

(Re)Positioning Academic Medicine for Long Term Success



Tomorrow's Doctors, Tomorrow's Cures

Learn

Serve

Lead

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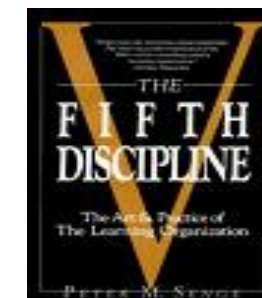
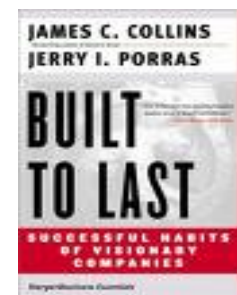
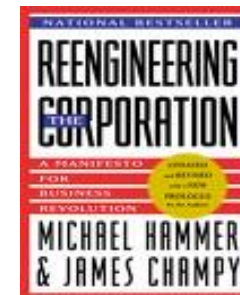
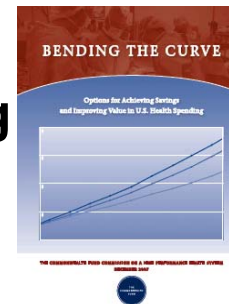
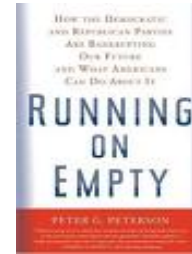
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Association of
American Medical Colleges

Informed Consent Intro

1. We have a wholly unsustainable “system”
2. Universal Coverage + Financing ≠ Reform
3. Pre-occupation with the Revenue Curve
(which we are incredibly parochial and protective of)
4. Real reform lays under the Cost Curve by eliminating the waste, duplication, redundancies, inefficiencies, unnecessary variations *(redeploy \$650B of \$2T)*
5. The Pathway to Quality is Through the Doors of Cost
6. Our core processes require fundamental reengineering enhanced by Information Technology & Leadership Development for sustainability
7. The adage “*Culture eats strategy everyday from lunch (and breakfast and dinner)*” is true. But if we don’t have the courage to lead a state change, then we should stop complaining.
8. Lack of an ‘implementation science’ research framework



AAMCs are Critical to Healthcare Reform

Clinical

AAMC member hospitals comprise only 6% of all hospitals, but account for¹:

- 23% of all discharges
- 28% of all Medicaid discharges
- 19% of all Medicare discharges
- 41% of charity care

79,529 full-time MDs work in AAMC member group practices²

Education

Nearly 100,000 residents train at AAMC member hospitals³

Train full spectrum of other health professionals

Research

Perform over half of federally funded biomedical and health services research

Notes: ¹Source: AAMC analysis of American Hospital Association Survey Database, FY2008.. Data reflect short-term, general, nonfederal hospitals. COTH hospitals reflect integrated and independent COTH members; ²Source: AAMC Faculty Roster Full-Time Faculty, December 2009. This number excludes part-time and volunteer faculty. It also excludes PhDs and MD/PhDs; ³Source: AAMC analysis of Medicare Cost Report Data, June 30, 2010 Release; ⁴Source: AAMC analysis of 2006 National Institutes of Health awards data (accessed at: <http://report.nih.gov/award/trends/AggregateData.cfm?Year=2006>); ⁵Source: Agency for Health Care Research and Quality, Federal FY06 data.

A Word About "Health Reform" Implications



A Word About "Health Reform" Implications

↑ Access = ↑ Demand + Continued Perverse Incentives = ↑ ↑ Costs (*which will burden margins & potentially stress the ability to cross-subsidize*)

↑ Demand + ↑ ↑ Costs = ↓ Value = ↑ Upset

↑ consolidation of health plans, hospitals

↑ consolidation of physicians in larger medical groups and employed vehicles

SGR non-fix & CBO (re)calcs add another \$400B to the \$1T increased spend

NIH funding likely to be → (or possibly ↓)

GME funding likely to ↓ (\$30B at-risk over 10 years through MedPac or IPAB)

Mistrust

**Hospitals &
Clinics**

**Faculty
Practice
Plan**

***“Us
vs
Them”***

**Allied Health
& Health
Professions &
Public Health**

**Clinical &
Basic Science
Departments**

Moody's Outlook on Providers, Payers, and Universities is Negative for the First Time Ever

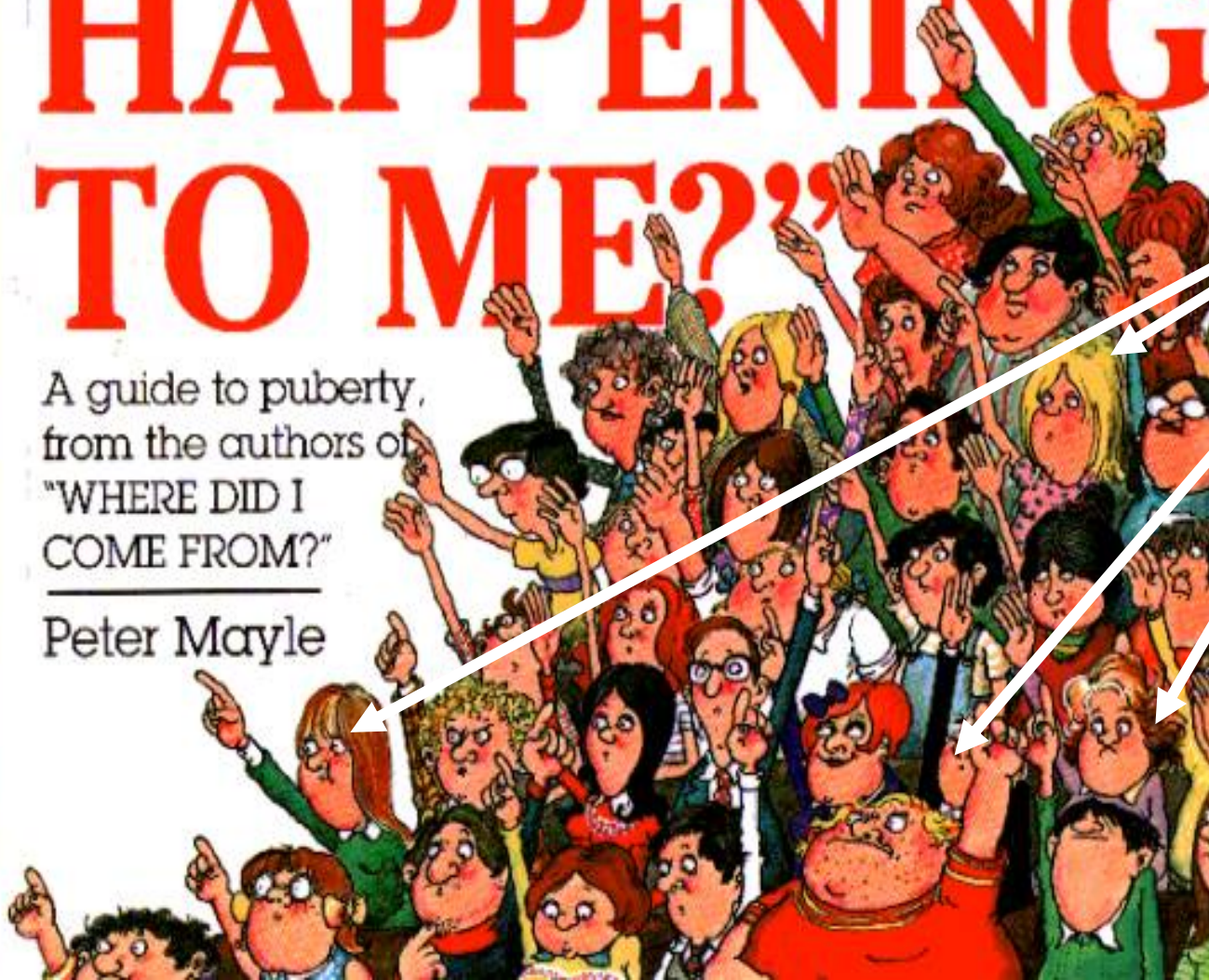


FIRST-AID
FOR PARENTS

“WHAT'S HAPPENING TO ME?”

A guide to puberty,
from the authors of
“WHERE DID I
COME FROM?”

Peter Mayle



Pressures differ but overlap, and are not well understood ...

- Endowments ↓
- Underfunded pensions ↓
- Philanthropy ↓
- State Monies ↓

- Patient volumes & reimbursements ↓
- Malpractice funds & pensions ↓
- Cheap borrowing costs & cash flow ↓
- GME under attack ↓



- Endowments & gift funds ↓
- Funded research ↓
- NIH down ↓
- State monies ↓

- Clinical revenues falling ↓
- Funded research ↓
- Endowments & gift funds ↓

Dissolving Mistrust





Readiness for Reform

An Assessment Tool for National Health Reform
Preparedness



Readiness Assessment			
Comparative Effectiveness		Yellow	
Patient Engagement		Yellow	Green
Patient Access	Red		
Payment Reform	Red	Yellow	
Care Delivery Innovation	Red		
Quality Reporting	Red	Yellow	
Health Information Technology		Yellow	Green
Training the Next Generation	Red	Yellow	

The Road Ahead

What is in Between

Today

- FFS
- Volumes
- ‘All Things to All People’

1. Link Vision → Strategy → Focus
2. Multi-mission integrated budgets
3. Funds flow redesign
4. Core process redesign & reduce cost base
5. Care management capabilities
6. Continuum-of-care linkages
7. Multi-mission education redesign
8. HSR research focus
9. IT-enablement
10. Leadership development
11. Comp & incentive redesign
12. Employee health redesign
13. etc.

Tomorrow

- ACOs
- HIZs
- Populations
- Bundling
- Capitation