeed, but Accountable Care is here to stay. Smart practices will learn to become accountable for the patient experience, outcomes and cost. They will become transparent on price, quality and availability. Moreover, submitting clinical and operational data through quality registries like the AGA Digestive Outcomes Registry and GIQuIC, will likely be a requirement for meeting Meaningful Use in stage 3.

Gastroenterologists must begin to measure best-practice compliance, patient outcomes, customer satisfaction, operations, finances and regulatory compliance to remain competitive in the near future and participate in the new business of healthcare contracting. And practices have to demonstrate that they bring value and good outcomes to the table.

One source of information on measuring and delivering quality and outcomes comes from the American Gastroenterological Association, which is working with a wide range of stakeholders to provide quality and outcome measures in key areas of gastroenterology practice, including colorectal cancer screening and surveillance, GERD, hepatitis C and adult inflammatory bowel disease. (More information is available here: [http://www.gastro.org/practice/quality-initiatives/performance-measures/aga-quality-and-outcomes-measures](http://www.gastro.org/practice/quality-initiatives/performance-measures/aga-quality-and-outcomes-measures))

Another source for similar information is GIQuIC, co-sponsored by the American College of Gastroenterology and the American Society of Gastrointestinal Endoscopy. This organization focuses on benchmarking in areas of efficiency and effectiveness with physicians from hospitals, universities, ambulatory surgery centers, and office-based
endoscopy units nationwide. As participants in this initiative, they are collecting and electronically reporting on quality indicators for colonoscopy and EGD procedures. GIQuIC is collecting endoscopy data in a systematic method used to measure the quality of endoscopy practices. Ongoing development and testing of metrics for specific endoscopy procedures is required. (More information is available here: http://giquic.gi.org/)

For many practices, surviving in an accountable care world will also mean partnering or merging with other practices. Linking up with other GI practices will allow the combined group to have enough resources to take on greater financial risk. These combined groups may wish to undergo a traditional merger, or alternatively, they might decide to form a larger, clinically integrated practice association that can negotiate as a single unit with hospitals and ACOs in its region. Both of these approaches will allow gastroenterology practices to remain largely on their own while allowing them to participate in value-based contracting.
Conclusion

Despite the challenges that lie ahead for gastroenterology, practices that prepare well for these shifts can prosper. Groups that dedicate resources now to functioning in an accountable care world -- including having credible measures of quality to share, understanding their cost structure and being prepared to accept financial risk -- will enjoy strong relationships with hospitals and insurers.

- Be prepared for upcoming regulatory changes. Take steps to familiarize yourself with Meaningful Use requirements, ICD-10 coding and new healthcare protocols. There are expert consulting services that can be used as a resource to guide you through these changes.
- Develop professional networks with other practices in your area. These relationships are invaluable and can be used to exchange ideas and information. These partnerships could ultimately help your practice remain an independent entity.
- Be sure to analyze clinical and operational data frequently. Keeping track of metrics can ensure smart business decisions and guarantee that your practice is running efficiently. Monitoring clinical data can also result in improved patient care.
- Communication is key, not only within your practice, but also to your patients. Implementing a patient engagement tool such as an online portal can help both parties stay connected, and help your practice meet Meaningful Use requirements.
- Always remember that despite the overwhelming shift in healthcare, the patient is the most important thing. Providing them the best care should always be the highest priority.

Transforming your practice over the next few years is going to be a tremendous challenge, but GI groups that accept the challenge will have the freedom to build a future that suits them for the years to come.
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