7 Predictions for Practice Management in 2017

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What will have the most impact on practice management this year? Experts offer their various predictions for the year ahead.

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The past year has seen plenty of change in the world of practice management, with more on the horizon. Looking ahead, what can physicians anticipate for 2017? Here are seven developments in the coming year to consider.

1. The Affordable Care Act and congressional action. Some type of congressional action with the Affordable Care Act (ACA) seems certain because of Donald Trump's election and Republicans controlling the Senate and House, but the results may not bring dramatic change.

"The GOP has made 'repeal and replace' a battle cry and they will certainly do what they can to make good on that promise with the ACA, at least in some fashion," says Richard Heller, a radiologist and vice president of clinical services & national director of pediatric radiology at Radiology Partners in El Segundo, Calif. However, given Republicans' lack of a filibuster-proof majority in the Senate, action that weakens rather than eliminate the ACA may be more likely, he says.

Heller notes that unlike the ACA, the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) garnered bipartisan and bicameral support, passing in the Senate by a vote of 92 to 8. Significant legislative changes for MACRA do not seem to be on the horizon.

2. New Data and Deadlines. Of course legislation is only a starting point; the regulations that follow are often where the rubber meets the road. Fortunately, going into next year physicians will find some relief in the final rule for MACRA, announced by CMS acting administrator Andy Slavitt in October.

"There's a lot of angst in the physician community about the implementation of this program," says Gerald Maccioli, an anesthesiologist and chief quality officer for AmSurg/Sheridan Healthcare, a management and support service for surgery and outpatient centers based in Plantation, Fla. "To address this anxiety, rather than giving physicians a hard start date with penalties applied, CMS has modified the phase-in year of the program with three options."

The first option for year one of MACRA's Merit-based Incentive Payment System (MIPS), one of the two pathways providers can take for this program, allows for a test year of the program. Physicians can submit some data during the calendar year, while the second option allows partial year submission with some opportunity for bonus. The third option is for full-year participation with an opportunity for a larger bonus. Each of the three choices comes without penalty.

A fourth option is to participate in an Advanced Alternative Payment Model (APM) such as Medicare Shared Savings Track 2 or 3 in 2017. Receiving enough Medicare payments or seeing enough Medicare patients through the Advanced APM model leads to a 5 percent incentive payment in 2019.

"The flexibility offered by the final rule is a real relief in the general medical community," Maccioli says. At the same time, physicians should not delay efforts to meet the new requirements, according to Lenexa, Kansas-based L. Patrick James, a pathologist and chief clinical officer of health plans and policy, and medical affairs, for Quest Diagnostics.

"If they haven't already, physicians should make it a priority to develop a MACRA implementation plan that takes into consideration new quality and risk parameters," he says. "It's also important to understand that documentation will be critical as we move from volume to value."

He adds that physicians must now know the quality and risk measures that apply to each individual patient under relevant value-based care models. To avoid burnout and allow them to benefit from new financial incentives, physicians and staff practices will need to find ways to deal with growing complexity.

3. Shifting payments. Physicians and staff need to prepare for significant payment changes in 2017, according to Kate Othus, a member of the National Society of Healthcare Business Consultants based in Portland, Ore. From evolving government practices to higher deductibles, rising
medication costs and other private sector realities, practices may face new cash flow challenges. "The era of upside-only Medicare risk is ending," she says. Othus notes that MACRA's initiatives will drive transparency of high-quality metrics, which may affect the competitive advantage of a practice in the marketplace and eventually cash flow.

"Further, payment liability continues to burden physician offices," she says. "Working to position the practice to handle these high-deductible payment liabilities from patients is a key to effectively managing cash flow."

Heller adds that going beyond Medicare, Medicaid is transitioning to "Managed Medicaid" using Managed Care Organizations (MCOs), which are groups that provide coordinated health services across member healthcare professionals, such as an independent physician association. "These will increasingly turn to value-based payment models as opposed to traditional fee-for-service," he says.

**4. Added regulation.** While ACA and MACRA may be the most significant sources of new regulations, others may also enter the picture. Public attention to problems such as drug abuse may also drive new law or regulations.

"There will be continued scrutiny on increasing access to chemical dependency treatment and increasing reimbursement to providers for such treatment," says Christianna Finncern, an attorney with Minneapolis-based law firm Winthrop & Weinstine. "The opioid addiction epidemic will continue to be a major national issue, and both the federal and state governments will continue to find ways to try to limit access to drugs while increasing access to treatment and prevention."

**5. Changing insurance scene.** Another challenge to be faced in the next year will be rising premiums and deductibles, says Linda Girgis, a family doctor in private practice in South River, N.J. "Patients will begin self-rationing care because they cannot afford it," she predicts. "There will be increased drug non-compliance because of the cost of medications, and patients will have worse clinical outcomes."

Girgis goes on to say that the federal insurance exchange program through the ACA will fold. "The new [President] will devise a 'plan' to fix it, and legislators will meet in a crisis summit to decide the fate of the healthcare system late in 2017," she predicts.

Physicians should also anticipate the need to allocate more time for counseling patients about the cost of healthcare, according to Brian Levine, founding partner and practice director, The Colorado Center for Reproductive Medicine-New York (CCRM-NY). "Patients do not understand the risks and benefits of high-deductible plans, out of network benefits and preferred pharmacies," he says. "All of these lead to patient dissatisfaction since they can be hit with charges that they were not anticipating."

A related issue affecting that both physicians and patients is the proposed merger of Aetna and Humana and Anthem and Cigna, says Maccioli. He notes that while several of the big insurance companies are currently in legal battles with the Department of Justice, if they merge it will have serious implications for physicians' ability to negotiate, not to mention affecting patient choice. "Whether you're a health care professional or consumer, that's something we'll all have to contend with in some fashion," Maccioli says.

**6. Technology demands.** Increasing reporting and administrative responsibilities will bring more pressure to practices to optimize technology for accessing meaningful patient information, James says. In a 2016 Quest Diagnostics study, two-thirds of physician respondents said they do not have all the healthcare information they need about their patients. In addition, only 36 percent reported satisfaction with access to patient data within their existing workflows. Limitations cited by respondents included lack of information-sharing across EHRs. Physicians also acknowledged that they need new tools to align their care with the value-based health system.

Othus also foresees increasing challenges for practices to manage data across the spectrum. "Technically speaking, the healthcare industry has a long way to go," she says. "The lack of ability for software to seamlessly communicate still haunts healthcare. Patients find this unacceptable and are growing quite impatient with this ongoing challenge."

The need for more effective data analysis will also be more apparent, says John Bryan, a partner in the accounting, tax and business consulting firm, the New York City-based Citrin Cooperman's healthcare practice. "While it has always been important to track production data and revenue cycle performance, it is becoming more important to be able to analyze patient data in a value based payment world," he says. "Whether it is for quality reporting measures under MIPS or understanding your success in reducing costs across an entire episode of care, practices need to be making the required capital investment in technology and personnel to ensure they have a robust data analysis function within the practice."

**7. Patient communication.** In 2017, communicating with patients may bring new challenges,
experts say. Bryan says more patients will expect technical conveniences such as portals for accessing test results. Ditto for prescription information, online or call center options for scheduling appointments, and the ability to complete patient information forms online. But meeting such demands should be worth the effort. "All of these items should result in higher patient satisfaction and will improve efficiencies in patient flow," he says.

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