

## State of the Nation

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## Overview

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- Healthcare continues to change dramatically for:
  - Providers
  - Payers
  - Patients
- Costs continue to increase
- Frustration also increasing



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## Physicians as Hospital Employees

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- Popular among younger surgeons wanting:
  - Regular schedule
  - More free time
  - Less administrative responsibilities



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### Physicians as Hospital Employees

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- Popular option for older surgeons wanting to:
  - Reduce the number of days a week they work
    - While not covering overhead for office open 5 days / wk



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### Hospital Employment

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- Potential advantages
  - More predictable:
    - Income
    - Hours
    - Call
    - Time off



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### Hospital Employment

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- Potential advantages:
  - Less responsibility for:
    - Staff
    - Benefits
    - Office overhead
    - Other office / staff costs



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### Hospital Employment

- Potential disadvantages:
  - Greater bureaucracy
  - Potential conflict of what's best for employer vs. patient
  - Less autonomy for how practice is run, equipment/software used, etc.
  - Performing pro bono or mission work
  - Less opportunity to participate in consulting, device development, ancillary services, etc.



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### Hospital Employment: Future

- Salaries likely to decline as number of physician employees increases
  - Less competition
- Will job security for surgeons become as precarious as for most employees?
  - If the hospital changes allegiances or ownership, changes focus/priorities, etc.
  - If so, how do you start your practice now?



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### Greater Bureaucracy

- Part of what's driving doctors to hospital employment is increasing overhead costs and difficulties providing care
  - Such as increasing demands for prior authorization for spinal fusion to reduce costs by reducing the # of procedures performed
    - Has this been effective?



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HEALTH SERVICES RESEARCH

**OPEN**

### The Impact of Commercial Health Plan Prior Authorization Programs on the Utilization of Services for Low Back Pain

Robert M. Goodman, DO, MHA,<sup>1</sup> Corey C. Powell, PhD,<sup>2</sup> and Paul Park, MD<sup>1</sup>

- Reviewed results of prior authorization (PA) program requiring physiatrist consultation before surgical evaluation, with subsequent additional LBP surgery PA



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### Impact of PA for Spine Surgery

- Per-member, pre-surgical costs increased \$2,233 with physiatrist PA and additional \$1,370 for surgery PA
- Basically, more regulation and paperwork intended to contain spine surgery costs only increased costs and caused delays in patients receiving care. Length of LBP increasing in surgery by 309 and 106 days

Goodman et al, Spine, 2016



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### How Can Physicians Regain More Control Over Their Own Destiny?



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### There Are Multiple Avenues

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- There is likely no one solution, but combinations of several options
  - Management agreements
  - ASCs
  - Ancillary services
  - Working with other spine groups
  - Increase your awareness in supporting spine societies' advocacy efforts in time as well as dollars



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### There Are Multiple Avenues

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- Those not keeping up with surgical technologies will be left behind
  - MIS
  - Image guidance (when beneficial)
  - Motion preservation
  - Innovative fusion implant designs and materials



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### There Are Multiple Avenues

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- Must also lead practice of spine
  - Data collection to prove efficacy of spine surgery and your outcomes
    - Research
  - Be able to negotiate bundled payments for episodes of care
    - Work with high quality non-op providers to maximize care provided during episode



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### There Are Multiple Avenues

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- Must also lead practice of spine by optimizing use of electronic technology
  - Telemedicine
  - Patient portals
  - Online patient education
  - Marketing
  - Data registries
  - Optimizing EMR applications



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### Other

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- Spine providers must work together to determine and address cost-effectiveness and evidence-based medicine in spine
- Industry must also be involved



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### Summary

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- Times are changing in healthcare, including spine
- Physicians are losing autonomy, often by choice – do they realize possibly long-term implications?
- Must be creative in how to use teamwork, data, and technology to improve situation
  - It is an investment of time and money



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