SPECIAL POINT OF INTEREST

5 Inpatient Quality & Safety (IPQS) Initiative

INSIDE THIS ISSUE

- 2 New Elected MHMD Board Members
- 6 Update on Patient-Centered Medical Home Initiative
- **10** New Care⁴ Mobile App

Memorial Hermann Physician Network

ISSUE V • WINTER 2013

Newsink

ABOUT MHMD

MHMD, Memorial Hermann Physician Network, is a clinically integrated physician organization comprising more than 3,600 doctors across Southeast Texas. MHMD is the largest independent physician organization of its kind in Texas. Visit our website at www.mhmd.com

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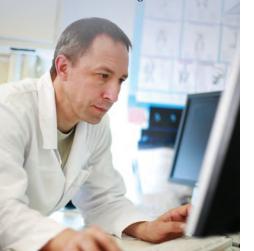
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Moving Ahead with Memorial Hermann ACO and Beyond

"We are extremely

excited about taking

with Aetna to create

and increase quality

for our patients."

this step in partnership

models that reduce cost

I am pleased to report that the Centers for Medicare & Medicaid Services (CMS) approved our application to participate in the Medicare Shared Savings Program as an Accountable Care Organization (ACO). You will recall that MHMD applied along with

Memorial Hermann to be part of this new program sponsored by CMS. Through the Shared Savings Program, Memorial Hermann ACO (MHACO) will work with CMS to provide Medicare fee-for-service beneficiaries with high-quality care, while lowering the rate of growth in

Medicare costs through preventive medicine and careful management of patients diagnosed with chronic diseases. CMS will use robust quality measures to reward ACOs that achieve these outcomes.

In addition to this news, as you know, MHMD has established a culture of physician accountability and created new models of healthcare that improve the quality, safety and cost efficiency of the care we provide for the populations we manage. As we continue to lead the transformation of medical practice, I am pleased to report that MHMD, Memorial Hermann and Aetna have entered into Accountable Care Network agreements that will provide significant opportunities for our respective organizations.

Some aspects of the agreements are very unique and innovative, and should serve as models for our local and national markets. These are the first commercial contracts

to be enacted by the Memorial Hermann ACO and rely heavily on the principles of Accountable Care.

The agreements provide for shared savings and quality incentives for approximately 100,000 commercial lives attributed to the

CI Primary Care network, a Medicare Advantage plan, and a new, jointly developed and co-branded product that focuses on cost, quality, and shared incentives, to be launched in April 2013. There will also be fee schedule increases for the commercial and co-branded products for

the CI physician network.

We are committed to a promise to provide the highest quality of care, driven by compassionate providers, with collaborative and innovative solutions for all of our customers. I believe these Accountable Care Network agreements will continue to pave the way for many future opportunities and we are extremely excited about taking this step in partnership with Aetna to create models that reduce cost and increase quality for our patients.



Christopher Lloyd

MHMD CEO

MHMD Announces Newly Elected Board Members



Sohail Noor, M.D. INTERNAL MEDICINE



Ankur Doshi, M.D. INTERNAL MEDICINE



Benjamin Portnoy, M.D. INTERNAL MEDICINE/INFECTIOUS



Luke Burke, M.D. OTOLARYNGOLOLGY



Periyanan Vaduganathan, M.D.



Tejas Mehta, M.D. INTERNAL MEDICINE

I would like to take this opportunity to thank these MHMD physicians for stepping up to serve as candidates for the MHMD board of directors. These members come forward out of a desire to help us strengthen our organization and increase its relevance in the new era of healthcare. As newly elected or re-elected board members, they will join their colleagues in the continued effort of MHMD to build trust among all stakeholders as an effective partner for progress.

For the good of our organization and the patients we serve, these members will contribute significantly to the oversight and implementation of our quality and patient safety efforts. MHMD Board Members are now an integral part of medical executive committees at Memorial Hermann hospitals to ensure important MHMD information is conveyed to medical staff leaders.

The steadfast support and commitment of our board members to our organization and their fellow physicians will enable us to come together to continue the momentum of their predecessors as we strive to achieve additional inroads and improvements that will further advance our organization and the care our members provide.



Emmett McDonald, M.D. MHMD Board Chair

2013 MHMD BOARD OF DIRECTORS & OFFICERS

OFFICERS			
President	D. Keith Fernandez, M.D.	Gastroenterology	Katy
Chair	R. Emmett McDonald, M.D.	Urological Surgery	Northwest
Vice Chair	Kulvinder Bajwa, M.D.	General Surgery	Sugar Land
Treasurer	Jon Gogola, M.D.	Obstetrics & Gynecology	Memorial City
Secretary	Charlotte Alexander, M.D.	Hand Surgery	Southwest

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Treasurer	Jon Gogola, M.D.	Obstetrics & Gynecology	Memorial City
Secretary	Charlotte Alexander, M.D.	Hand Surgery	Southwest
DIRECTORS			
Martin Citardi, M.D.		Otolaryngology	TMC/UTHealth
Giuseppe Colasurdo, M.D.		Ped. Pulmonary Disease	TMC/UTHealth
Benjamin Portnoy, M.D.		Infectious Diseases	TMC
Sohail Noor, M.D.		Internal Medicine	Katy
David Reininger, M.D.		Geriatrics	Katy
Ankur Doshi, M.D.		Internal Medicine	Memorial City
Luke Burke, M.D.		Otolaryngology	Northwest
J. Kevin Giglio, M.D.		Family Medicine	Northwest
Rick Nixon, M.D.		Orthopedic Surgery	Northwest
Tejas Mehta, M.D.		Internal Medicine	Northeast
Mary Cross, M.D.		General Practice	Southeast
Thomas Murphy, M.D.		Family Medicine	Southeast
Periyanan Vaduganathan, M.D.		Cardiovascular Diseases	Southeast
Sanford Lubetkin, M.D.		Cardiovascular Diseases	Southwest
Wael Asi, M.D.		Pulmonary Disease & CC	The Woodlands
Joseph Edralin, M.D.		Pediatrics	The Woodlands
Christopher Prihoda, M.D.		Family Medicine	The Woodlands
Enrique Quintero, M.D.		Allergy & Immunology	The Woodlands

CPC Guides Development of Clinical Programs

The Clinical Programs Committee (CPC) is the clinical arm of MHMD, with physician representation from all Memorial Hermann hospitals. Here's the latest information on CPC committee activities and CPC-sponsored quality improvement initiatives.

The Primary Care CPC and the associated Primary Care Leadership Council are the main forces behind our Advanced Primary Care Practices (APCP) medicalhome initiative. These committees have overseen the process changes in office-based care that will transform the practice of medicine

for patients and physicians and allow us to manage the health of populations of people rather than just individual patients. They are adding information technology in the form of a point-of-care tool, bringing real time knowledge of a patient's health status and needs; participating in MHiE, the Memorial Hermann Health Information Exchange; reporting the MHMD "Measures of Excellence," measures defined by our Primary Care CPC that reflect our commitment to quality; and working closely with population care managers.

The Clinical Ethics and Palliative Care Committee is establishing a systemwide palliative care program for each market area covered by our APCP.

The Bariatrics CPC and Cardiovascular Surgery CPC have established consistent privileging and credentialing criteria for their specialists throughout the system.

The Obstetrics and Gynecology CPC successfully mandated a 22-hour Safety CME to maintain obstetrics privileges in that specialty in MH hospitals; all but four physicians successfully completed this program. More recently this group recommended six obstetric safety checklists to improve perinatal outcomes.



MHMD received the Memorial Hermann President's Gold Circle Award for Breakthrough of the Year in Quality and Safety for the Evolution of the CPC, for successfully deliberating patient safety and quality and creating order sets and protocols that are saving lives and costs.

The Hospital Medicine Committee

developed a strategy and tactical plan to eliminate preventable DVT/PE in MH hospitals, with ongoing outcomes research. They also launched a Hospital Medicine Scorecard with quality and operational metrics for our inpatient attending physicians that will demand minimum standards of performance for Hospital Medicine physicians to participate in caring for patients contracted through MHMD.

The Perioperative Services Committee (previously Anesthesia) is developing a "surgical home" initiative to be piloted at several Memorial Hermann sites – the surgical home concept places the patient at the center of the care continuum, including quality, safety and satisfaction. The committee also successfully produced a document establishing credentialing and privileging criteria for performance of moderate and deep sedation by non-anesthesiologists throughout the System.

The Orthopedic Surgery CPC has collaborated closely with care management to produce joint replacement clinical and regulatory checklists that led to a reduction in denials and an improvement in the frequency of successful appeals of denied surgeries.

The Surgery Vendor Task Force is working closely with MH executives to standardize the approach to vendor selection throughout the system, resulting in millions of dollars in

savings over the last year.

The General Surgery, Cardiology, Emergency Services, Allergy and Otolaryngology CPCs have developed strategic plans that should come to completion in 2013.

Many of the recommendations of the CPC (the oversight committee for all of the individual CPCs) are advanced to the System Quality Committee and disseminated to the individual hospital Medical Executive Committees for approval. This has resulted in more

rapid adoption of new quality and safety measures than in the past, and is a definite benefit for our patients.

We have made a significant and substantial expansion of the number specialty-specific subcommittees of the MHMD Clinical Programs Committee. With more than 400 physicians regularly participating in activities related to quality and safety improvement, we are producing evidence-based order sets and ambulatory pathways, and defining clinical performance metrics for population management.

The CPCs now encompass the extension of our scope into the ambulatory arena with the expansion of the Allergy, Otolaryngology and Pediatrics CPC committees engaging physicians from these specialties for the first time with our organization and the work we do.



D Keth Jernandy Mp

Keith Fernandez, M.D.MHMD President and Physician-in-Chief

Aligning MHMD and Memorial Hermann in Pursuit of Quality & Safety

By Charlotte Alexander, M.D.



Charlotte Alexander, M.D.Chair, System Quality
Committee

Just a few years ago, the reputation of Memorial Hermann in the community was that of a "friendly," accessible system of hospitals. Its motto was "For Your Whole Life" and it was often perceived as an adequate but

certainly not world-class system. It certainly wasn't recognized for quality and safety, and its physicians were seen as separate entities treating patients in the hospitals, but not as an integral part of the system.

In just a few short years, all that has changed in dramatic fashion. Now, Memorial Hermann is one of the leading systems in the country, winning many national and state awards for quality and safety, and its physicians are no longer seen as incidental appendages, but rather as key partners and drivers in the healthcare delivery process.

How has this happened?

First, Memorial Hermann made a major commitment to be among the national leaders in healthcare quality and safety. It made performance in these areas a critical success factor, and it brought in people and structure to accomplish this. At the same time, Memorial Hermann also recognized that it could never be the best without the full participation of its physicians.

Simultaneously, MHMD was embracing the concept of clinical integration. MHMD understood it needed the best physicians on board. The organization set goals and accountabilities for its members that would demonstrate the commitment to deliver the

best and most efficient healthcare, and enable our physicians and their practices to flourish in the era of healthcare reform.

While the MECs monitor quality and safety performance at each hospital, the overall performance is overseen by the System Quality Committee (SQC), comprised of physicians and prominent lay persons. MHMD's Clinical Programs Committee (CPC) structure has grown to evaluate quality issues, review the relevant literature and evidence, set best practice recommendations, and establish quality-related performance goals. We have over 400 physicians in 27 different specialtyspecific committees and multispecialty task forces involved. CPC meetings allow the time and setting to promote significant physician input and discussion not usually available during MEC meetings.

The actions and recommendations of the CPC are reviewed by the SQC and communicated interactively with the MECs. As a result, the quality efforts of the physician organization, the medical staffs, the hospital administrative



MHMD physician Charlotte Alexander, M.D., presides over a System Quality Meeting as System CMO Michael Shabot, M.D., presents his safety report.

team, and the Memorial Hermann board have become tightly aligned.

The entire Memorial Hermann family is committed to ensuring our hospitals and clinics deliver care of the highest quality and safety in the world. Early results indicate that our efforts are successful. I encourage your active and enthusiastic participation in these efforts.

Becoming A High-Reliability Organization

As an integral part of Memorial Hermann's High-Reliability Healthcare campaign, we are moving to eliminate all types of preventable adverse events. In most Memorial Hermann hospitals, we have demonstrated that iatrogenic pneumothorax, central line-associated bloodstream infections, ventilator-associated pneumonia, transfusion reactions, pressure ulcers, and retained foreign bodies are all preventable. To achieve zero harm, Memorial Hermann measures bedside care processes that protect patients from adverse outcomes and encourages each member of the team to speak up if the process is not completed according to recognized standards.

High reliability in healthcare implies that patients are protected by consistent application of the best evidence known to avoid potential risks. One of major risks of hospitalization and invasive procedures is venous thromboembolism (VTE) and pulmonary embolism (PE). In fact, DVT-PE is the most common cause of unexpected death in hospitals today. Excellent care now means not only applying the best known treatments to restore health, it means doing everything possible to avoid complications, including DVT-PE, which is preventable in most patients.



Michael Shabot, M.D.

System Chief Medical Officer

2012 Inpatient Quality & Safety Initiative Status Update

Memorial Hermann and MHMD have aligned quality and safety goals using key metrics as part of a new Inpatient Quality & Safety (IPQS) Initiative. These key metrics are tied to shared goals to encourage process improvement behaviors that will lead to improved scores. The IPQS Incentive Plan Year was from 1/1/2012 through 12/31/2012. IPQS also requires achievement of either Order Sets or eOrdering targets to be eligible for additional incentives in addition to target goals in these areas:

- Adult iatrogenic pneumothorax
- Adult post-op PPE or DVT
- · Adult hospital-acquired infections
- · Reduction of serious safety events



DVT-PE Joint Task Force Makes Recommendations

By Donald Molony, M.D.



Donald A. Molony, M.D.
Professor of Medicine Division
of Renal Diseases and
Hypertension and Center
for Clinical Research and
Evidence-based Medicine
The University of Texas Health
Science Center at Houston
(UTHealth) Medical School.

Significant ongoing efforts of Memorial Hermann and MHMD have been directed toward reducing the occurrence of deep venous thrombosis and pulmonary embolism (DVT-PE). When they occur in patients where documented assessment of risk for DVT-PE has not been

done, nor where evidence-based strategies to reduce risk and prevent DVT-PE have not been initiated, these events become reportable. Preventable DVT-PE's are currently some of the most commonly occurring preventable

reportable serious safety events in the MH System.

To accelerate the universal implementation of DVT-PE prophylaxis, the Hospital Medicine Clinical Programs Committee (CPC) in collaboration with other MHMD CPCs convened a special task force to examine the barriers to implementation of universal prophylactic measures, to develop strategies to overcome these barriers, and to accelerate the adoption of these measures. The task force was designed to include active participation from all stakeholders. The strategy adopted by the task force was to achieve universal use of the computer-based VTE Advisor in hospitals with computerized physician order entry (CPOE).

The VTE Advisor is based on the current evidence-based recommendations for DVT-PE prophylaxis by the American College of Chest Physicians and is available in Cerner in a "paper" format and in CPOE. Use of the VTE Advisor documents the patient-specific clinical parameters that inform appropriate therapy and the risk of DVT-PE and generates specific patient-centered recommendations. The VTE Advisor appears concurrent with the admission power plans in CPOE and

clinicians can complete the Advisor, thereby documenting their evaluation of the patient, and can implement the therapeutic and prophylactic recommendations, thereby avoiding a potentially preventable and reportable serious safety event should a venous thrombosis or embolism occur.

To help obtain general ownership of the Advisor strategy, the task force facilitated review and comment by the constituent task force CPCs of the VTE Advisor. The result was the development of fully vetted patient-type specific modifications to the Advisor based on best evidence for particular specialties.

To encourage use of the VTE Advisor,

1) the task force engaged the nursing councils to help monitor and facilitate its use;

2) MHMD developed Web-based CME-accredited learning modules on DVT-PE prevention; and 3) the task force endorsed the inclusion of use of this important safety and quality tool in the Hospital Medicine Scorecard. Additionally, MHMD is supporting formal tracking and analysis of use of the VTE Advisor and an evaluation of the impact of its use on patient outcomes.

MHMD's Network of Advanced Primary Care Practices Taking Shape

In addition to its role in the new Memorial Hermann ACO (MHACO), MHMD's Advanced Primary Care Practices patient-centered medical home (PCMH) initiative continues to receive recognition from leading insurers such as Humana, UnitedHealthcare and others as it strengthens MHMD's commitment to participate in accountable care opportunities. MHMD is working to help these practices adopt the PCMH model of care and earn Level 3 PCMH recognition by the National Committee on Quality Assurance. The work is being led by the PCP CPC.



"The medical home model has been shown to save money. It's improving quality. It improves access if done correctly. And it really puts the patient at the center of what we're trying to do."

"The MHMD board realized a few years ago that there needed to be a bigger focus on primary care medicine," says Kevin Giglio, M.D., PCP CPC chair. "MHMD recognized we needed to focus on quality outside the hospital because that impacts greatly on quality in the hospital. But we had no way to measure that. The board decided to

develop a primary care CPC to push the patient-centered medical home model."

Through the PCP CPC's guidance, these practices will deliver more coordinated, cost-efficient care. "There's been a lot of work behind the scenes, along the way, to develop the point-of-care tool, to help steer use of the electronic medical records," adds Dr. Giglio.

"The medical home model has been shown to save money. It's improving quality. It improves access if done correctly. And it really puts the patient at the center of what we're trying to do."

The Advanced PCPs also benefit from embedded care managers who serve as extensions of the practice and help improve the continuum of care critical to managing populations with chronic conditions. "Care managers try to reach out to our patients who either have not had the care that they need or who are more difficult and

really need that liaison between practice and medical care," says Dr. Giglio.

With the 200-member core group of Advanced PCPs with the wraparound specialists as the pilot, MHMD plans to grow the initiative to include 300 to 400 primary care doctors. "I think Advanced PCPs will be bigger than anything else in the Houston market," says Dr. Giglio, "and if we can maintain the quality we're trying to develop with this smaller group in the beginning, I think it will be something really positive for Houston."

NEW POD STRUCTURE STRENGTHENS MEDICAL HOME INITIATIVE

Advanced Primary Care Practices (APCP) is organized into four pods: West, North, Southeast/TMC and Southwest. Each pod has a physician pod leader who serves as a direct liaison to MHMD leadership. The physician pod leader is responsible for monitoring, interpreting and distributing results for managed care contract metrics and shared savings plans for the pod's assigned physicians. These physicians lead the implementation of clinical standards, best practices and improved business processes within their own pods to achieve contract metrics. Communication will be an important responsibility for pod leaders as they strive to keep their members well informed of quality targets and assist them with correction strategies for when targets are not met. Pod leaders will also be responsible for enforcing pharmacy formulary compliance and reducing out-of-network referrals. Additionally, each pod leader works in partnership with other pod leaders and physicians to help the entire group achieve contract metrics by leading quality audits with members of each pod on medical documentation, procedure coding and diagnosis coding.

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DIRECTOR OF MEDICAL HOME OPERATIONS Ronda Gage

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MAIN QUEUE LINE: 713.338.5353

**Note: Referrals may also be sent to Respective Pod email addresses for further assistance. These are noted under each individual Pod below.

NORTH POD	WEST POD	SOUTHWEST POD	SE/TMC POD
Memorial Hermann Northeast Hospital Memorial Hermann Northwest Hospital Memorial Hermann The Woodlands Hospital Tomball Regional Hospital	Memorial Hermann Memorial City Medical Center Memorial Hermann Katy Hospital	Memorial Hermann Southwest Hospital Memorial Hermann Sugar Land Hospital	Memorial Hermann Baptist Beaumont Hospital Children's Memorial Hermann Hospital Memorial Hermann-Texas Medical Center
Care Coordinator- Cassandra Bianca, R.N. cassandra.bianca@memorialhermann.org MHMD office: 713.338.5345 Home office: 832.304.1572 Care Coordinator Asst Doretha Bentley, L.V.N. doretha.bentley@memorialhermann.org MHMD office: 713.338.4544 Home office: 832.868.2670 Care Coordinator Asst Quanisha Pendergraff, R.R.T. quanisha.pendergraff@memorialhermann.org MHMD office: 713.338.4148 Home office: 832.560.5859	Care Coordinator- Patricia Bies, R.N. patricia.bies@memorialhermann.org MHMD office: 713.338.5334 Home office: 281.646.7643 Care Coordinator- Rachel Barta, R.N. rachel.barta@memorialhermann.org MHMD office: 713.338.5371 Home office: 832.515.7292 Care Coordinator- Funmilayo Ariyo, R.N. funmilayo.ariyo@memorialhermann.org Home office: 630.248.3206 MHMD office: 713.338.5323 Care Coordinator Asst Janette Welch, L.V.N. janette.welch@memorialhermann.org MHMD office: 713.338.4431 Home office: 281.809.3973 Cell: 281.221.3225 Communications Coordinator- Brad Ceaser, M.P.A. brad.ceaser@memorialhermann.org MHMD office: 713.338.5353	Care Coordinator - Rachel Materum, R.N. rachel.materum@memorialhermann.org MHMD office: 713.338.5319 Home office: 713.370.1508 Care Coordinator- Andrea Ahanonu, R.N. andrea.ahanonu@memorialhermann.org MHMD office: 713.338.3340 Home office: 281.762.2235 Communications Coordinator- Gavarae Jones, B.S. gavarae.jones@memorialhermann.org MHMD office: 713.338.5326	Care Coordinator-Yetunde Adekunle, R.N. yetunde.adekunle@memorialhermann.org MHMD office: 713.338.5359 Home office: 281.741.5360 Care Coordinator - Shedrol Smith, R.N.(Interim) shedrol.smith@memorialhermann.org MHMD office: 713.338.5339 Home office: 281.265.0483 Communications Coordinator- Erin Oropeza, B.S.W. erin.oropeza@memorialhermann.org MHMD office: 713.338.4137
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Physicians Seeing Benefits of MHMD-Sponsored MediSync E&M CodeRight CME

MHMD sponsored the MediSync documentation and coding seminar for primary care physicians who are planning to participate in Advanced PCPs, the patient-centered medical home initiative, in 2012 or 2013. This accredited CME course helps physicians document all of the clinical work they perform in a clear, concise format that allows physicians to quickly assign an E&M code for patient visits. Complete and accurate documentation reflects the high quality of care provided to patients by ensuring that physicians accurately document the acuity of patient conditions.

How is MediSync different?

Physician instructors ensure the education is focused on clinical work and medical decision-making. Personalized instruction includes using patient chart notes to identify work performed but not documented in the note. Revenue increases are realized from improvement in documentation and coding.

How does MediSync improved revenues?

Physicians first were invited to see how their practices might

benefit from this educational opportunity by providing MHMD with current E&M data. MHMD provided an analysis of each physician's coding compared to MediSync-trained physicians.

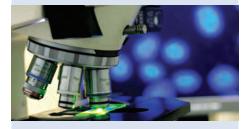
The initial group of MHMD physicians who completed the course achieved 12 to 39 percent improvement in coding office visits, resulting in projected annual revenue increases of \$25,000 to \$100,000 — without adding a single patient. "The course paid for itself in one month," says Kevin Giglio, M.D. "The return on investment is outstanding."

Tiffany Albritton, M.D., echoed the financial benefits of the course. "This course made it easy to document and code," she said. "Even when my patient volumes dropped one month, my RVUs went up because my E&M coding improved."

Even good coders have room for improvement. "I thought I was a good coder, but I wasn't," says Thomas Murphy, M.D. "This course makes documentation and coding logical and clear. It should be mandatory for all primary care physicians."

To learn more about future training opportunities, contact MHMD at 713.338.6464.

CONTINUING MEDICAL EDUCATION



Find Out What's New in CME

The Memorial Hermann CME website on PhysicianLINK.org connects you to:

- · Upcoming live CME events
- · Online CME courses
- CME summary of credits
- · Search for CME events
- Quick reference videos and training guides
- Other resources

Healthcare Reform and Memorial Hermann's Strategic Journey being hosted through February and March

This event offers:

- Analysis of critical national and state health policy issues
- Industry trends: National versus Houston market
- Best practices beyond healthcare
 Memorial Hermann Hospital System
 is accredited by the Texas Medical
 Association (TMA) to provide continuing
 medical education for physicians.

Contact your MH facility's medical staff office for more information.

Memorial Hermann Healthcare System (MH) is accredited by the Texas Medical Association to provide continuing medical education for physicians.

MH designates this live activity for a maximum of 12.5 *AMA PRA Category 1 Credits™*. Physicians should only claim credit commensurate with the extent of their participation in the activity.

Contact Us

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MHMD Welcomes New CMO of Care Management



Michael K.
Davidson, M.D.,
has been named
chief medical
officer of care
management
within MHMD.
Dr. Davidson
will oversee and
direct all MHMD
care management

In so doing, we

of accountability

embrace the concepts

and transparency; we

continue to prove that

we are the very best in

providing healthcare

within our System.

to our community and

are proving and will

initiatives as part of MHMD's expanding functionality as an Accountable Care Organization. In so doing, he will be working closely with the Memorial Hermann Care Management team and with our patient-centered medical home initiative.

Dr. Davidson brings a wealth of knowledge and experience not only from his 10 years in a primary care private practice, but also from his previous positions as vice president and medical director for Cigna HealthSpring-Texas division, vice president of medical affairs, St. Joseph Medical Center in Houston, and senior medical director for the Universal American

Corporation. He has extensive understanding of data-driven collaboration with physicians and care management teams, performance metrics, coordination and transitions of care, supervision and restructuring of hospitalist programs, clinical documentation improvement projects, MAC and RAC audits, and readmission reduction initiatives. He is well known and highly respected within the Houston physician community of Medicare Advantage providers including many of our Advanced Primary Care Practice physicians.

Dr. Davidson completed his medical

degree at the University of Texas Medical Branch at Galveston, where he subsequently graduated from the Family Practice Residency Program. He is a member of the American College of Physician Executives, the Texas Medical Association, and the Harris County Medical Society.

MHMD Turns 30

In 2013, MHMD celebrates 30 years of existence. Originally known as Health Network Providers (HNP), the organization served only as a source of managed care contracts.

Things began to change 10 years ago when HNP first started the systemwide physician

committee structure now known as the Clinical Programs Committee (CPC). For the first time, participating physicians worked together to improve the quality of care in Memorial Hermann hospitals.

Approximately five years ago, the MHMD board committed to Clinical Integration (CI) as the foundation for shifting our goal from contracting to quality improvement. Initially,

participation in CI carried with it only basic requirements which included reporting quality performance measures, and completing an online introduction to the CI concept.

Now our CI program unites our physicians in a common quest to practice the very best medicine possible while achieving the best outcomes. In so doing, we embrace the concepts of accountability and transparency. We are proving and will continue to prove that we are the very best in providing healthcare to our community and within our System.

Crimson Management Tool Tracks Care Quality, Outcomes

Memorial Hermann and MHMD partnered with CRIMSON Software, Inc., to create the Crimson Population Management Tool. This online tool helps hospitals and physicians track patient quality, outcomes and safety.

The tool uses care management databases, data reporting software, patient billing, cost accounting and clinical information systems, and presents the information in a dashboard that allows physicians to analyze their performance and compare it with their peers.

Providing this systematic assessment of performance empowers physicians to define quality and gives them the tools to measure and report quality, evaluate what they're doing and look for areas for possible improvement, to help confirm the value they provide to patients.

The care registry is able to harvest data from different electronic record platforms and apply standard quality rules and reminders for clinic use. A population health tool utilizing industry standard analytics determines both quality and risk measures based on claims history. This combination of real-time EMR-sourced data and historical claims-based data provides MHMD's network of physicians with a nationally unique platform to improve the measurable performance, a concept our physicians are already familiar with through Clinical Integration.

In response to both physician and payor interest in patient-centered medical home-

CLINICAL INTEGRATION ONLINE CMES

Accountable Care Organizations
Ambulatory Care (Meaningful Use)
Medical Observation Services
The MHMD Compact
Patient-Centered Medical Home
Clinical Documentation for Physicians:
Impact on Physician Payment,
Performance Evaluation and on Our Hospitals

Visit the CI section on PhysicianLINK to view the complete list of CME modules available.

based primary care networks, we integrated this technology to rollout into our PCMH initiative, Advanced Primary Care Practices. We worked with Memorial Hermann's disease and inpatient case management leadership to create the office-focused protocols and structures. Care and disease management personnel act as extensions of their physician offices to support population health and improve quality metrics. Care management leaders are working to integrate a population management tool focused on physician practice use and leverage our experience with both commercial and Medicare populations.

Using these registry- and claims-based tools has assisted care management

personnel and office staff in improving disease-specific quality metrics for diabetes, asthma, cancer screening and other diseases across 40 practices so far. Patient-specific evidence-based medicine performance reports are produced monthly for participating practices to help improve patient engagement in meeting care guidelines and goals.



Shawn Diffin

Chief Quality & Informatics Officer

State of the System Events Return for 2013

In 2013, Memorial Hermann President and CEO Dan Wolterman is hosting the latest installment of the popular State of the System evening events for Memorial Hermann medical staff physicians.

At past events, Wolterman introduced the System's new strategic vision and information about the System's efforts to seamlessly connect care delivery, physicians and health solutions to advance health. Physicians will be able to earn CME credits for attending the events, which are intended to keep them well informed in regards to healthcare reform and the impact the changes represent to the healthcare industry.

According to Wolterman, the current economic model for hospitals and healthcare systems is unsustainable and has been for some time. "Whether it comes through healthcare reform laws or from private sector market demand for greater value, change is inevitable," says Wolterman. "That's why Memorial Hermann and its physician network MHMD and affiliate MHealth Insurance Company are working together to lead the changes needed to position us for success."

2013 STATE OF THE SYSTEM EVENTS

January 22	Katy
February 4	TIRR Memorial Hermann
February 6	Southeast
February 18	Northwest
February 19	TMC
February 28	Northeast
March 4	Memorial City
March 5	The Woodlands
March 19	Southwest
March 26	Sugar Land
Contact your Medical	Staff Office for questions

Contact your Medical Staff Office for questions.

Building on the System's reputation for delivering safe, high-quality care, the events will share what's being done to transition to a truly integrated health system capable of succeeding in a post-reform environment.

This year's State of the System events will focus on Healthcare Reform and Memorial Hermann's Strategic Journey.

PhysicianLINK 2012 Enhanced to Improve User Experience

PhysicianLINK 2012 has been updated with the following enhancements to improve physicians' user experience and keep them more informed and connected.

Improved Notification Capabilities. These new pop-up messages feature both passive notifications that disappear after a few seconds and active notifications that require a click to acknowledge and close.

- Active notifications to alert physicians to important alerts such as Care⁴ scheduled maintenance
- Active notifications from ChartTrack to alert physicians if they have too many deficiencies
- · Passive notifications from ChartTrack

- to alert physicians if they have a few deficiencies
- Passive notifications to alert physicians regarding upcoming enhancements such as MPP updates, etc.

Clinical Document Upload from
Physician's Office. This allows offices to
submit clinical documents for upload by
HIM into Care⁴ and Sovera. Documents get
into the electronic chart within two business
days as opposed to waiting for scanning post
patient discharge. It supports DOC, DOCX and
PDF formats and eliminates the need to fax,
deliver or courier clinical documents to the
hospital. Offices receive email confirmation
of processing and acceptance by HIM. The

Clinical Document Upload tool is listed under Programs on the PhysicianLINK home page.

CME Tracker Pass-thru Authentication.

This enhancement recognizes physicians taking online CME courses and enables physicians to receive CME completion certificates online.

eNotify for Discharge Patients.

Previously, physicians received a text message notification when patients were admitted to Memorial Hermann hospitals or seen in Memorial Hermann Emergency Centers. Now this tool has been expanded to notify physicians when inpatients are discharged. Patients must identify the physician as their Primary Care Physician and give approval for the notification. Physicians are reminded to contact their patients within seven days of discharge for follow-up. Physicians must set up their preferences on the PhysicianLINK Preferences page to receive these notifications. You can select PCP email or text message notifications of a patient's admission or discharge when the patient declares you as the Primary Care Provider, eNotify allows providers to select which notifications they wish to receive: ER registration and/or inpatient admission and/ or discharge event notifications. Providers can also choose what time of day they wish to receive these notifications.

ISD System Status Text Message Manager Integration. Physicians can visit the Preferences page on PhysicianLINK to indicate their preferences for text messages about Care⁴ system status, upgrade information, new features and scheduled downtime announcements, as well as Campus, medical staff and System news.

Header Refinements. Chart Track is now located in the upper right corner of the PhysicianLINK home page for increased visibility and improved ease of use.

For questions or more information about these enhancements, contact the Physician Support Center at 713.704.DOCS (3627).

New Mobile App Keeps Physicians Connected to Care⁴ Patient Data

Memorial Hermann announced the availability of mobileCare⁴ for Memorial Hermann affiliated physicians. The new smartphone app gives providers mobile real-time access to clinical results based on their Care⁴ patient list. The tool works on any native mobile Web browser.

The new tool is ideal for busy rounding physicians, hospitalists, specialists and medical residents who need to have patient data that goes where they do. Having access to patient information no longer dictates a physician's schedule. With mobileCare⁴, physicians can securely access patient data and test results right on their smartphones, whether they're in the hospital, at the office or attending their child's baseball game.

MobileCare⁴ supports all of the current Care⁴ Patient Lists: Visit Relationship, Provider Group Lists and Location Lists. It also provides access to patient search capabilities allow providers to add a patient to their list on the fly by simply establishing a patient relationship.



The Patient Information available via mobileCare⁴ includes:

- · Patient Demographics
- Vitals
- I&0's
- Labs
- · Diagnostic Results
- Active Medications
- Clinical Documents
- Problems
- Diagnosis
- Allergies

To learn more or to sign up for mobileCare⁴, visit PhysicianLINK or call the Physician Support Center at 713.704.DOCS (3627).

Physicians Can Now Dictate Progress Notes

As part of the eDocumentation initiative, physicians can now dictate progress notes.

Dictating progress notes offers many benefits, including:

- · Legibility of note
- · No waiting for note to be scanned
- Notes stamped with "performed" date and time versus scanned date in Sovera
- Remote access to notes (hardcopy notes are not online until after patient is discharged)
- Notes can be auto-faxed based on physician distribution preference
- · Aids in computer-assisted coding

If you dictate now, the process is the same. Dial your facility dictation line as you do today and follow the prompts using Worktype 7 for a progress note.

Worktypes

- 1. History & Physical
- 2. Consultation
- 3. Operative/Procedure Report
- 4. Discharge Summary
- 5. Pre-OP H&P
- 7. Progress Note
- 8. Clinic Note
- 10. Vascular Report
- 11. Cardiology Report
- 12. EEG
- 13. Radiation Therapy
- 14. Neuroscience Report
- 15. Evoked Potential/Response
- 17. Correspondence
- 18. PFT
- 19. Audiology
- 20. Transplant Center

Questions?

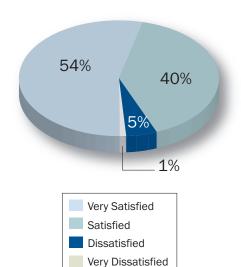
Call the Physician Support Center at 713.704. DOCS (3627) or email HIM-Transcription@ memorialhermann.org

Physician Satisfaction at All-time High

Physician satisfaction scores reached an all-time high in the annual MHMD-commissioned Physician Satisfaction Survey conducted by HealthStream® Research. The 2012 survey reported that the percentage of physicians satisfied or very satisfied with Memorial Hermann hospitals hit 94 percent. One of the major drivers for physician satisfaction is nursing care. The 2012 survey revealed that the percentage of physicians satisfied or very satisfied with nursing care was 94 percent.

Positive overall physician satisfaction ratings by hospital facility ranged from 90 percent to 100 percent, with TIRR Memorial Hermann scoring a perfect 100 percent. MHMD views the annual survey as a member benefit because it provides physicians a venue for collectively voicing concerns and suggestions for improvements in hospital facilities and services. For the second time, the 2012 survey offered an opportunity for physicians to submit specific verbatim comments anonymously.

"We received a larger number of insightful and constructive comments which will be carefully reviewed by leadership at each hospital for planning purposes," says MHMD Chief Quality & Informatics Officer Shawn Griffin, M.D. "Many of the comments were



focused on operational recommendations ranging from staffing levels to OR processes and scheduling."

The eighth annual survey was performed by HealthStream Research. One of the healthcare industry's foremost benchmarking resources, the company surveyed the opinions of active and provisional Memorial Hermann medical staff members to evaluate physician satisfaction and engagement. Participants were selected randomly from among a pool of physicians logging a minimum number of cases per year. In 2012, HealthStream distributed 2,705 surveys with a 44 percent response rate.

10 KEY DRIVERS OF OVERALL PHYSICIAN SATISFACTION

- The hospital's efforts to maintain a high quality of care, consistent with all shifts and units
- 2. Satisfaction with Nursing Care
- 3. The administrative team's ability to manage the hospital
- 4. The hospital's efforts to provide safe and error-free care
- 5. The administrative team's responsiveness in addressing patient care issues
- 6. How well the nurses, doctors and other staff work together as a team
- 7. How well the administrative team communicates with physicians
- 8. Involvement of physicians in hospital decision-making
- 9. Involvement of physicians in quality improvement
- 10. Willingness to recommend the hospital to family/friends



New CEO for MH Sugar Land Greg Haralson became the CEO for Memorial Hermann Sugar Land Hospital in June. A graduate of Trinity University's

Master's Program in Health Care Administration, Haralson brings significant hospital and ambulatory services experience with the Hospital Corporation of America to his new post. Most recently, he served as chief operating officer of HCA's 320-bed Plaza Medical Center of Fort Worth. During his seven years there, Haralson drove growth in five service lines and was a key driver in the nursing initiative to earn Magnet® status. As ethics and compliance officer for Plaza Medical, he helped ensure high-quality patient care and safety. "We feel strongly that Greg's experience and impressive track record in service line growth along with patient care and safety improvements will benefit us in many ways," says MH Chief Operating Officer Chuck Stokes. "He credits the development of physician relationships and the surrounding network as a critical part of these successes."

Katy Named Among 100 Great Community Hospitals

On its recent list of "100 Great Community

Hospitals," Becker's Hospital Review recognized high-performing leaders in patient care, clinical quality and community outreach. MH Katy was the only hospital in its community, and one of just two in Texas, to make the list. This is Katy's second time to earn this honor. To compile this list, the Becker's Hospital Review editorial team analyzed information, recognition and rankings from a variety of industry sources, including iVantage Health Analytics, Thomson Reuters, HealthGrades and the American Nurses Credentialing Center.

U.S.News Ranks TIRR Memorial Hermann No. 3 in Nation

For the 23rd consecutive year, TIRR Memorial Hermann has earned



distinction among the top rehabilitation hospitals in the country in the 2012 Best Hospitals issue of *U.S.News & World Report*.

MH Hospitals Among Nation's Best for Women's Services

Women's programs at Memorial Hermann Northwest, Southeast, Southwest and The Woodlands hospitals collectively were recognized among the top 5 percent in the nation for excellence in women's healthcare, gynecologic surgery and maternity care, according to the HealthGrades® 2012 Trends in Women's Health in American Hospitals. The report also ranked Katy and Memorial City Medical Center among the top 5 percent and top 10 percent in the nation, respectively, for gynecologic surgery; Sugar Land received a five-star rating for maternity care.

Texas Trauma Institute Launched at TMC

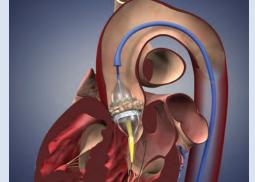
With one of the country's busiest Level I trauma centers, Memorial Hermann established the Texas Trauma Institute at Memorial Hermann-Texas Medical Center. The first of its kind in Texas, the Institute will devote clinical resources and enhanced research to further improve survivability and

TAVR Programs in Full Swing at MH Heart & Vascular Institutes at TMC and Southwest

Transcatheter aortic valve replacement (TAVR) is an innovative procedure for patients with severe aortic stenosis who are not eligible for traditional, open heart surgery. Memorial Hermann-Texas Medical Center and Memorial Hermann Southwest Hospital are among only a handful of sites across the country approved to perform this innovative procedure that allows a new aortic valve to be placed within the diseased valve while the patient's heart is still beating.

To date, MH-TMC has performed over 100 TAVR procedures and is one of only three sites in Texas involved in the PARTNER II Trial, a research study that enables affiliated physicians to place a new smaller version of the SAPIEN® valve in patients who qualify for the procedure. The results of this study are anticipated to show that the new valve offers patients who meet the criteria even better outcomes than the SAPIEN valve currently approved by the FDA, including a shorter hospital stay, improved heart function, and improved quality of life at one year.

MH Southwest has performed 24 TAVRs and is the only Houston hospital outside of the Texas Medical Center performing the procedure. At both hospitals, a multidisciplinary team composed of affiliated cardiologists, cardiovascular surgeons and cardiovascular anesthesiologists meets weekly to review cases and determine the best treatment plan for patients. To refer a patient to TMC, call 713.704.TAVR (7287). To refer a patient to Southwest, call 1.855.5.MURMUR (687687).



Transcatheter aortic valve replacement (TAVR) is an innovative procedure for patients with severe aortic stenosis who are not eligible for open heart surgery.



quality of life for both adult and pediatric trauma patients. The Institute is built on a longterm affiliation with The University of Texas Health Science Center at Houston (UTHealth) Medical School and brings together a worldclass team of clinicians, researchers and educators armed with the latest in research and technology to deliver on its mission to provide comprehensive, life-saving services to the residents of the Gulf Coast Region. The Texas Trauma Institute provides highquality care to both adult and pediatric trauma patients and offers a full spectrum of specialty services, including access to the renowned Memorial Hermann Life Flight® and the city's only verified burn center.



MH Launches Innovative Online Scheduling Tool: ScheduleNow

Memorial Hermann has launched ScheduleNow, a free scheduling tool for patients to search and book real-time appointments online. MH is among the first healthcare systems in the nation and the first in Houston to offer appointment scheduling for an array of outpatient services through its website. From doctor office visits to mammograms and even emergency room reservations, patients can now book their appointments at the click of a mouse.

To schedule appointments online, patients visit memorialhermann.org, select the ScheduleNow icon, and choose doctor visit, mammogram, diagnostic imaging, physical therapy, colonoscopy or ER. Then, they follow the prompts to schedule their appointment.

Seven MH Hospitals on National HIMSS List of 333

Seven Memorial Hermann hospitals achieved Stage 6 on the EMR Adoption ModelSM (EMRAM), placing them among a handful of Houston hospitals to have earned the prestigious recognition. MH hospitals at Stage 6 include Katy, Sugar Land, Southeast, TMC, TIRR Memorial Hermann, Memorial City and Northwest.

Only 333 U.S. hospitals – or 6.2 percent of the more than 5,300 U.S. hospitals tracked by HIMSS Analytics – have reached Stage 6 on its Electronic Medical Record Adoption Model (EMRAM). HIMSS Analytics developed the EMR Adoption Model in 2005 as a methodology for evaluating the progress and impact of electronic medical record systems for hospitals in the HIMSS Analytics™ Database.

The System has created a single electronic medical record across its hospitals, utilizing the most advanced capabilities with complete digital imaging, voice recognition for physician reports, bar-coded medication administration, computerized physician order entry, and clinical decision support. These advanced features have resulted in improvements in operational efficiency, clinical quality and patient safety.

"We see our EMR as a tool to help create the best patient outcomes. We have collaborated with the medical and clinical staff leadership in our hospitals to find ways in which technology can help them deliver outstanding and efficient care," says Robert Murphy, M.D., system chief medical informatics officer.

ScheduleNow provides appointment reminders via email, as well as a link to a map for directions. Appointments can be made 24/7 from any Internet-connected device. A number of Memorial Hermann-affiliated primary care physicians and specialists across the Greater Houston area have adopted the technology to provide convenient, online appointment scheduling for their patients. To learn more, call713.489.2779 or email stephanie.kohll@memorialhermann.org.

Two Campuses Named Top Performers by Joint Commission

The Joint Commission named MH Memorial City Medical Center and MH Sugar Land Hospital among 405 "top performers" nationally for key quality metrics in its annual hospital performance report. Memorial City and Sugar Land are among just six Houston hospitals recognized as part of this new program that applauds accredited hospitals and critical access hospitals for attaining and sustaining excellence in accountability measure performance. Memorial City was recognized in heart attack, heart failure, pneumonia and surgical care, and is one of only two hospitals in Houston to achieve

this level of performance and recognition. Sugar Land was recognized in pneumonia and surgical care.

Memorial Hermann Named 'Most Wired' for Eighth Year

For the eighth year in a row, Memorial Hermann has received recognition as one of the Most Wired healthcare systems in the nation. The results were announced in the July issue of Hospitals & Health Networks magazine. Healthcare's Most Wired Survey, conducted between January and March of 2012, asked hospitals and health systems nationwide to answer questions regarding their IT initiatives.

Northwest Gets TJC Gold Seal

MH Northwest Hospital has earned The Joint Commission's Gold Seal of Approval in the areas of knee and hip as part of The Joint Commission's Disease-Specific Care Certification Program, and is in compliance with national standards. Memorial Hermann Northwest is the only center in Houston to achieve disease-specific certification in joint replacement, the highest certification possible in joint replacement.

Preparing Your Office for More Clinically Specific Documentation Required for ICD-10 in 2014

By Maxine Inman Collins, M.B.A., C.P.A., C.M.C., C.M.I.S., C.M.O.M.

Implement a written compliance program for your practice

Although the new compliance deadline is October 2014, it's important to get started now by referring to the elements cited by CMS in the "Seven-Step Compliance Plan." An important component of this plan is for healthcare entities to perform a baseline audit to evaluate any current documentation deficiencies in your provider's written or EHR notes. Depending on the outcome of this audit, your practice is to use the results in planning future requirements involving assessing any audit risk that could cause problems in the future. These could include refund requests, penalties, interest, and other results that could cost your practice thousands of dollars if you don't have procedures in place to prevent them.

Understand the carriers' definition of medical necessity

This is currently a huge target as the government continues to safeguard the Medicare Trust Fund by seeking tests, procedures and other services being ordered and provided that are not shown as medically necessary in the underlying medical record. CMS and other carriers remind you that, upon signing a contract, you are agreeing to perform only services that are deemed clinically necessary for the problem(s) being assessed and treated during the episode of care.

A new audit methodology is being used in the current chart audits

CMS points out in numerous examples that they will not count some of the elements being currently checked off in the Review of Systems and the bulleted items counted in the Examination unless the Chief Complaint and the History of the Present Illness reflect

the need to review each of these systems for the required medical decision-making for the presenting problem. Therefore, you will not always get credit for reviewing systems that are not necessary to evaluate and manage the problem(s) the patient is presenting with as described in the medical record. It is relatively easy to check off these areas in the EHR systems. However, you will not always receive credit for the review when subjected to an audit review. Therefore, the physician's view of medical necessity does not always coincide with an auditor's opinion.

Pinpoint problems by asking questions

Is there any cloning in your charts? Does the information flow in a realistic manner that facilitates coordination of care with referring providers and allows others participating in the care of the patient to rely on the underlying information provided in your records for the patient? Does the information even make sense to someone else? Auditors are finding that it does not always provide the necessary information to effectively furnish the basis for other providers to rely on to render services to the patient. Does the Assessment even refer to and provide an effective treatment plan for the problems identified in the Chief Complaint and the Presenting Problems? In order to integrate care of the patient in a more efficient manner, CMS is looking into these issues.

As a matter of fact, they are utilizing these factors to plan the future of reimbursement

for providers under the integrated care concept in programs currently under development.

By developing a better knowledge of the edits through which your claims are being processed, you can also provide valuable information as to the codes and services that you will be reimbursed for and those that you will not. The edits change quarterly. Therefore, someone in your office needs to know about these changes and how to appeal claims that you do have a chance of recovering. Otherwise, you could be spending a lot of money on appeals and re-filing of claims that will never get paid due to the edits and the modifier indicators shown in the edit pairs. We must get smarter in processing and filing claims to survive in the current economic environment.

Maxine Collins is a faculty member for PMI with more than 20 years experience in all aspects of practice management.

UPCOMING PROGRAM SCHEDULE

February - Compliance 101 for Medical Office Managers

March - Chart Auditing Workshop
April - three PMI Certification courses
begin: Certified Medical Coder (CMC)(R),
Certified Medical Insurance Specialist
(CMIS) (R), and Certified Medical Office
Manager (CMOM)(R).

PRACTICE MANAGEMENT INSTITUTE

MHMD members receive a 20 percent discount for local PMI events, for yourself and your staff. Contact your Provider Relations or CI representative for monthly PMI schedules and the special discount code.

For more information, email donna.alwais@memorialhermann.org or call 713.338.6787.

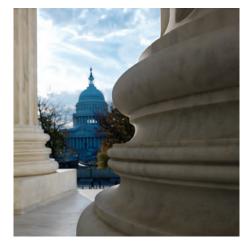
The Latest on Healthcare Reform, Doc Fix & Medicaid 1115 Waiver

U.S. Supreme Court Upholds Accountable Care Act.

The U.S. Supreme Court ruled in late June that basic tenets of the federal healthcare reform law are constitutional, upholding the individual mandate requiring individuals to have health insurance or to pay a penalty, referred to by the Supreme Court in its decision as a tax, beginning in 2014. Additionally, the court held that the expansion of state Medicaid programs, the programs under which half of an estimated 32 million legal residents of the United States might receive access to health insurance under the Accountable Care Act (ACA), is also constitutional, but ruled that states may opt out of the expansion should their legislatures choose, without losing the federal share of base Medicaid funding. Texas Governor Rick Perry signaled that Texas would not expand its state Medicaid program, nor would the state develop a health insurance exchange, the mechanism by which individuals, small businesses and, eventually, all employers might shop the marketplace for health insurance options. The Texas Legislature is expected to consider the expansion of Medicaid and other ACA-related issues when it convenes.

Doc Fix Update

Congress voted in February 2012 for yet another temporary suspension of the Medicare Sustainable Growth Rate (SGR) physician fee update, as part of a broader measure which, among several provisions, extended payroll tax cuts and \ unemployment benefits. This llatest "doc fix" averted a 27.4 percent physician payment reduction that had been scheduled to take effect March 1, 2012. The extenders package was scheduled to expire December 31, 2012, ensuring that the healthcare community would be lobbying Capitol Hill once again during an expected lame duck session, in hopes of avoiding what is expected to be a reimbursement rate reduction approaching 30 percent. Given the current federal fiscal climate,



it is unlikely Congress will agree to commit the nearly \$300 billion the Congressional Budget Office estimates would be necessary to offset the cost of a permanent doc fix.

This most recent temporary measure once again pitted physicians against hospitals, as lawmakers chose to offset the cost of the current 10-month patch by reducing hospitals' reimbursement for Medicare bad debt; expanding the therapy cap and exceptions process to include services provided in a hospital outpatient setting; and reducing Medicaid Disproportionate Share Hospital (DHS) payments beginning in federal FY 2021. Hospitals consider these offsets to be burdensome, given a federal and state fiscal environment in which hospitals are certain to continue to face additional reimbursement rate reductions, but, on balance, preferable to some of the other proposals lawmakers had considered before negotiating the final extenders bill.

CMS Approves Texas Health Care Transformation and Quality Improvement Program Medicaid 1115 Waiver.

Last year, CMS approved the Texas Health Care Transformation and Quality Improvement Program waiver, which the Texas Health and Human Services Commission (HHSC) had sought pursuant to Medicaid cost-containment measures adopted by the 2011 Texas Legislature. The Legislature directed HHSC to expand Medicaid-managed care statewide in order to derive an estimated \$400 million in savings over the next two years, and sought the five-year federal waiver in order to achieve the savings, while at the same time improving the quality of healthcare delivery and preserving funding for hospitals which had previously participated in the Upper Payment Limit (UPL) supplemental payment program.

Goals of the waiver are to support the development of coordinated healthcare delivery systems on a regional basis throughout the state; maximize federal funding in order to increase access to healthcare and prepare for the expansion of Medicaid anticipated as federal healthcare reform is fully implemented in 2014; transition to quality-based payment methodologies; improve health outcomes; and develop incentives for healthcare providers providing care for the indigent and uninsured.

Conceptually, the waiver allows for two funding pools designed to protect current supplemental payments to hospitals providing indigent care, namely Upper Payment Limit (UPL) and Disproportionate Share Hospital (DSH) funds, and provide incentive funding for hospitals and healthcare providers reforming care delivery, improving access to care and the quality of that care, and reducing healthcare costs.

CMS and HHSC contemplate healthcare delivery implemented through 20 regional health partnerships, (RHPs) covering the state of Texas. Each RHP will be anchored by an entity which may be a public hospital district or an entity with taxing authority, such as a county government or a state higher education institution.



Freddy Warner

System Executive, Public Policy and Government Relations

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NEWSFLASH

Memorial Hermann-TMC Selected by CMS to Participate in Graduate Nurse Education Demonstration Project

Memorial Hermann-Texas Medical Center was one of five hospitals around the country – and the only one in Texas – selected to participate in a \$200 million project initiated by the Centers for Medicare & Medicaid Services (CMS) designed to increase the number of advanced practice registered nurses (APRNs) in the Texas Gulf Coast region and in the country. Called the Graduate Nurse Eduation (GNE) Demonstration, the program's goal is to increase the number of APRNs in the region by 400 during a four-year demonstration period.

Memorial Hermann-TMC will partner with four schools of nursing – The University of Texas Health Science Center at Houston (UTHealth) School of Nursing, The University of Texas Medical Branch at Galveston, Texas Woman's University and Prairie View A&M University, as well as 50 surrounding community-based care centers – to implement the program. The schools of nursing will be instrumental in recruiting students as well as developing the curriculum.

If you are interested in participating as a training site, please provide the following information to MHMD:

- Practice Name and Address
- Number of physicians and extenders in practice
- · Existing similar contracts for APRN training
- Interest in the program (This does not obligate you to participate but will allow us to assess the volume of interest.)

Memorial Hermann-Texas Medical Center was one of five hospitals around the country chosen to participate in the Graduate Nurse Education Demonstration project to increase the number of Advanced Practice Nurses.

Ouestions? Call 713.338.6464.