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Performance Personified

Why Does Hill Physicians Medical Group Keep Winning Quality Awards?

by Mark Hagland

EXECUTIVE SUMMARY



Top executives at Hill Physicians Medical Group, one of the largest independent practice associations in California, discuss the organization's clinical, quality, and business success and their vision for the future.

When California's Integrated Healthcare Association (IHA), a statewide provider association, announced in September that it was giving the San Ramon-based Hill Physician's Medical Group, one of the largest independent practice associations (IPAs) in that state, four different quality awards, it came as no surprise to those who have followed Hill Physicians' history over the years.

Indeed, the 3,500-physician organization, founded in 1984, and whose service area encompasses broad swaths of Northern California, has for years been a pioneer in care quality, pay for performance participation, clinician efficiency, patient service, and IT adoption for many years, under the leadership of CEO Steve McDermott. McDermott has been helping to lead his colleagues forward towards a vision of integrated, accountable, transparent healthcare for more than two decades now, and is one of the best-known physician group executives in California.

In September, Hill Physicians' Bay Region received dual awards from the Oakland-based IHA as a "top performer" and as the "most improved" medical group in the region. Hill Physicians' Solano region achieved "top performer" status, while its Sacramento region was recognized as the "most improved" from the Sacramento area. What's more, Hill Physicians was the only IPA in California to receive IHA recognition in multiple categories and regions this year. The organization and its divisions were among more than 220 medical groups, IPAs, and integrated systems that IHA evaluated this year with regard to their clinical quality, patient experience, IT systems, coordinated care for diabetes, and overall efficiency. Data for the evaluation was aggregated from health plan claims records, patient satisfaction surveys, and physician group records to ultimately produce a single overall score. The organizations that scored in the top 20 percent statewide received "top performer" designations, while seven medical groups received recognition as "most improved" based on year-to-year score comparisons in their regions. The IHA recognition comes a few months after Hill Physicians received "elite" status designation from the California Association of Physician Groups for the third year in a row.

So what keeps Hill Physicians winning awards? And, more importantly, what are the underlying factors involved in that organization's clinical, quality, and business success in the brutally competitive Northern California healthcare market? *HCI* Editor-in-Chief spoke recently with three leaders at Hill Physicians-McDermott; Vice President and CIO Craig Lanway; and Vice President and Chief Medical Services Officer Rosaleen Derington, to find out the secret of their organization's success, and the links between the intelligent, strategic leveraging of IT and patient care quality, and business success. Below are excerpts from those interviews.

Healthcare Informatics: What goes into highest-level performance, in the context?

Steve McDermott: I helped start the IHA, and when I was chair of IHA, I helped spearhead this particular pay for performance program. And I still chair the executive committee of the pay for performance steering committee, which oversees the program. And, in creating the program, we designed it so that you cannot 'work to the test'; the metrics are designed to be broadly based so that you have to have a high-functioning organizational structure that performs well across the board. That means you have to have your physicians engaged, to have the data measurement sets in place within your organization, and the information systems, you have to have programs in place that respond to the things you're measuring. I was particularly thrilled that we got 'most improved.' It's not like we were laggards, right? And the fact that we are performing at this high level is really great, because it means that the programs we're putting in place at this stage of maturity-we're still very energized as an organization. It's really amazing that we still are at this thing in a way that it's not gotten old.



Craig Lanway

HCI: And IT is definitely an important element in performance?

McDermott: Absolutely. You cannot win those awards if you're not using IT.

HCI: Physicians feel very pressured across the country; yet you seem to have a positive culture, one that is still energized, and yet achieves high performance at the same time.

WE HAVE A VERY RICH DATA WAREHOUSE, WHICH GIVES US STRONG LONGITUDINAL DATA ON WHAT'S HAPPENING WITH OUR POPULATION. AND OUT OF THAT, WE CAN DRILL DOWN TO THE INDIVIDUAL PATIENT AND PHYSICIAN LEVELS. -ROSALEEN DERINGTON

McDermott: When we started measuring physician satisfaction about 20 years ago, the physician satisfaction level was about 60 percent; today, it's at about 92 percent. And we just had a physician leadership conference. One comment we got on a recent physician survey was this one: 'I feel lucky to be a part of Hill Physicians.' Another comment: 'Hill Physicians helps me practice better medicine.' Another: 'Hill Physicians has helped me extend my practice life.' One guy said to me that he's enjoying medicine for the first time again in 20 years. What we do is we're constantly trying to both reactively and proactively develop programs and services that really make life better for the patients and the docs, both. Now, my new big thing is affordability, and I've been working on that now for about two years, and we're starting to get traction.



Rosaleen Derington

So now, in the P4P program, the concept is that you will be graded on your quality as a group, as you are now; but your financial award under the P4P program from the plans will be based on how efficient you are as a medical group, times your quality. So if you have high quality but also high cost, you'll get nada. And if you're low-quality, but efficient, you won't get much. So the sweet spot is high quality and efficient cost, starting this year. And the pay from the P4P will come from shared-risk funding, where the medical groups will demonstrable reductions in cost savings.

HCI: Tell me about the IT facilitation aspect of all this, from your perspective as CEO.

McDermott: We made an investment in IT early on, and the investment was to create a platform that was scalable and broad-based. No. 2, the IT investments are multiple investments at multiple levels. So we built a data warehouse more than 15 years ago. And we converted to electronic data exchange very early on. And we started making the investment in EMR [electronic medical records] about five years ago. We're up to about 25 percent of our enrollees covered now. It's taking longer because we're doing a deep dive

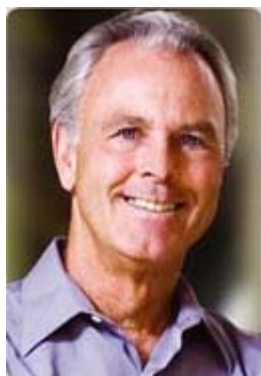
into the EMR, in terms of true meaningful use. So it's taking longer to deploy it; plus, we have 1,600 offices. But we're also really emphasizing bridge technology, such as RelayHealth.

HCI: It's not about buying cool technology, it's about leveraging technology to continue that performance journey, correct?

McDermott: Right. And leveraging the technology to leverage the whole orientation towards innovation. The EMR itself is great. But it also begins to provide a platform to reengineer the practice.

HCI: Craig Lanway, how do you view the leveraging of IT from your perspective as CIO of the organization?

Craig Lanway: Well, we can't do any of this without information. And for a very long time, there's been an effort here to build data collection and performance information to provide information back to the physicians. And it needs to be provided back to them with complete transparency, so that we can drill into that and show them what's going on with their patients. We derive that from claims information, from medication information, from laboratory systems; and as a result, we had to create connectivity through a repository, and needed to do that in a way that's transparent as possible to providers. And the information has to be as close to in real time as possible.



Steve McDermott

Rosaleen Derington: When you look at the awards we've gotten, we could not have done it without that IT foundation. I think it's multi-faceted. No. 1, we have a very rich data warehouse, which gives us strong longitudinal data on what's happening with our population. And out of that, we can drill down to the individual patient and physician levels. And we use [the San Diego-based] Ascender, which provides a patient registry into which we load the patient data, and the pay for performance criteria, so not only will we use that when physicians are seeing patients, so that they can do such things as ordering timely preventive screenings; we also use [the Atlanta-based] RelayHealth, which is a wonderful communications system between members and physicians, and then there is the heavy-duty stuff, which is the electronic health record. All that really supports our efforts.

THE KEY LESSONS INCLUDE THESE: STAY PURPOSEFUL; STAY ACTIVELY ENGAGED AND COMMITTED; AND CONTINUOUSLY BUILD YOUR TEAM AND INVEST IN THEM. -STEVE MCDERMOTT

HCI: What's the secret to achieving high physician satisfaction at the same time as high physician performance, in a very demanding healthcare market?

Lanway: Well, wherever we could here, we went in and addressed inefficiencies in how claims were paid and procedures were authorized, and how things were handled administratively, while at the same time addressing things in the context of clinical quality and financial performance. And by doing so in a timely and transparent way, we got their cooperation. And it can't hurt that financial incentives have been tied into that agreement.

Derington: And when we measure them in satisfaction, it's about the support and infrastructure, the tools we give them.

HCI: What have been the biggest strategic lessons learned so far?

Derington: I think one of the key things we do here is to engage the physicians in all aspects of the business, from leadership to governance to implementation of initiatives. We spend a lot of time communicating with them. And transparency is key. Plus, we do spend a lot of time listening to them; sometimes it's not always pleasant or easy to take; but we listen to them, to their concerns, and try to address them as quickly as we can.

Lanway: And what you have to do is to establish trust with the physicians. And they trust that we're listening to them and are going to deliver on what we say we'll do. At times, that's difficult to do, because the problems we're facing are complex. And we're dealing with physicians across nine or 10 counties in Northern California. And each one of them cares about the quality of care they provide; so we make sure we're all about supporting quality.

HCI: Do your physicians understand this new world?

Derington: I think we have physicians all along the spectrum. Some physicians here completely understand the need for integration and for information. We do still have some physicians at the opposite end of the continuum and who are not ready yet to deal with it. If you look at anybody coming out of medical school today, the majority want to be salaried and want to work in an electronic health record; we do have more on the enlightened end of the spectrum, though we do have some stragglers. For the most part, it has to do with where they are in their work careers.

HCI: Is there anything else you'd like to add?

McDermott: Back to the pay for performance. It was great to receive the awards, but we're very conscious that we compete in the marketplace with Kaiser [the Oakland-based Kaiser Permanente], and they are also winning awards because of their investment in technology. And it's evidenced in this example, where competition actually is really healthy. More broadly, the key lessons include these: stay purposeful; stay actively engaged and committed; and continuously build your team and invest in them. As you know, our turnover here is extraordinarily low. And as you said, this is a very competitive industry and a very competitive market; so you really invest in your team, their education, and their commitment; and it pays off, when you've got people here 15 or 20 years, and they're absolutely committed, and they know their stuff and know their own area, and it just happens, you know.

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