

CLIENT ADVISORY:

THE BRAVE NEW WORLD OF PATIENT PROTECTION AND AFFORDABLE CARE

The Patient Protection and Affordable Care Act (ACA) has permanently changed the landscape for providers and purchasers within the health care industry. The domino effect has created a sense of urgency in the approach to purchasing, financing and utilization of health care all of which requires innovative solutions. The relationship between the purchaser and provider is continuing to evolve as they both move away from traditional platforms that are less affordable and out of step with the ACA mandates.

providers and purchasers while at the same time they are becoming the caretakers of data, claims processors, and providers of IT solutions.

It appears unlikely that the ACA will be repealed or even dramatically altered in the next decade, which means that the providers and purchasers of health care must adapt to a brave new world that will expand the need for consultants who have developed innovative solutions for both sides of the equation. Quality and collaboration is now the mantra and only those with sustainable, cost effective models emphasizing quality care, efficiency and reduced costs will survive.

Fee for service will lose out to quality of care and it appears likely that this new landscape will present a unique opportunity for the primary care physician (PCP). Many experts predict that the PCP will enjoy a position of strength if they find ways to control the overall care patterns of their patients, while at the same time embrace the Patient Centered Medical Home (PCMH) concept. Evidence based medicine; electronic health records and outcome based compensation will be primary in this new era. The PCP will need to find the tools required to take advantage of the opportunities which will extend well beyond simply becoming more efficient.

Primary care is fragmented and underrepresented which has encouraged the formation of ACOs by large health systems. Although the PCP has been overlooked in the past, they could become the gatekeeper of the continuum of the health care experience. He or she will be in a unique position with regard to prevention, personal responsibility and cost containment. The HMO has become the PCMH while the PCP has all of the responsibility with very little incentive and time for producing good results. The general response to this dilemma has been retirement, selling the practice to larger health systems or forming larger practice groups.



The dawn of the ACO is a prime example of how managed care is being transformed as we witness an alignment of quality care with different payment incentives that are replacing the traditional “fee for service” model. The aggregation of health care by purchasers is becoming commonplace at the state and federal level while large employers seriously consider forming private exchanges. Insurance carriers who were the risk takers are now making a concerted effort to shift the risk to both

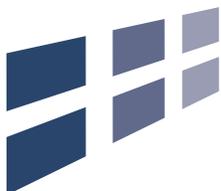
Often times the consultants on the supply side of health care are evaluating the options for the PCP while the PCP often seeks to become a part of a larger practice or hospital system. The challenges for the PCP will persist as the aggregated supply does not currently have access to creative solutions for the demand side. While the PCP may have new contractual relationships and new jobs without new patients they risk being indentured to insurance contracts and new organizations that underpay and overwork them. Stay tuned for the next chapter in the evolving health care story.



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