

CUSTOMER EXPERIENCE

QUALITY

**Physician Connectivity Strategies**

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**Health Network Providers**

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OPERATIONAL EXCELLENCE  
GROWTH  
MEMORIAL  
HERMANN

# Houston Market

- Very competitive market
  - 5.3M in Houston MSA
  - 34% uninsured strains the community
    - Creates competition for insured patients
  - 8 major systems with ~60 acute hospitals
  - Competitive payer market

# MHHS and MHHNP

- Memorial Hermann Health System
  - 13 hospitals, \$4B revenues, 5,000 medical staff members
- Memorial Hermann Health Network Providers
  - IPA with 3200 physician members
    - 92% of active medical staff
    - Developing clinical integration strategy
  - Third Party Administrator for direct employer contracting
    - Medical management division
    - Occupational medicine
  - Supply chain oversight with physician leadership

# HNP Vision

- Improve the health of the community
  - Patient care access and quality
  - Reduce health costs
  - Measure impact
- Clinical integration
  - Use data to improve health management
  - Connect to physicians in a meaningful way

# Strategic Assumptions

- Current IT strategies for non-employed physicians
  - Infrastructure- Bluegate's Medical Grade Network®
    - Physician office infrastructure and services
    - 1,000 physicians today; begin expansion in January '07
  - Physician web portal- PhysicianLink.org
  - EMR
    - GE Centricity in employed group
    - Cerner PCO in pilot
- Careful review with legal counsel
  - Inside counsel and outside advisors
  - Stark and OIG Safe Harbor guidance

# Go Forward Strategies

- Selecting EMR #3
  - Best of breed with capacity to roll-out
  - Examining e-prescribing options
- E-fax and messaging to physicians
  - “Every physician has a fax machine”
    - Primary method of communication with external parties
    - Fax server and structured data tool
    - Assist physician with migration from paper to structured data
- Finalize business, legal and sales models

# Funding Sources

- Clinical quality improvement model between hospital and physicians
  - Based on clinical process improvement
- Updating financial model for EMR launch
  - Stark Safe Harbor implications

# Process and People

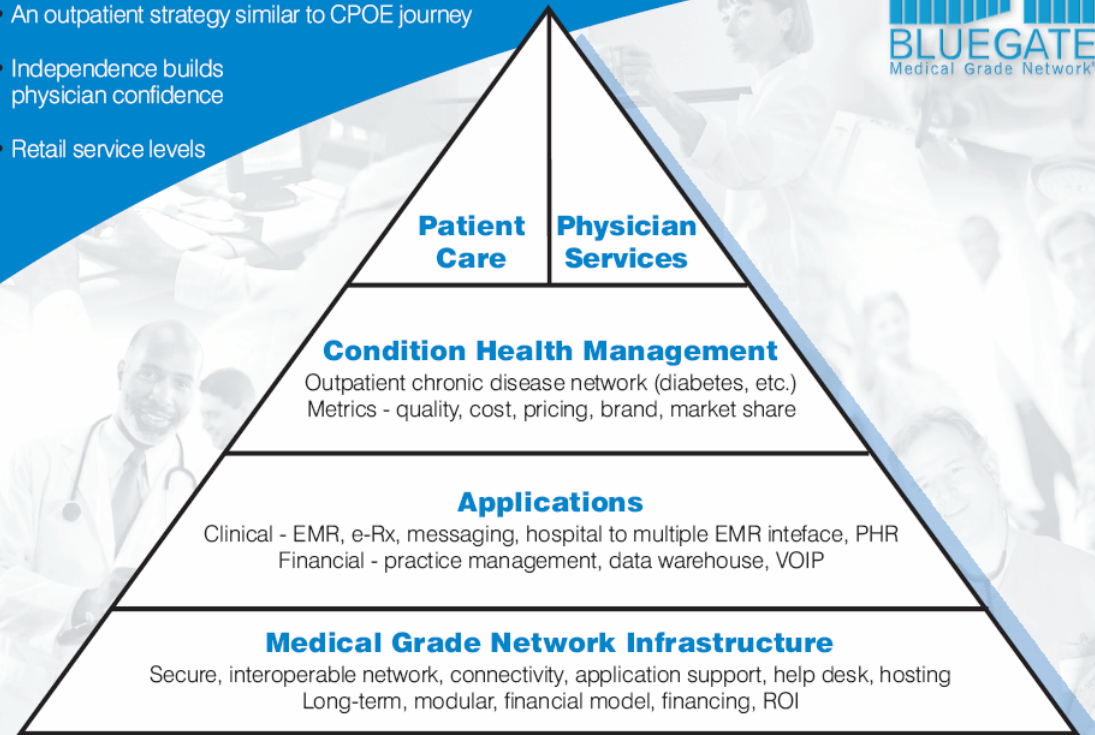
- Process began in 2004
  - Developed vision, plan, staffing
    - 1 Director, 2 managers, 6 analysts for A-EMR across system
- Strong cooperation between business leaders and IT leadership
  - Weekly meetings with senior leadership
  - David Bradshaw, CIO, of system
    - Also serves as marketing and strategy leader
    - IT division has vision of “professional services” model similar to consulting firms
- Bluegate serving as strategic advisor
  - Interim Ambulatory EMR Department Director

# Lessons Learned

- It's a journey similar to inpatient CPOE
  - Modular
  - Multi-year strategy
- Physician leadership is the critical success factor
  - Formal
- Business and IT leadership partnership
  - Commitment to physician support
  - Financing and budget support from many sources

## Medical Grade Network Vision

- An outpatient strategy similar to CPOE journey
- Independence builds physician confidence
- Retail service levels



# Questions

## Medical Grade Network Vision

- An outpatient strategy similar to CPOE journey
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**Patient  
Care**

**Physician  
Services**

### **Condition Health Management**

Outpatient chronic disease network (diabetes, etc.)  
Metrics - quality, cost, pricing, brand, market share

### **Applications**

Clinical - EMR, e-Rx, messaging, hospital to multiple EMR interface, PHR  
Financial - practice management, data warehouse, VOIP

### **Medical Grade Network Infrastructure**

Secure, interoperable network, connectivity, application support, help desk, hosting  
Long-term, modular, financial model, financing, ROI