Overview of the MGPO

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Chairman & CEO
October 13, 2011
MGPO Organization and History

MGPO: Massachusetts General Physicians Organization

- Formed in 1994 from 3 MGH physician groups:
  - Mass General Physicians Corporation (MGPC)
  - Professional Services Corporation (PSC)
  - MGH Staff Associates

- 501(c) (3) charitable corporation and a subsidiary of the 1811 Corporation.

- Governed by a Board of Trustees, half of whom are lay members
**MGPO Functions**

- Patient care – we are the aggregate of the efforts of our departments
- Billing/finance/compliance
- Medical management
- Practice improvement – service quality and access
- Jointly with MGH
  - Quality and safety
  - Information systems
  - Marketing and network development
  - Clinical business development
- Physician compensation
- Advocacy and communications
- Contracting (through Partners)

**Overarching Goals**

- Make quality and safety the priority for our organization.
- Make Mass General a better place to practice medicine.
- Achieve new standards of excellence in our business functions and respond to the evolving environment.
- Advocate effectively for physicians and patients.
- Modernize our capacity to provide the best possible continuity of care.
# Evolution of the MGPO

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>• Formation as a single MD group</td>
<td>• Rate increases</td>
<td>• Danvers ACC/MOB</td>
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<tr>
<td>• Transition to the employed MD model</td>
<td>• P4P</td>
<td>• Quality Incentive Program</td>
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<tr>
<td>• PCP expansion</td>
<td>• PACE for registration and referral</td>
<td>• 25 compensation plans in place</td>
</tr>
<tr>
<td>• Capitation</td>
<td>• Department review committee</td>
<td>• CMS demo</td>
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<tr>
<td>• Focus on billing issues</td>
<td>• PCHI fee council</td>
<td>• PO survey</td>
</tr>
<tr>
<td>• IDX, Peoplesoft, TTS</td>
<td>• Partners Signature Initiatives</td>
<td>• Continuity of care</td>
</tr>
<tr>
<td>• LMR pilots</td>
<td>• McGovern award</td>
<td>• MD communication training/patient experience</td>
</tr>
<tr>
<td>• No compensation plans in place</td>
<td>• ROE decision support</td>
<td>• Process improvement</td>
</tr>
<tr>
<td></td>
<td>• Patient Keeper</td>
<td>• Care redesign</td>
</tr>
<tr>
<td></td>
<td>• EMR adoption complete</td>
<td>• Meaningful use of IT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• CRMS/access</td>
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MGPO Physicians

- **Practice model.**
  - Evolving to an employed physician model
  - 50+ private practice MDs remain

- **Demographics**
  - **PCPs.** The number of PCPs has grown 42% -- but not at all since 2000.
  - **Specialists.** The number of Specialists has grown 147% -- and by nearly 40% since 2000.

- **Physician professional effort.**
  - 64% clinical.
  - 36% non-clinical.
  - But varies by department.

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**MGPO Participating Physicians by Clinical Department**

<table>
<thead>
<tr>
<th>Clinical Department</th>
<th>1995</th>
<th>2000</th>
<th>2010</th>
<th>AAMC 2008 National</th>
</tr>
</thead>
<tbody>
<tr>
<td>MGPO Physicians</td>
<td>936</td>
<td>1733</td>
<td>2376</td>
<td></td>
</tr>
<tr>
<td>Percent Female</td>
<td>27.3</td>
<td>30.4</td>
<td>37.8</td>
<td>27%</td>
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Financial Basics

### 2012 MGPO Budget (millions)
- Total Revenue: $760
- Total Expenses: $741

### Investments
- Danvers ACC and MOB
- CMS Demonstration
- MGPO Quality Incentives
- Off-site imaging
## Physician Billing

- **The Professional Billing Office (PBO)**
  - Handles billing for all MGH physicians
  - Also provides professional billing services to other Partners entities
  - Employs 340 FTEs
  - Bills for approx 2,600 providers
  - Creates 2.5 million invoices annually
  - Has a payment-related rejection rate of 16%

<table>
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<tr>
<th>Measure</th>
<th>PBO</th>
<th>Peer Median</th>
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<tbody>
<tr>
<td>Cost of billing office as a % of total collections*</td>
<td>3.70%</td>
<td>4.78%</td>
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<tr>
<td>Billing personnel per $1 million in collection</td>
<td>0.42</td>
<td>0.70</td>
</tr>
<tr>
<td>Cost per claim*</td>
<td>$7.59</td>
<td>$6.42</td>
</tr>
<tr>
<td>AR days</td>
<td>37.63</td>
<td>50.61</td>
</tr>
<tr>
<td>% collection within 60 days</td>
<td>83.76%</td>
<td>61.29%</td>
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*Costs include only back-end billing functions

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**Billing Benchmarks**
*(UHC 2008 Faculty Practice Survey)*
Physician Compensation

2004

FY04 Avg Comp per FTE Vs MGMA Academic Comp Percentile

Percentile (academic) MGMA Compensation

Average Compensation per FTE

FY09 Avg Comp per FTE Vs MGMA Academic Comp Percentile

Percentile (academic) MGMA Compensation

Average Compensation per FTE

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Clinical Priorities

- **Medical management**
  - Management of P4P contracts
  - CMS care management demonstration
  - Above the 90th percentile on almost all HEDIS measures

- **Performance analysis & improvement**
  - Analysis of variation in MD practices
  - Quality Incentive Program
  - Survey of the Clinical Departments
  - Practice improvement division

- **Care redesign**
  - Implementation of Partners strategy
  - Pioneer ACO application
  - Medical home

- **Continuity of care**
  - Measurement methodology
  - Patient survey
  - MD visit program

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<tr>
<th>Year</th>
<th>Percent</th>
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<tbody>
<tr>
<td>2005*</td>
<td>103%</td>
<td>$2.6 M</td>
</tr>
<tr>
<td>2006</td>
<td>87%</td>
<td>$9.0 M</td>
</tr>
<tr>
<td>2007</td>
<td>86%</td>
<td>$9.8 M</td>
</tr>
<tr>
<td>2008</td>
<td>90%</td>
<td>$12.3 M</td>
</tr>
<tr>
<td>2009</td>
<td>77%</td>
<td>$12.3 M</td>
</tr>
<tr>
<td>2010 Projected</td>
<td>81%</td>
<td>$12.4 M</td>
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MD Practice Life

- **Patient access**
  - Online appointment availability, Clinical Referral Management System
  - Patient Kiosk

- **Practice operations**
  - Dashboard of performance metrics
  - Consulting and practice liaison

- **Practice improvement**
  - Ambulatory management program
  - Training programs
  - Regulatory readiness, including meaningful use requirements
  - Service excellence

- **Leadership and recognition**
  - MD leadership development course
  - Physician recognition dinner
  - McGovern awards
  - Financial planning benefit
Communications

Fruit Street Physician
- Monthly newsletter

Web sites (intranet only)
- MGPO web site
- MGH/MGPO Priorities focuses on care redesign/patient affordability work

Emails
- MGPO Bulletin contains important information for physicians and administrative staff
- Message from the Medical Director is sent by Tim Ferris, MD and has a clinical focus
- Quality Incentive Program Messages communicate about measures and deadlines
- All emails can now be targeted
“There is little measurable variation among hospitals based on the available quality metrics. In contrast, the price variation for those services is significant.”

2011 Report on Price Variation in Massachusetts Health Care Services

“..political and health-care leadership are convening to get mounting health-care costs under control. Yesterday, powerful Partners was the bull’s-eye.”

Boston Herald 6/29/11

Investigating “the rising cost of health insurance and the impact of reimbursement rates paid by health insurers to providers”

Chapter 288 of the Acts of 2010

“The Boston Globe

“Partners.. took intense questioning... why its hospitals are paid better than many others.”

Boston Globe 6/29/11

Legislature’s Joint Committee on Health Care Financing

Holding statewide public hearings on Gov. Patrick’s Payment Reform Proposal

“Reduce health care price distortions through temporary statutory restrictions…”

2011 Examination of Health Care Cost Trends and Cost Drivers

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Immediate Challenges

- Implications / evolution of national and state healthcare reform
- New payment models
  - Global payments/capitation
  - Bundled payment
- Continued pressure on costs
  - Increased responsibility for reducing medical trend