

Health Systems Growing: 1995-No, 2008-Yes. Why?

Columbus Bar Health Law Committee

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The Health Care Environment

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| <ul style="list-style-type: none"> • <u>1990's – Clinton Plan</u> - GDP %age - Un-insured - Rising Costs - Too many Physicians - Market competition will rationalize cost & quality - National marketplace - HMOs; Choices Narrowed; Capitation | <ul style="list-style-type: none"> • <u>2000's – Economy</u> - GDP %age higher - More un-insured - Rising Costs - Insufficient Providers - Insurer consolidation, Public For Profit - Local/regional Markets - More cost; Quality improvement? - Choice |
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Hospital System Growth

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| <ul style="list-style-type: none"> • <u>1990's – "Vertically Integrate"</u> - Own insurance company - Own Hospitals: "Spoke & Hub" - Own Primary Care: "patient channeling", "PCP controls specialist referral" - Centralize clinical services: "focus factories" - Manage the money | <ul style="list-style-type: none"> • <u>2000's – "Horizontally Integrate"</u> - Insurance: negotiate "best deal" - Regional hospitals: buy, JOA, & affiliate - Physician networks: buy, employ, affiliate - "PCP's – "channeling", care management - "Specialists – coverage" - Coordinate continuity of care - influence patient choice |
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1995-No, 2000-Yes WHY?

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| <ul style="list-style-type: none"> • 1990's <ul style="list-style-type: none"> - Acquisition Approach <ul style="list-style-type: none"> •Hosp itals •Practices - Insurance Management <ul style="list-style-type: none"> •Prem ium, •BNR •Ph ysician Panel - Physician Independence <ul style="list-style-type: none"> •Num bers •Sp ecialty Mix - Patient Choice - Clinical Consolidation | <ul style="list-style-type: none"> • 2000's <ul style="list-style-type: none"> - Acquisition <ul style="list-style-type: none"> •M ultiple Models •Business Discipline - Payment Insufficient - Physician Actions <ul style="list-style-type: none"> •Lif estyle •Com petition - Purchaser Expectations - Continuity of Care - Technology costs |
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What About the 2010 Decade?

- **Key Questions:**
 - Is hospital system development key to effective community healthcare?
 - Is healthcare a market good?
- **Key Considerations:**

Consumerism	Un- & under-insured
Financing Sources	Quality Improvement
Professional staff	Access
Capital Deployment	Personal Behavior
Government Oversight (& Control)	


