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Calendar

May 22

Twenty-eight annual occupational and environmental medicine symposium. UC Davis, Sacramento Campus. Discusses workplace hazard issues.

Register online:

<http://www.ucdmc.ucdavis.edu/cme/conferences/>

June 5-8

National Association of Chain Drug Stores Annual Marketplace Conference. San Diego Convention Center. A demonstration of new products for drug retailers \$975-\$1,975.

Register Online:

<http://meetings.nacds.org/marketplace/2010/registration.cfm?pagel=1>

June 23

Health IT Resource Teach-In. Preparing Underserved Communities for Health IT and EHR Adoption. California Endowment, Los Angeles. No charge.

Register Online:

<http://shireteachinla.eventbrite.com/>

E-Mail info@payersandproviders.com with the details of your event, or call (877) 248-2360, ext. 3. It will be published in the Calendar section, space permitting.

A Craigslist Moment For Medicine Dozens of L.A.-Area Providers Post Prices On Line

Craigslist became a household name by connecting buyers and sellers of diverse items and services. **HealthyPrice, Inc.** hopes to do the same for doctors and patients.

The Burbank-based HealthyPrice has so far enlisted about 100 physicians in the Los Angeles area. They have posted prices on the HealthyPrice website for about 400 different medical procedures.

The prices range from about \$6 for a fasting glucose test to \$4,950 for the removal of

kidney and bladder stones (anesthesia services included). Also included are pricey but commonplace preventive care procedures, such as a colonoscopy (\$1,090, with anesthesia). The prices reflect an approximately 30% to 40% discount off what an uninsured patient would be charged.

"Patients don't want to haggle with doctors about prices and doctors don't want to haggle with patients," said **Philip I. Weintraub, M.D.**, a Burbank urologist who founded HealthyPrice last year with

another local urologist, **Michael J. Hyman, M.D.**

Weintraub said the service is focused primarily on uninsured patients, although those who are underinsured or who have large deductibles would likely use the service as well.

California has a potentially huge market for such services: a recent report by the **UCLA Center for Health Policy Research** concluded that the

number of uninsured statewide has soared in the last decade from 6 million to

8 million. Even Californians with coverage often spend thousands of dollars a yet on out-of-pocket expenses.

Hyman said part of the reason for setting up HealthyPrice is that even savvy patients who have insurance can get overcharged and not even be aware of it. One example: his wife had to undergo an MRI exam during an emergency room visit. Despite being covered by insurance, her bill came to more than



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In Brief

CDPH Levies 10 Administrative Penalties Against 9 Hospitals

The **California Department of Public Health** has issued 10 administrative penalties against nine hospitals, including the third and fourth penalty to **Scripps Green Hospital** in La Jolla.

Scripps was penalized \$50,000 for allowing a physician with no experience using an instrument for a spinal drain to insert the instrument, causing a portion of it to sheer off in the patient's body. It received another penalty for \$75,000 for failure to train staff about cleaning a particular surgical instrument used in orthopedic procedures. A surgeon discovered the instrument had retained dried blood while in the middle of a procedure. As a result, 11 patients were exposed to bloodborne pathogens, according to the CDPH.

Alameda County Medical Center was levied a penalty of \$75,000 when it gave an intravenous "push" dose of Dilantin to a patient that was meant to be parceled out over a period of time. The patient died as a result.

Rady's Children's Hospital in San Diego received a penalty of \$50,000 for administering a medicine to treat muscle spasms at 17.9 times the prescribed dose. The medication for topical and intravenous use was stored in the same cabinet, leading to the error.

Parkview Community Hospital in Riverside received a penalty of \$50,000 when a physician without proper privileges removed the wrong kidney from a patient. The patient was also not properly informed about the risks of the procedure – including the potential for wrong-side surgery.

Both **Hi-Desert Medical Center** in Joshua Tree and **Tri-City Medical**

Continued on Page 3

HealthyPrice (Continued from Page One)

\$1,200. HealthyPrice offers MRIs starting at \$575.

Patients who use HealthyPrice agree online to the price for a procedure, pay it in advance, and set up an appointment with the physician. The patient receives a pre-arranged billing code to bring to the physician to verify the discount. HealthyPrice handles the payment, minus a billing fee, and pays the doctor via check or **Paypal**.

"That's the only paperwork the doctor's practice has to handle," Woodward noted, adding that his company's intent is to also streamline administrative work for physician practices.

In addition to the agreements with the physicians, Woodward said HealthyPrice also has an arrangement in place with **West Coast Clinical Laboratories** to provide discounted laboratory testing. Dozens of tests are available through the service.

Woodward expects to have all of Los Angeles County – the nation's most populous metropolitan area – covered with participating physicians by the end of the year, with rollouts for the rest of California and other states in the works.

HealthyPrice launched its services earlier in the spring, and has so far only conducted about a dozen transactions, according to Woodward. But industry observers say it has the potential for adding a desperately needed dose of price transparency to healthcare delivery.

"Something like this is refreshing to the general populace and physicians who

have to deal with a third party and never know whether they will get a procedure or exam approved and paid for," said **Robert Bitonte, M.D.**, a rehabilitation specialist who is president of the **Los Angeles County Medical Association**.

Despite Bitonte's appreciation for HealthyPrice, he cautioned that some physicians may be reluctant to post their prices in such an open manner.

"I can sense it is going to be a cultural shock, but on the other hand, it may save patients and physicians a lot of time," he said. "It also goes a long way to restoring the patient-physician relationship. They are talking solely about the procedure and exam, and both know how they are going to be treated economically."

Bitonte also noted that patients using HealthyPrice could still be potentially overcharged due to miscommunication. However, Woodward said that there are safeguards in place to prevent that from happening.

Others believe such an open concept could jar other healthcare constituents into being more open.

"It's a great idea," said **Wells Shoemaker, M.D.**, chief medical officer for the **California Association of Physician Groups**. "I'd like to see it applied to hospitals and health plans. They treat price data like industry secrets, and it creates all sort of complications in the provisioning for care."

Medical Groups Claim Progress CAPG Survey Says Many Improve Patient Care

The **California Association of Physician Groups** reported in its annual **Standards of Excellence** survey a marked improvement among its membership in accommodating patient needs.

Eighty medical groups with 10.8 million patients statewide participated in the survey, which polled the participants on how they take care of their patients, their usage of health information technology and their overall transparency, among other criteria.

CAPG Chief Medical Officer **Wells**

Shoemaker, M.D., admitted that an essentially self-administered test could be the subject of skepticism, but noted that its membership has been responsive to the need for change.

"There have been a lot of voices out there asking us to improve, including consumer advocacy groups becoming more vocal, and employers who in this economy cannot afford to have their workers out for the entire day to see their doctor," he said.

Respondents fill out a 19-page form. Among the criteria on which they're scored:

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In Brief

Center in Oceanside received penalties of \$50,000 for failing to follow surgical protocols that led to patient being burned during surgery. It was Tri-City's second administrative penalty.

Pomerado Hospital in Poway also received its second administrative penalty when a patient fell from a chair that did not have a proper alarm device attached. The penalty was \$50,000.

The other hospitals receiving penalties were **Marin General Hospital** in Greenbrae; and **Mission Hospital Regional Medical Center** in Mission Viejo.

L.A. County DHS Forecasts Large Deficit

The **Los Angeles County Department of Health Services** projects a looming \$204 million budget deficit by the end of the current fiscal year. The shortfall is projected to reach nearly \$600 million in 2010-11.

DHS hopes to close that gap with a proposed hospital provider fee and some federal supplementary funding.

"Clearly this year almost everything is focused on the hospital fee," said interim DHS director **John Schunhoff**. "We are concerned about that."

Los Angeles County Supervisor **Zev Yaroslavsky** proposed the DHS staff returns in 30 days with a report on specific steps they will take to close the budget deficit if the revenue streams do not materialize.

"We are dependent on the state to negotiate ... key initiatives. We are not at the table and not privy to critical information ... that would make or break the county's health care system," Yaroslavsky said.

In past years of large budget deficits, DHS has cut outpatient services and outsourced other services to private-sector providers.

CAPG (Continued from Page Two)

- If the medical group has a program to target high-acuity patients (two or more chronic conditions)
- If a disease management program is in place and its specifics
- If it uses hospitalist physicians for inpatients
- If hospital readmissions are analyzed
- If the medical group has a plan to continue function during a major disaster or other disruption
- Whether or not it uses electronic medical records
- If it participates in the **Integrated Healthcare Association** pay-for-performance program and shares data

Of the participating groups, 25, or about 30%, received the highest scores of elite, up from 20 the prior year. Such a score indicates a high competency in care management practices, transparency, accommodating patients; and health information technology. Elites included **Beaver Medical Group** in the San Bernardino area; **Coast Healthcare Management** in Orange and Los Angeles Counties; **Healthcare Partners Medical Group** in Torrance; and **Kaiser's Permanente Medical Groups** in Northern and Southern California.

Another 14 groups received scores of "exemplary" – high competency in three of four areas.

Southwest Enters Pact With CMS Funding Loss Delayed in Lieu of Improvements

Troubled **Southwest Healthcare System** has reached an agreement with the CMS to resolve the problems at its hospitals in Murrieta and Wildomar in exchange for keeping its funding for another year.

As part of the agreement, Southwest has agreed to retain experts in emergency services; infection control; pharmacy/medication administration; equipment maintenance; leadership and accountability; and quality assessment/performance improvement.

Each expert will report to a lead consultant, who will report the preliminary findings directly to the **Centers for Medicare and Medicaid Services** over the next two months.

CMS will also conduct an extensive survey in the spring of 2011 to determine

whether Southwest has improved its patient care enough to continue participation in the Medicare and Medicaid programs in the long-term.

CMS had announced it would suspend Southwest's participation in federal reimbursement programs on June 1 due to ongoing quality-of-care problems dating to 2007. Medicare and Medicaid reimbursements account for about 40% of Southwest's revenue, according to data from the Office of Statewide Health Planning and Development.

The **California Department of Public Health**, which has levied six administrative penalties against Southwest, has also moved to revoke its operating license. Southwest is continuing negotiations with CDPH, but has been unable to reach an agreement, officials said.

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Cleaning Up The Administrative Mess

New Applications Can Make Streamlining a Reality

One of the fundamental challenges facing every conscientious benefits administrator is keeping up with the massive amounts of paper and data accompanying this function.

Coupling this issue with the rapidly changing legislative landscape from the ARRA, healthcare reform and other sources means that the administration of benefits continues to become more and more difficult.

The use of technology can greatly improve the benefits management function.

There are many advantages of using an online benefits administration system. First and foremost is having all of your benefits information in one database, enabling accurate reporting, excellent customer service, sound fiscal management, and reduced paper handling.

Few organizations source all of their benefits from a single insurance carrier, and gaining an instant, holistic view of an overall benefits program is almost impossible. For example, answering simple questions like "How many management employees are enrolled in the PPO plan?" is very difficult without an online tool.

Providing good customer service is equally difficult. Simply answering an employee's questions when they call typically requires the search for a paper file and digging through stacks of forms. Employees should be able to go online and see what benefits they are eligible for, detailed comparisons of plan benefits and costs, what benefits they are currently covered under, and which of their dependents are covered. During open enrollment, they should be able to make changes without having to receive, fill out and return stacks of paperwork.

In today's online world, most employees are banking, shopping, reviewing children's schoolwork and performing a myriad of other activities online. Instead

of resistance to online business functions, there is actually an expectation that these functions should occur there.

Another challenge is reconciling the carrier bills. A well-designed benefits administration system should eliminate this monthly headache or at the very least minimize the effort expended. In an ideal situation, benefits administrators will be able to self-bill – sending a system generated invoice that matches the data the system regularly transmits to the carrier – thus eliminating any need to reconcile bills.

High-quality benefits administration systems will also enforce eligibility rules, preventing the accidental coverage of an employee in a plan or during a period when they should not be covered. In addition, these systems enforce the completeness and accuracy of data collection.

Most of today's online systems, like Keenan's BenefitBridge, do not require IT involvement since they run as hosted solutions with no infrastructure investment required to support them. They have proven to be very effective for a wide range of organizations. For example, the Keenan BenefitBridge has been in place for five years and is linked up with the five largest California health plans. It currently serves some 200,000 members representing 200 different employers with groups ranging from 100 to 20,000 members.

The best time of the year to install one of these systems is immediately following the anniversary date of benefit plans, taking advantage of periods of time when there is less activity. Don't miss the next opportunity to automate these critical functions.

Henry Loubet is Chief Strategy Officer for Keenan & Associates. He is a member of the Payers & Providers Editorial Board.



**By
 Henry
 Loubet**

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