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HEALTH CARE:
PHYSICIAN PRACTICES

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Area doctors will form own PPO

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Staff Writer

In a bold move to assert the power of the physician, 900 area doctors have banded together to form a PPO and market themselves directly to big employers and the federal government.

Their pitch: Because of technology, they will be able to prove that they provide better health care services than their competitors.

"We are trying to help develop a better medical system in the Kansas City area," said Dr. John Robinson, an anesthesiologist and chairman of the Kansas City Independent Physicians Association.

Robinson and others have been meeting with large employers and union leaders to discuss their vision, and they have a fast timetable for their ambitious goals.

"If we can't show substantial progress in one year, we will have failed," Robinson said.

KCIPA formed in October through a merger of the Shawnee Mission Medical Group Inc. and the Kansas City Physicians Organization, the successor to the physician organization associated with the now-defunct Saint Luke's-Shawnee Mission Health System. The association intends to add physicians.

The group's goals of clinically integrating physician practices, improving patient care in the Kansas City area and contracting to provide services come in response to several strong trends in health care.

Specifically, the powerful Centers for Medicare and Medicaid Services -- the largest single payer for health care services -- is encouraging providers to improve patient safety by reducing medical errors and to use technology that eliminates handwritten records, also a source of mistakes.

At the same time, CMS is leading the effort to issue "report cards" on the quality of health care that providers give -- and it is willing to pay premium rates to providers who can prove they do a better job

than their peers.

KCIPA President Mike Reardon said the organization will address all these trends because physicians are the heart of health care, a fact that he said insurers and hospitals don't always recognize.

"Physicians have not had the opportunity to be at the center of the health care system," he said. "Conceptually, the climate for development of a physician PPO is here."

In general, federal trade laws prohibit doctors from banding together to negotiate contracts. However, that prohibition goes away if their practices are clinically or financially integrated.

Clinical integration means the group shares data on the cost, quantity and nature of services its physicians provide; sets best-practice guidelines; and brings low-performing physicians up to accepted standards. Financial integration means sharing risk, such as that incurred by entering into contracts to provide service.

Step one for KCIPA is to clinically integrate through electronic medical record (EMR) technology and practice management software. GE Medical Systems Information Technology has entered into an agreement with KCIPA to sell members the technology at "preferred prices."

"You cannot prove how well you are practicing medicine unless you have the tools to back you up, and the EMR is the only way to do that," GE account executive Kari Duce said.

Dr. William Hollow, CMS's deputy director for quality improvement, said that less than 10 percent of physicians now use electronic medical records but that "a lot of people are aiming to see that by the end of this decade most physicians are using them."

Reardon said KCIPA will put Kansas City at the forefront of that technological advance. That will help physicians gain a voice in establishing the quality indicators that will play an increasing role in health care purchasing decisions made by the government, insurers and consumers.

"The measures (of quality) that CMS and the hospitals are using are measures of care rendered by doctors," he said. "Physicians need to be at the table."

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