Subject: May 2019 Issue of Wisdom. Applied. Newsletter

WEISS
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How You Can Profit From Reversing A Walmart Healthcare Strategy

Attention medical group and physician-owned facility leaders: You can reap significant profits from reversing a multi-million dollar Walmart healthcare strategy.

Walmart spends many hundreds of millions of dollars each year insuring more than 2 million workers. So when it found that many of its employees' health issues were being misdiagnosed it took drastic action: pay *more* for higher quality care.

As reported by Kaiser Health News, Walmart discovered that about half its workers who were treated at specialized hospitals, including the Mayo Clinic, for back surgery *didn't actually need surgery*. The patients had been misdiagnosed or simply required non-surgical treatment.

The culprit: Very high diagnostic imaging error rates that drove patients into the O.R.

While that background is shocking in itself, the major takeaway for you centers in reversing the flow of the strategy that Walmart adopted to both cut its overall healthcare expenditures and protect its employees from unnecessary surgery: It took action to urge its employees to obtain their imaging studies from a relatively small number of imaging centers, about 800 across the country, that were identified by quality, *i.e.*, diagnostic accuracy, *not by cost*.

The Flip

Just as Walmart flipped the focus from initial cost to quality, medical groups and physician-owned facilities such as ASCs and, quite obviously, imaging centers, can flip their usual contracting strategy.

Most physician-owned facilities focus their payor contracting efforts on being in-network with the same plans in which their physician owners (and other physicians with privileges) participate. Many medical groups have a variant of that same strategy: They focus on contracting with the same plans accepted by the facilities with which they regularly practice.

I'm not at all suggesting that medical groups and physician-owned facilities should abandon that strategy.

But, the Walmart story shows that you should have an *additional* strategy.

First, if you're not already there (come on, tell the truth – Walmart found that most facilities were sorely lacking), do whatever you can do to improve and then track and collect the data that demonstrates the quality of care delivered by your group or at your facility. Take that data and combine it with branding to develop a true center of excellence.

Then develop a strategy of using that data and center of excellence reputation to pitch your medical group and/or facility to large, self-insured employers in your area. Just like the lucky 800 imaging centers of excellence who'll receive an outsized bite of Walmart's hundreds of millions, sell them on including your physicians and/or your facility as a preferred provider for their employees.

Again, as Walmart proves, even those whose entire fortune has been based on lower prices can see the value of paying more for demonstrably better care.

Wisdom. Applied. 126 - No More Walk in the Park for Convicted Forest Park Defendants

One thing's for certain, it will be no more walk in the park for the seven defendants convicted for their roles in a bribe and kickback scheme related to referring patients to Forest Park Hospital, a now defunct chain of Texas facilities.

All Things Personal

It's as if they have a policy against good customer service.

On my way to give a presentation at a medical conference in Las Vegas earlier this month (the always great Advanced Institute for Anesthesia Billing and Practice Management) I arrived at the airport early.

The concourse was nearly empty as I made my way to the American Express Centurion Lounge. When I arrived, a couple of employees were at the reception desk. No one else was in sight. The place was very quiet.

But they wouldn't let me in. You see, they informed me that I was early, that is, that I had arrived, as I recall, approximately 25 minutes before their pre-flight window for entry into the club.

After realizing that they weren't joking, I asked why. They told me that it was their policy. That wasn't the point. I asked them *why* that was their policy and they told me it was to prevent overcrowding. I asked if the club was crowded because it seemed as if almost no one were in the airport, and they responded that the club wasn't crowded. I asked that since the club wasn't crowded, would they let me in. No, they said, because it was their policy.

These people are either brain-dead or complete idiots. Whatever they are, they undid years of great customer service in moments.

What policies do you have that don't actually serve you? Or, better yet, what policies do you have that don't serve your customers, who sooner or later will be finding service somewhere else?

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- An Update on the 'Company Model' and Other Anesthesia Kickback Schemes, Winter 2019, Communique
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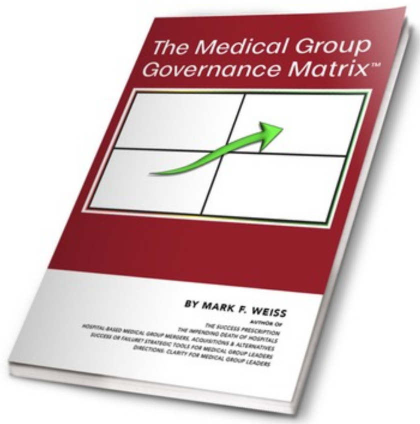
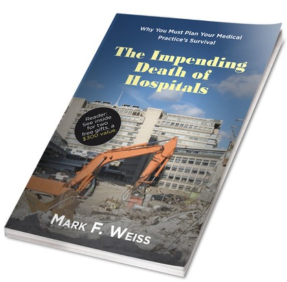
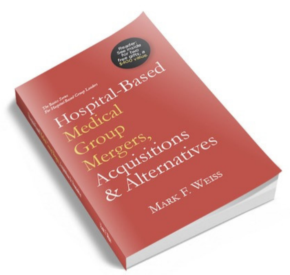
Books and Publications



We all hear, and most of us say, that the pace of change in healthcare is quickening. That means that the pace of required decision-making is increasing, too. Unless, that is, you want to take the "default" route. That's the one is which you let someone else make the decisions that impact you; you're just along for the ride. Of course, playing a bit part in scripting your own future isn't the smart route to stardom. But despite your own best intentions, perhaps it's your medical group's governance structure that's holding you back. In fact, it's very likely that the problem is systemic. The Medical Group Governance Matrix introduces a simple four-quadrant diagnostic tool to help you find out. It then shows you how to use that tool to build your better, more profitable future. Get your free copy here.





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2. Be a guest on "Wisdom. Applied. Podcast." Although most of my podcasts involve me addressing an important point for your success, I'm always looking for guests who'd like to be interviewed about their personal and professional achievements and the lessons learned. Email me if you're interested in participating.

3. Book me to speak to your group or organization. I've spoken at dozens of medical group governance, and succeeding at negotiations. For more information about a custom presentation for you, drop us a line.

4. If You're Not Yet a Client, Engage Me to Represent You. If you're interested in increasing your profit and managing your risk of loss, email me to connect directly.