

INTEGRATED HEALTHCARE STRATEGIES INSTITUTE
&
NATIONAL CONGRESS HEALTH CARE CONFERENCE SERIES™

Present



Financing & Restructuring
Integrated Healthcare Systems

A Summit Meeting for 21st Century Healthcare Leaders

Jointly Sponsored by

Integrated Healthcare Association

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Care Physicians*

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*AHA News
Health Affairs*

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Modern Healthcare

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May 19 – 21, 1999
The Fairmont Hotel
Dallas, Texas

*Early Registration Reduced Rate Deadline
April 1, 1999*

*Major Support Provided by
Unrestricted Educational Grants From:*

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19 Hours Category 1
Continuing Medical
Education Credit by the
National Association of
Managed Care Physicians

Vision

As we approach the next millennium, healthcare leaders are asking, “can you do ‘well’ by doing ‘good’?” For the better part of the last decade the healthcare system has been restructuring itself. Employers have herded 85% of the workforce into managed care plans. Over 15% of Medicare beneficiaries are now in HMOs. In the last year, Medicaid HMOs grew by 40%. As a result of the shift, the purchasers have achieved their goal of containing costs. But what have been the consequences? The events of the past year suggest that we are opening a new chapter in this continuing story.

HMOs incurred significant losses last year and have retrenched in unprofitable commercial and Medicare markets. They are ratcheting down provider payments even further and passing on more risk. Employers are watching their premiums rise again. Hospital systems are restructuring relationships with unprofitable acquired physician practices. The PPM industry has collapsed. The Balanced Budget Act is cutting payments to both hospitals and physicians. Business coalitions, consumer groups, accrediting agencies, HCFA, and the media are demanding more evidence of quality and value. Consumers are demanding more choice. Governments are imposing more mandates. Leaders in every sector are looking for solutions. And that’s what this dynamic conference is all about.

The movement to develop integrated healthcare systems has pursued a vision of improving access, continuity, coordination of care, reduction of costs and enhanced clinical outcomes. The question is, how do you make it work? If quality is improved, will costs fall into line? Will the marketplace ultimately reward the effort?

The purpose of this conference is to provide integrated healthcare physicians and health system leadership teams with practical solutions. In the relationship with purchasers and payors, how are multiple payment systems and their conflicting incentives reconciled? What systems do you need to manage risk? How are physicians and hospital incentives aligned? How do health systems link with specialists? What financial relationships will support the goals of integration?

How are physician-hospital networks put on a sound financial footing? How do you build trust and make the relationships work? What is the next generation physician partnering model? How should physicians be compensated? How can physician-hospital integration models that haven’t worked be fixed?

This conference might have been called, “Beyond the Vision” because it is all about making strategies that are in the best interest of patients and communities work better.

The Program

This robust symposium has been designed for teams of physicians and hospital leaders who are addressing both payment and integration infrastructure issues. The program features pre-conference workshops for those new to the environment or the issues, followed by two full days of a dynamic, fast-paced and intensive curriculum. On day one of the general conference, plenary sessions with nationally known speakers will set the stage for dealing with current payor/purchaser-provider issues through a choice of 18 afternoon concurrent sessions. Day two will focus on the physician-hospital interface and have a similar format for the afternoon.

The objectives of this conference are:

- ◆ To describe the new directions being taken by public and private purchasers to change payment systems and increase accountability for delivering “value.”
- ◆ To identify successful financial strategies for physician organizations and integrated healthcare systems.
- ◆ To compare and contrast the strategies of premier physician groups and integrated healthcare systems as they attempt to balance the quality/cost equation.
- ◆ Through case studies, to define the key success factors in developing effective virtual and vertically integrated physician-hospital organizations.

Who Should Attend

This program is designed for teams that include physician leaders, health system chief executives, board members, and other key executives. The emphasis is on providing real-world, case study-derived, practical solutions to common problems in highly volatile, transitioning markets.

Unlike many other conferences, this is not a program designed for any one constituency. In fact, we encourage attendance by a broad diversity of people in collateral industries. This is a summit where ideas and creative concepts will be exchanged among leaders with many diverse backgrounds.

About the Developers of the Congress

The developers of this program are the *National Congress Health Care Conference Series™*, the *Integrated Healthcare Strategies Institute* and the *National Association of Managed Care Physicians (NAMCP)* for CME credit. The program was created and designed by John D. Cochrane, president of the Integrated Healthcare Strategies Institute and editor of the *Integrated Healthcare Report*. The program continues a tradition of excellence established in over 24 Integrated Healthcare Symposiums that were designed by Mr. Cochrane over the last six years for over 10,000 alumni under the sponsorship of the *Integrated Healthcare Report*.

Additional Support Provided by Unrestricted Educational Grants From:

- ◆ Becton Dickinson Consulting & Services Group
- ◆ CNA Health Partners
- ◆ MCG HealthCare Compensation
- ◆ McKenna & Associates Managed Care Insurance Services, Inc.



11:00 am Registration for Both Pre-Conference Workshops and General Session

1:00 to 4:30 pm Pre-Conference Concurrent Workshops (Optional, Attendance Limited)

The pre-conference workshops are designed to furnish baseline knowledge to physician and hospital leaders who wish to develop a sophisticated understanding of healthcare finance and delivery. Those attending will have a better understanding of the basics and, as a result, can expect to gain more benefit from the general conference.

P-1 *Introduction to Managed Care Trends, Issues and Strategies*

An overview mini-course for governing board members and physicians who are new to managed care.

John D. Cochran, M.H.A.
Editor
Integrated Healthcare Report
San Diego, CA

Henry E. Golembesky, M.D.
Consultant
Cejka & Company
San Diego, CA

P-2 *Physician Compensation Systems That Achieve Results*

An in-depth, interactive exploration of what we have learned about the best models for compensating physicians in IPAs and integrated group practices.

Susan A. Cejka
President
Cejka & Company
St. Louis, MO

P-3 *The Basics of Capitation and Other Prevailing Risk-Based Payment Systems*

There are varying levels of understanding about the nature and impact of capitation and other risk-based payment systems across the country. The purpose of this workshop is to create a base-level understanding for physicians and trustees who are new to such payment systems.

Rick Levine
President
Levine Healthcare, Inc.
Boulder, CO

P-4 *Future Models for Physician Integration and Network Formation*

Recent initiatives in physician integration by physician practice management companies and hospital-physician partnering have had mixed results at best. This session suggests the sources of those problems, and proposes models for future successful relationships.

Peter N. Grant, J.D., Ph.D.
Partner
Davis Wright Tremaine LLP
Seattle, WA and San Francisco, CA

Keith Korenchuk, J.D.
Partner
Davis Wright Tremaine LLP
Charlotte, NC

P-5 *Compliance: A Bridge to the Integrated Health System*

Strategies for implementing a compliance program across the integrated health system. An update on the latest changes in governmental health care enforcement and compliance initiatives and other regulatory developments that affect integrated healthcare systems.

Roy Snell
Senior Manager
Deloitte & Touche LLP
New York, NY
Editor, Journal of Health Care Compliance
(Past President, Health Care Compliance Association)

Gregory Warner
Director for Compliance
Mayo Clinic
Rochester, MN

P-6 *A Case Study of an Advanced Integrated Clinical Information System*

(Physician Leader—to be announced)
Peter M. Kilbridge, M.D.
Practice Director, Emerging Practices
First Consulting Group
Boston, MA



7:00 am Continental Breakfast

8:00 am *Introduction & Opening Remarks*
John D. Cochrane, M.H.A.
 Editor
 Integrated Healthcare Report
 San Diego, CA
Peter N. Grant, J.D., Ph.D.
 Partner
 Davis Wright Tremaine LLP
 Seattle, WA and San Francisco, CA

8:10 am *In Search of Healthcare's New Framework: Where Will It Take Us in the Next Century?*
Ian Morrison, Ph.D. (Conference Moderator)
 Senior Fellow
 Institute for the Future
 Menlo Park, CA

9:00 am *Will Purchasers Buy "Value"? The Future of Managed Care & Direct Contracting*
Steve Wetzell
 Executive Director, Public & Policy Affairs
 Buyers Health Care Action Group
 Bloomington, MN
Patricia E. Powers
 Executive Director
 Pacific Business Group on Health
 San Francisco, CA

10:15 am Break

10:30 am *Role of Health Plans in the 21st Century*
Walter A. Zelman, Ph.D.
 President and CEO
 California Association of Health Plans
 Sacramento, CA

11:15 am *The Future of Payor-Provider Contracting Relationships*
Patrick G. Hays
 President/CEO
 Blue Cross and Blue Shield Association
 Chicago, IL

12:00 Noon Lunch (provided)
Strategic Alternatives for Physician Organizations
James C. Robinson, Ph.D.
 Professor of Economics, School of Public Health
 University of California
 Berkeley, CA

1:15 pm CONCURRENT SESSIONS

A-1 *Payor Relations: How to Prepare Your IDS for Direct Contracting & Risk Adjusters*
Ann Robinow
 Executive Director of Care Systems & Finance
 Buyers Health Care Action Group
 Bloomington, MN

A-2 *Clinical & Management Integration: Aligning Physician Financial Incentives to Achieve Quality, Cost and Service Outcome Goals in Integrated Healthcare Systems*
John J. Byrnes, M.D.
 Vice President and Medical Director Care Management
 Catholic Healthcare West
 San Francisco, CA

A-3 *Physician Group Profiling: How Sharing Data with Physicians Can Transform and Improve the Way They Practice Medicine*
Gail Amundson, M.D.
 Associate Medical Director for Quality and Utilization
 HealthPartners
 Bloomington, MN

A-4 *Medical Management: Critical Medical Management Systems for Surviving Under Medicare Risk Arrangements*
Robert Margolis, M.D.
 President, Healthcare Partners Medical Group
 Los Angeles, CA

A-5 *Payor-Provider Relations: Unifying Credentialing Functions in a Diverse Integrated Healthcare System*
Susan Platt, CSMC
 Supervisor, Medical Staff Services
 Santa Rosa Memorial Hospital
 Sisters of Saint Joseph of Orange
 Santa Rosa, CA
Harry Shulman, Esq.
 Partner, Davis Wright Tremaine LLP
 San Francisco, CA

A-6 *Physician Partnering: Lessons Learned in Making the Medical Foundation Model for Physician-Hospital Integration Work*
Donald C. Balfour, M.D.
 President and Medical Director
 Sharp Rees Stealy Medical Group
 San Diego, CA

A-7 *Medical Management: Can Physicians Manage the Cost and Quality of Healthcare*
Francis J. Crosson, M.D.
 Executive Director, Permanente Federation
 Oakland, CA



2:15 pm Break

2:30 pm CONCURRENT SESSIONS

- B-1 *Quality & Cost: Opportunities to Control Pharmacy Costs in Integrated Health Care Settings*
Jean Paul Gagnon, Ph.D.
 Director, Health Outcomes Research Policy
 Hoechst Marion Roussel
 Kansas City, MO

- B-2 *Aligning Financial Incentives: The Verdict on Contact Capitation, PODS, Specialist, Carve-Outs and Other Creative Risk-Based Compensation Systems*
Daniel J. Merlino
 Vice President, ECG Management Consultants, Inc.
 Seattle, WA

Kevin M. Kennedy
 Senior Manager, ECG Management Consultants, Inc.
 Seattle, WA

- B-3 *Aligning Financial Incentives—Hospital-Specialist Gain-Sharing Programs: Making Them Work and Making Them Legal*
Robert G. Homchick, Esq.
 Partner, Davis Wright Tremaine LLP
 Seattle, WA

Lawrence B. Garcia, Esq.
 BDC Advisors, LLC
 San Francisco, CA

- B-4 *Clinical Information Systems: The Cost/Quality Advantages of an Advanced Paperless Medical Records System*
Prince Zacharia, M.D.
 Chair, Dept. of Internal Medicine, Mayo Clinic
 Jacksonville, FL

- B-5 *Lessons Learned: When a Large Specialty IPA Receives Its Pink Slip from a Large Exclusive Contracting HMO—The Story of SpecialMed & Its Spin-off From Anthem*
Michael Hostetter, M.D.
 President, SpecialMed
 Indianapolis, IN

- B-6 *Physician Partnering: When Does It Make Sense for Integrated Healthcare Systems to Outsource Medical Group and Practice Management Functions?*
John Phillips
 Vice President, Development, PhyCor
 Nashville, TN

George Stevens
 Vice President, Managed Care, PhyCor
 Nashville, TN

3:30 pm Break

3:45 pm CONCURRENT SESSIONS

- C-1 *Quality & Cost: Making Disease Management a Practical Tool for Improving Quality, Lowering Costs and Attracting the Interests of Purchasers*
Scott R. Weingarten, M.D., MPH
 Director of Applied Health Services Research
 Cedars-Sinai
 Beverly Hills, CA

- C-2 *Quality & Cost: How Do You Implement an Aggressive Cost Reduction Program While Preserving High Quality Patient Care?*
Larry Scanlan
 President & COO
 The Hunter Group
 St. Petersburg, FL

- C-3 *Aligning Financial Incentives: Creative Alternatives in Health Plan—Provider Risk-Based Payment Systems*
Henry R. Loubet
 CEO, Western Division
 United Health Care
 San Francisco, CA

- C-4 *Physician Partnering: Lessons From Lovelace and Medalia on Making It Work*
Derick Pasternak, M.D.
 CEO
 Puget Sound Service Area for Providence Health System (formerly known as Medalia Health Network)
 Seattle, WA

- C-5 *Access to Capital: Moody's Views on the Credit Worthiness of Emerging Integrated Healthcare Systems*
Lisa Goldstein
 Vice President and Senior Analyst
 Moody's
 New York, NY

- C-6 *Aligning Financial Incentives: Alternative Approaches to Economic Partnering for Physician Alignment*
Lou Pavia
 Executive Vice President
 McManis Associates, Inc.
 Washington, D.C.

4:45 pm Adjournment

6:00 pm Networking Reception



7:00 am Continental Breakfast

8:00 am *Welcome*

John D. Cochrane, M.H.A.
Editor
Integrated Healthcare Report
San Diego, CA

8:10 am *Alternate Futures: Best Case, Most Likely and Worst Case*

Russell C. Coile, Jr. (Moderator)
Senior Vice President
Superior Consultant
Plano, TX

8:45 am *Physicians as Managers of Health Care and Integrated Health Systems*

Uwe E. Reinhardt, Ph.D.
James Madison Professor of Political Economy
Princeton University
Princeton, NJ

9:30 am *Course Corrections in Physician-Hospital Integration Strategies*

Jacque J. Sokolov, M.D.
President/CEO
JJS, Inc./PSO Development Corporation
Los Angeles, CA

10:15 am Coffee Break

10:30 am *Texas: A Vision for The Future of Healthcare in a Turbulent Marketplace*

Camille D. Miller (Facilitator)
President/CEO, Texas Institute for Health Policy Research
Austin, TX

C. David Morehead, M.D.
President, Scott and White Health Plan
Temple, TX

Allan J. Chernov, M.D.
Vice President, Medical Services, Prudential HealthCare
Houston, TX

Boone Powell, Jr.
President and CEO, Baylor Health Care System
Dallas, TX

John P. Howe III, M.D.
President, Texas Medical Association
President, University of Texas Health Sciences Center at San Antonio, TX

Barbara L. Watkins
Senior Vice President, Parkland Health & Hospital
President/CEO, Parkland Foundation
Dallas, TX

12:00 Noon Lunch (provided)

Future Capital Sources for Physicians & Integrated Healthcare Systems
Daniel M. Cain
President
Cain Brothers & Company LLC
New York, NY

1:15 pm CONCURRENT SESSIONS

D-1 *Physician Partnering: Baylor's Approach to Physician Networking*

Carl E. Couch, M.D.
President
Health Texas Provider Network
Baylor Health System
Dallas, TX

D-2 *Governance/Management: Rationalizing Multiple Governance & Management Structures in an IDS*

Stephen L. Ummel
(Former Chairman of the Board and Co-CEO, Advocate HealthCare, Chicago)
Principal & National Advisor IDS
Ernst & Young Health, LLP
Chicago, IL

D-3 *Physician Partnering: Lessons Learned by the Fastest Growing IDS in the Country (That Didn't Lose Money on Employed Physicians)*

Javon R. Bea
President & CEO
Mercy Health Systems
Janesville, WI

D-4 *Facilities Design: Innovations in Designing Cost Savings & Clinical Integration into the Facilities of Integrated Healthcare Systems*

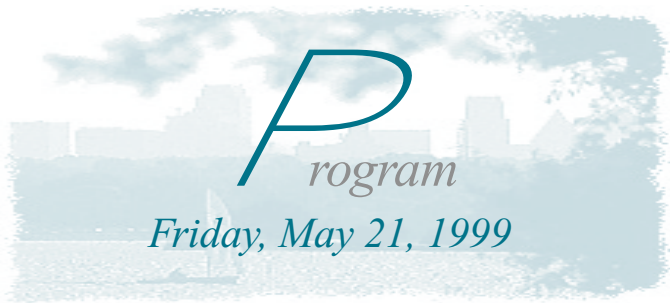
Derek Parker, FAIA, RIBA
Anshen + Allen Architects
San Francisco, CA

D-5 *Physician Partnering: Patterns and Status of Integrated Delivery System Development*

James X. Reynolds
President
James Reynolds & Associates
New York, NY

D-6 *Physician Partnering: Structuring the MSO/Hospital Relationship for High-Velocity Performance*

Robert G. Rowland
(Former CEO, Sutter Medical Foundation, Swedish Medical Group)
Principal
ECG Management Consultants, Inc.
Seattle, WA



Friday, May 21, 1999

2:15 pm Break

2:30 pm CONCURRENT SESSIONS

- E-1 *Aligning Incentives: Aligning Incentives by Syndicating Hospital Ownership to the Physicians*
Stanley F. Hupfeld
President & CEO, Integris Health
Oklahoma City, OK
- E-2 *Clinical Integration: Case Studies in Achieving Clinical Integration Through Care Redesign*
Scott A. Mason, D.P.A.
Executive Vice President
APACHE/National Health Advisors
McLean, VA
- E-3 *Physician Partnering: Structuring Long-Term Relationships Between Physician Groups & Hospitals*
Gerry Benedict
(Former CEO, Gould Medical Foundation [Sutter]
Modesto, California)
Consultant
Medimetrix
Englewood, CO
- E-4 *IDS and the Top 100 Hospital Awards: Who's In and What's the Impact?*
Jean Chenoweth
Senior Vice President—Top 100 Programs
HCIA, Inc.
Baltimore, MD
- E-5 *Aligning Incentives: The Key Compensation Factors in Making Physician Hospital Integration Work*
Robert Erra
(Former CEO of Scripps Clinic, La Jolla)
Partner
MCG Healthcare Compensation
Minneapolis, MN
- E-6 *Physician Partnering: Key Factors in Making Physician-Hospital Integration Work*
Michael B. Guthrie, M.D., M.B.A.
(Former CEO, Good Samaritan Health System)
Executive Vice President, Development
Premier Practice Management
San Diego, CA

3:30 pm Plenary Session

*Conference Conclusions—
Round Table Discussion and Q&A:
Reinventing the Future of Healthcare in America*

Russell C. Coile, Jr.
Senior Vice President
Superior Consultant
Plano, TX

Ian Morrison, Ph.D.
Senior Fellow
Institute for the Future
Menlo Park, CA

Uwe E. Reinhardt, Ph.D.
James Madison Professor of Political Economy
Princeton University
Princeton, NJ

4:30 pm Adjournment

Continuing Medical Education Accreditation

This activity has been implemented in accordance with the Essentials and Standards of the Accreditation Council for Continuing Medical Education (ACCME) through the joint sponsorship of the National Association of Managed Care Physicians (NAMCP), the Integrated Healthcare Association and the Texas Institute for Health Policy Research. The NAMCP is accredited by the ACCME to provide continuing medical education for physicians.

The NAMCP designates this continuing medical educational activity for a maximum of 19 hours in category 1 credit towards the AMA Physician's Recognition Award. Each physician should claim only those hours of credit that he/she actually spent in the activity.

Save the Date

First Annual Congress on Governing Physician Organizations and Integrated Healthcare Systems

November 14 – 17, 1999

Desert Springs Marriott Resort and Spa, Palm Desert, CA

For more information call 888-538-8014

THE FIRST ANNUAL CONGRESS ON FINANCING & RESTRUCTURING INTEGRATED HEALTHCARE SYSTEMS
 Wednesday–Friday, May 19–21, 1999

Registration Form

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HOW TO REGISTER

Fully complete steps 1-3 (one form per registrant, photocopies acceptable). Payment must accompany each order.

BY FAX: 206-441-6369
 BY PHONE: 800-668-0023
 BY MAIL: The First Annual National Congress on Financing & Restructuring Integrated Healthcare Systems
 Attn: Tiffany Gilbert
 600 Stewart Street, Suite 1605
 Seattle, WA 98101-1220

- *Registration fees are not refundable
- *Registration is not transferable
- *Schedule subject to change

CONFERENCE HOTEL INFORMATION

Special rates of \$175 (plus tax) per single, per night, and \$200 (plus tax) per double, per night have been arranged for The First Annual Congress. Please make your reservations directly with the Fairmont Hotel Dallas and mention The First Annual Congress to receive the reduced rate. Reservations will be accepted until April 26, 1999. After that cut-off date, reservations will be accepted on a space-available basis.

FAIRMONT HOTEL DALLAS
 1717 NORTH AKARD STREET
 DALLAS, TX 75201
 RESERVATIONS: 800-527-4727

3 PAYMENT OPTIONS

Please enclose payment with your registration and return it to the conference registrar at the above address, or fax your credit card payment to 206-441-6369.

- Check/money order enclosed (checks payable to):
 The First Annual Congress on Financing & Restructuring Integrated Healthcare Systems
- Payment to be made by check/money order. Credit card given to hold registration. If payment not received by date of conference, credit card payment will be processed.
- American Express Visa Mastercard

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SIGNATURE OF CARDHOLDER _____

All registrations require faxed or original signature on this form.

1 COMPLETE THE FOLLOWING
 (please attach a list of all information for other team members attending)

NAME _____

TITLE _____

ORGANIZATION _____ DEPARTMENT _____

ADDRESS _____

CITY/STATE/ZIP _____

TELEPHONE _____ FAX _____

E-MAIL _____

➔ Please advise us if you will need interpretive services or other reasonable accommodations.

2 PRICING

Pre-Conference (May 19)	\$295	_____
Congress (May 20 and 21)		
*Alumni		
(includes National Congress Conference Alumni, Integrated Healthcare Symposium Alumni and Integrated Healthcare Report Subscribers)		
•Before April 1		
First organization registrant	\$1,095	} _____
Each additional organization registrant	\$995	
•After April 1		
First organization registrant	\$1,195	} _____
Each additional organization registrant	\$1,095	
Non-Alumni		
•Before April 1		
First organization registrant	\$1,195	} _____
Each additional organization registrant	\$1,095	
•After April 1		
First organization registrant	\$1,295	} _____
Each additional organization registrant	\$1,195	
Total		\$ _____

*All registrants must be alumni to receive discount.