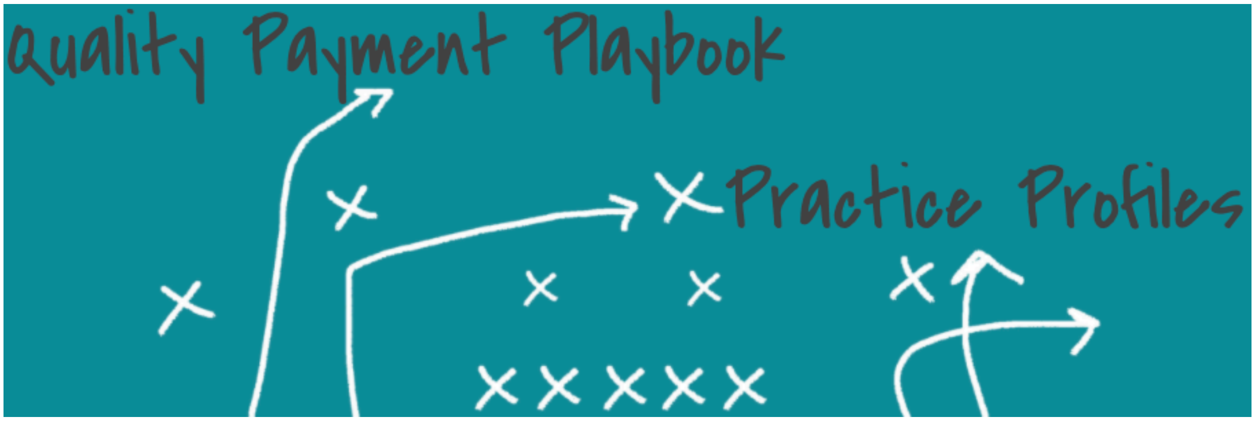

Quality Payment Program Practice Profiles

*CAFP introduces **Quality Payment Program Practice Profiles**! California family physicians describe how they are preparing for required measurement and reporting in Medicare and how they are building efficient practice processes to maximize payment.*

After 23 years, **Dr. Lee Leer**, a family physician in Eureka, California, has made the difficult decision to leave his small group practice and join the local hospital as an employee. While once thriving in his five physician system, Dr. Leer encountered mounting burdens in a rapidly changing health care environment that, in the end, drove him to give up his independent practice.

Dr. Leer first joined Eureka Family Practice (EFP) in 1994 when there were four other family physicians and one nurse practitioner. This would remain the average number of health professionals in that practice throughout his time there. Dr. Leer's early association with EFP saw relative financial success and eventually attracted the local Catholic Hospital, St. Joseph's of Orange, who attempted to recruit them to join St. Joseph's Foundation. When this occurred in the 2000's, EFP was thriving as a small practice and did not need all of the help of a large medical group or hospital, and they opted to join the Foundation but to keep their corporation intact. A couple of years later, the Foundation and EFP decided to go separate ways as it was no longer a mutually beneficial relationship.

Subsequent years, however, brought more instability than predicted. EFP started as an early adopter of EMRs in 2004 with Practice Partner and, after 10 years and with feelings of burnout, was forced to switch to Praxis. Not only had Practice Partner become prohibitively expensive, but tech support became less and less responsive. Praxis, while less costly, unfortunately turned out to be a "horrid" EMR. Among a number of issues, Praxis made it very difficult to navigate prescription refills and health maintenance and was nowhere near ready to facilitate compliance with MACRA. Simultaneously, EFP made the decision to outsource billing for the first time. While this was later considered a good decision, it wasn't enough to relieve the administrative burdens at the time. Even EFP's routine quality bonuses from their local IPA were starting to dip as the only capitated plan in the area – CaliforniaCare – had actively tried to reduce their exposure and capture less than 5000 managed care patients in the entire IPA.

The series of changes in EFP's health care environment coupled with the rising overhead for a 17 exam room office made it extremely difficult to recruit enough family physicians and/or advance practice providers. The one physician EFP did take on ended up receiving a higher salary than some of the partners at the time. Available technical assistance such as that offered by the Health Services Advisory Group (HSAG) was "not the least bit significant when compared to simply surviving day-to-day with impaired cash flow." At this point, St. Joseph's Heritage Foundation was anxious to build its primary care division and EFP needed the help. They no longer had the strong bargaining position they enjoyed in the early 2000s, and the EFP corporation was officially "let go"; all physicians of EFP became employees of the St. Joseph Health Medical Group, Northern Division.

Immediate improvements were seen within Dr. Leer's first month with the Foundation. Almost all staff received pay raises which were fixed for the year and were based upon the prior year's RVU total (and paid at $45/wRVU). Physicians received a modest bonus if they produced more than 100% of their RVU target, and a similar reduction if they produced less than 90% of their RVU target. Benefits also improved considerably to include: paid disability, improved retirement funding, paid CME, paid licensing and board certification fees.

While the change is still fresh, Dr. Leer's overarching emotion has been relief. Dr. Leer enjoys working as part of a team and doing what he was trained to do. Though he has experienced some loss of autonomy, especially with regards to providing reproductive health services, this is not the predominant feature of his new practice. Dr. Leer also feels he has re-entered the physician community. Most of the physicians in St. Joseph's Medical Group were physicians Dr. Leer had been working with for 15-25 years but as they migrated to the hospital, communication slowed due to the lack of interoperability between EMRs and simply because Dr. Leer was not in the hospital as much. Dr. Leer has regained the collegial feeling he used to have when he first started practicing. With MIPS reporting looming, Dr. Leer is also grateful to have the support of the hospital.

"On balance, knowing what I know now, I honestly wish I'd had been brave enough to approach the hospital 3-4 years ago and made the transition earlier. I had denied the inevitability of it all, and had not even contemplated the fact that my life could become so much more uncomplicated and relaxed," he tells CAFP.

Main Drivers of Change

- Financial instability
  - There was no feasible way to reduce the high fixed overhead without rapidly downsizing.
  - As time wore on, it was becoming harder to recruit both doctors and advance practice clinicians.
- Burnout
  - Even with four partner family physicians, Dr. Leer was the sole managing partner of Eureka Family Practice, as the others had no interest in management.
  - Dr. Leer found it difficult and exhausting to adequately re-negotiate good rates every three to five years with Blue Shield and Anthem.
  - Working full time and managing staff became difficult to juggle comfortably.
- Poor decisions realized in hindsight
  - Making the switch from Practice Partner to Praxis EMR was not handled with the appropriate due diligence.
  - Dr. Leer regretted that Eureka Family Practice's decision to switch to outsourced billing was not made sooner.

Main Drivers to Join a Hospital Group

- Financial stability: Retirement savings, administrative support, higher salaries, etc.
- The hospital group was a known and stable quantity:
  - The hospital has been present since the 1919 flu epidemic.
  - The family physicians of Eureka Family Practice trusted the senior members of the medical group as both groups had worked in concert with each other for the previous 20 years.
- Allowed for relief from mounting administrative burdens and recruiting new physicians.

If you are willing share your story about your practice's preparations for MACRA, please contact CAFP's Manager of Medical Practice Affairs, Sonia Kantak, at (415) 345-8667.