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GREETINGS!

A Cascade Health Partners Settlement At Last!

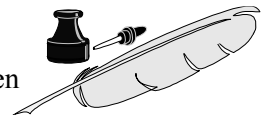
For the past year and a half the JPA administrative staff has been working with Foote Hospital to negotiate a settlement regarding Cascade Health Partners. Cascade ceased active business operations December 31, 2000. Since that time JPA has been working with Foote Hospital to settle issues with the insurance payors and the CHP re-insurance carrier. On September 3, 2002 papers were signed that officially dissolved JPA's interest in the Cascade Health Partner organization. A modest financial settlement was received. Based upon the unanimous decision of the JPA members at the April shareholders meeting, this settlement amount will be re-invested into the JPA organization.

JPA is continuing to position itself as a management service organization; offering various services to its members at

reduced or no cost fees. This year we introduced a preferred vendor relationship with McKesson-HBOC (for medical supplies) and Mr. Trent Allen (for insurance-medical malpractice). We will continue to identify group purchasing opportunities and share them with our members. We also began a HIPAA Implementation Task Force to guide interested practices in their compliance activities. JPA also provides key administration support for our contract with BCN.

Please stay tuned as JPA and your physician Board continue to offer value added services to our members. Call me with any questions or concerns. I can be reached at (517) 787-8334.

Sincerely,
Dr. Lynn Van Wagnen
President



BCN's Formulary is on the Web.

Blue Care Network has placed its current formulary on the Internet. The web-site, www.epocrates.com, contains information on formularies and drug interactions issues. You can also download the BCN formulary to a personal hand held device that uses the Palm™ operating system for free. Using the BCN formulary means that JPA physicians can ensure the lowest pharmacy costs. Remember to completely optimize BCN's pharmacy recommenda-

🌀 HIPAA DATE-LINE 🌀

- Extensions re: electronic claims submission must be filed by October 15, 2002. See www.ems.hhs.gov/hipaa. There is no penalty for filing an extension.
- Privacy Notices must be available for your patients by April 14, 2003. HIPAA Privacy Policies take effect on this date as well.

tions, the JPA physicians should prescribe drugs from the "Preferred Formulary List."

Health Care Trend Predictions

In the fall, many practices begin their planning and budgeting process for the upcoming year. Prior to developing specific goals and objectives, it is important to understand the healthcare trends. The JPA administrative team has compiled the following general predictions based upon industry sources and national consulting firm observations (such as Pricewaterhouse Coopers).

- **Provider Reimbursement:** *Payors will continue to move from risk based models to “pay for performance” reimbursement methodologies. Performance indicators will include safety and quality measures.*
- **Healthcare Staff/Personnel:** *Demands on Healthcare workers will keep staff turnover high. The supply of healthcare professionals in key areas such as nursing and medical billing will continue to decline. It will be difficult to find quality personnel.*
- **Patient Responsibility:** *Insurance Payors will develop and implement “self-service tools” to*

lower healthcare costs and shift cost responsibility. Patients who “follow the rules” will receive lower cost premiums.

- **Data Needs:** *There will be a continued push for uniform “single-platform” information and data warehousing systems. Clinical information will need to be made available to patients, providers and payors. Additionally, patients and healthcare providers will need to better understand how their data is shared. Additionally, quality information will need to be readily available (at their fingertips).*
- **Pricing:** *Payor targeted initiatives and demand-driven healthcare services will require providers to strategically price their services and adjust for volume services.*

Understanding these macro trends is critical. With this information, healthcare providers can develop specific strategies to optimize their practices. As we know, healthcare continues to be an area with intense scrutiny and new developments.

HIPAA Implementation Task Force

The JPA HIPAA Implementation Task Force (HIPAA ITF) has been meeting since the end of May. The goal is to work collectively, sharing information and resources so each practice can become HIPAA compliant. Most importantly, the HIPAA ITF has created a detailed Work Plan, that when followed should allow practices to move toward compliance. This far the Group has worked on (a) submission of the electronic claims extensions; (b) privacy and security policy development; (c) vendor identification and (d) job description development. JPA has supplied templates for Business Associate Contracts and Privacy Notices. The HIPAA ITF meets at least monthly. For more information regarding the Group contact Cheryl @ 871-2140.

Prescription for Success

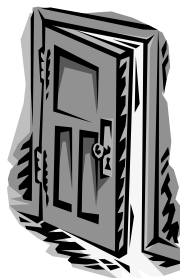
Jeanne Cavanaugh, PharmD, the BCN Pharmacy Services Administrator for the Mid Michigan region, has been meeting regularly with primary care physicians to discuss pharmacy issues and concerns. These visits have proven enormously successful as Jeanne offers updated pharmacy information, insight, and tips to providing optimal, cost-effective pharmacy care to Blue Care Network members. This is critical in helping JPA achieve its BCN Pharmacy Incentive Program goals.

Jeanne is available to assist you and your staff with your BCN pharmacy concerns. Please contact her at (517) 322-4402 or JPA’s Administrator, Cheryl Meschke, at (517) 817-2140 to arrange a 30-60 minute visit.

IN THE DOOR

Please welcome the following new physician members to JPA:

- **Dr. Stephen Arntz**, Centre for Family Health [Family Practice]
- **Dr. Brian Becker**, Springcrest [Family Practice]



JPA Directory

The JPA Directory for 2002-2003 will be going to press soon. Please inform Cheryl of any changes of address, phone or fax numbers.

Suggestions For Growing Your Practice

With the aging of the US population and the growth in ethnic minorities, many physicians across the nation are noticing an impact on their practices. How is your practice doing? It is important that your patient mix reflect the diversity of your community. If not, your practice may be in jeopardy of becoming static and eventually dying out. Some key activities you might consider to grow and diversify your practice include:

1. **Assess Your Practice:** Look at your practice from a demographic perspective. What is your patient mix, age distribution, gender mix, ethnicity. What type of patients do you have? Does it match what you want? If not, then target the types of individuals you need to reach your goal.
2. **Assess Your Community:** What is the geographic area you can draw patients from? What is the demographic area profile of this defined market? Do your practice demographics mimic those in the community?
3. **Create Cultural Aesthetics:** The appearance of your practice and décor needs to reflect the generation or culture you are trying to reach. Magazines, second language signs and room décor need to match your customer (patient)

expectations.

4. **Public Relations and Outreach:** All advertising needs to be focused in those venues used by the community you are trying to reach. Additionally, it may serve you well to be active in the neighborhood of your targeted customers. Suggested outreach activities include community fund-raising events, neighborhood group meetings, area church/synagogue/moshke activities and volunteering as medical support at local sporting events.
5. **Nurture Existing Patients:** Focus on exceeding the visit (service) expectations of existing patients. These people will be your best source for referrals if you are a primary care physician (PCP). This same relationship building should be done with PCPs if you are a specialty physician.

Over the next several years, physicians are going to find they need to actively market their practices. Patient populations are going to become very discriminate and will look for providers with proven quality and customer satisfaction. Promote those features as they relate to your practice.

BCN Pharmacy Update

Just a reminder...

- BCN is presently "piloting" a number of pharmacy programs with its General Motors employer account. These activities are directly related to cost control efforts being sought by GM. Be sure your staff is aware of these programs.
- Effective June 20th, BCN is requiring prior authorization for proton pump inhibitors written for BCN members who have not been previously tried on a generic H2-RA in the past 30 days.



- JPA has a new pharmacy incentive for 2002. BCN and JPA have agreed to a new pharmacy incentive program that recognizes only "NET" pharmacy costs (i.e. excludes pharmacy stop loss claims which exceed \$2,000 per member per PCG per year). It is felt that this new program represents a "truer" measure of pharmacy costs that are within the control of JPA. As in the past, JPA will be producing quarterly JPA-BCN Pharmacy reports for the primary care physicians. Additionally, there will be regular updates regarding pharmacy utilization in the JPA Examiner.

**THE JPA EXAMINER IS A PUBLICATION OF
JACKSON PHYSICIANS ALLIANCE, PC**

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In the News



- **Wishing a fond Farewell to Dr. Ram Agrawal (General Surgery).** Dr. Agrawal retired on July 27, 2002.
- **Center for Family Health Has Moved.** The new address is 2200 Springport Road, adjacent to Foote Family Medical. This includes the Pediatric office that just relocated this last spring to Franklin Street. The Administrative office will remain on High Street.
- **Eric Trimas, DO has left The Foote Family Medical Center—Springport Road.** His new office address is 2298 Springport Road, Suite A, Jackson, MI 49203. Phone 787-8015.
- **Michael McDonnell, DO (Jackson OB/GYN) has moved** his office to Rose City Plaza, 300 W. Washington, Suite 60, Jackson, MI 49201. Phone 787-0334.
- **Gary Lynd, DO has left The Foote Family Medical Center—Springport Road.** His new office address is 724 West Franklin St., Jackson, MI 49201. Phone 784-3100.

McKesson-Designated Preferred JPA Vendor

JPA's annual survey indicated offices wanted a medical supply firm with low rates and good service. JPA spoke with several firms and checked prices. McKesson Medical-Surgical HBOC offered the best rates. McKesson has implemented a central warehouse and delivery service for more efficient delivery. Give Mike Stock a call at 800-877-1919 ext. 3273 to see how he can help you.

Affordable Medical Malpractice

JPA has designated the Jamieson-Allen Agency as the preferred broker-vendor for Medical Malpractice Insurance. Mr. Trent Allen has been working with several of the JPA physician offices providing quotes and information. Upon renewal, consider calling Trent at 517-546-6350. We believe you will be pleased with service received.