

April 28, 2011

Dear Friends and Colleagues,

The watchwords at last week's NCH Medical Staff meeting, attended by 160 physicians, were "working together." These two words, in fact, will drive the healthcare environment of the future. Underscoring our desire at NCH to collaborate, Dr. **Paul Dernbach**, President of the Medical Staff, quoted the following resolution from the NCH Healthcare Board:

• The NCH Healthcare System is committed to working together with all members of our Medical Staff to provide an environment fostering and promoting the harmonious and collaborative interaction among independent, employed, and contracted physicians as they pursue the provision of high quality care to patients in the hospital. The Board believes the strength of the NCH Healthcare System lies in the effective interaction with all physicians in a fair and professional manner.

NCH has become increasingly committed to working together—independent physicians, contracted physicians in such areas as anesthesia, emergency room, pathology and radiology, and the growing number of partnered physicians—as together we face the challenge of keeping quality patient care first, even with fewer resources.

One compelling reason we must all work closer together was cited by Board Chair **Joe Perkovich**, who summarized the significant challenge that almost 70% of healthcare payments received in southwest Florida comes from the Federal government in the form of Medicare or the state of Florida in the form of Medicaid. A growing segment of our population has no health insurance or is underinsured. In the face of this expansion, both state and Federal budgets are severely underfunded and may be unsustainable. This harsh economic environment makes it mandatory that we collaborate to become more efficient and effective and reduce waste.

In its compilation of regional differences in Medicare spending per person per year, the respected Dartmouth Atlas (www.dartmouthatlas.org/) reports that the Naples area spends \$8,428 to Florida's overall \$9,854, and the nation's \$8,682. Miami Dade, by contrast, spends a staggering per-person Medicare rate of \$17,274 each year.

We're determined to continue to set the pace in this area. One example: Our physician-hospital organization, Community Health Partners (CHP), is at the center of efforts to become an *Accountable Care Organization*, an integration of patients, physicians, payers, and hospitals that is the government's chosen mechanism to add "value," defined as quality divided by cost.

CHP was founded in the early 1990s, jointly by the NCH medical staff physicians and NCH, to provide an organized, efficient, compassionate model to care for working folks not on Medicare or Medicaid. Over the decades, CHP has added the essential competence of helping patients live better and smarter, even with chronic illnesses such as diabetes, congestive heart failure, low back pain, and lung disease. **Kathy Jardone**, Chief Operating Officer of CHP, and her nine physician board, together with NCH leaders **Vicki Orr, Kevin Cooper** and **Phil Dutcher**, are taking the lead in moving to a new organization to meet the challenges of the new reality in healthcare.

In the past, NCH has been innovative in framing solutions that work. But the past is the past. We need now to create the next generation healthcare service model for our patients. And that will require renewed teamwork.

Respectfully,

Allen S. Weiss, M.D., President and CEO

P.S. Feel free to share *Straight Talk* by emailing me at <u>allen.weiss@nchmd.org</u> to be added; and join us on Facebook at www.facebook.com/nchflorida.