

## Physicians unite to save money, reduce waste

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TRAVERSE CITY — More than 230 physicians formed a landmark network aimed at designing a new model for healthcare delivery in northern Michigan.

The Northern Michigan Health Network involves doctors from Petoskey, Traverse City, Manistee and near Baldwin. The group's goal is to reduce the government's healthcare costs for Medicare patients while improving overall care. They intend to do so through increased case management and information-sharing between doctors.

If successful, doctors will be eligible for sharing 50 percent of any realized savings to the Medicare program.

"It's getting us from the traditional fee-for-service model and transitions us to a fee-for-value model," said Marie Hooper, executive director for the Northern Michigan Health Network.

The network largely is the result of President Barack Obama's Affordable Care Act and its stated goal of reducing health care costs. Neurologist Diane Donley said money can be saved in part simply by identifying unnecessary, redundant medical tests and doctor visits for patients. For example, Donley said sometimes a patient with a thyroid condition might see multiple doctors and end up with repeated medical tests.

Donley said doctors can identify those unnecessary tests and eliminate them by sharing information with one another and by relying on a more intensive case management system.

"If you are being taken care of by this consortium of physicians, you still have the right to see any physician, but our group of physicians is committed to trying to coordinate your care better," Donley said.

Patients can choose whether or not they allow Northern Michigan Health Network to see their Medicare claims, which will be a mechanism for reducing redundancy. Nationally, a small percentage of patients opt not to participate. Hooper said patient privacy will be protected. The coalition also seeks to place special emphasis on patient wellness and preventative care — two measures that can greatly reduce long-term healthcare costs for the system.

"We really feel strongly that physicians need to be engaged in the process —not just seeing patients," said Dr. Peter Sneed, a Traverse City-based eye plastic surgeon who is president of the network. "We understand how things can be done efficiently and effectively."

The network is not part of a health insurance company or health maintenance organization (HMO.) Instead, the group is strictly physician-led. The group applied for and received from the federal government a special designation known as an Accountable Care Organization. ACOs are expected to focus on coordinating care to ensure that patients, especially the chronically ill, get the proper care while eliminating duplication of services and eliminating medical mistakes.

The potential sharing of Medicare savings, in the government's view, provides the incentive for doctors and other healthcare providers to reduce costs.

ACOs also face government requirements to prove that they are saving money while improving the health of patients. Every year the network will have to report on how patient health in northern Michigan has improved.

"In this country we provide great healthcare for people, but we are spending too much money," Sneed said. "We have run out of money. Our politicians, they won't tell us that, but we've really run out of money and eventually it's just going to crash. We've got to figure out how to be just as effective and continue to provide adequate healthcare while getting rid of the waste."

Participating physicians will continue to see all of the patients they are already seeing and also will serve non-Medicare patients. Hooper said the coalition's success will benefit all of the region's residents by making healthcare a less taxing experience for the patient.

"This is for all," she said. "This is for the community in which we live."