



UNIVERSITY of MARYLAND  
SCHOOL OF MEDICINE

# **Evolving UM SOM Clinical Practice as the Healthcare Environment Changes**

## **Introduction to the UM SOM Medical Service Plan**

This section will cover the following elements:

1. FPI creation, organization, and structure
2. Clinical revenue
3. Adaptive Clinical Strategy

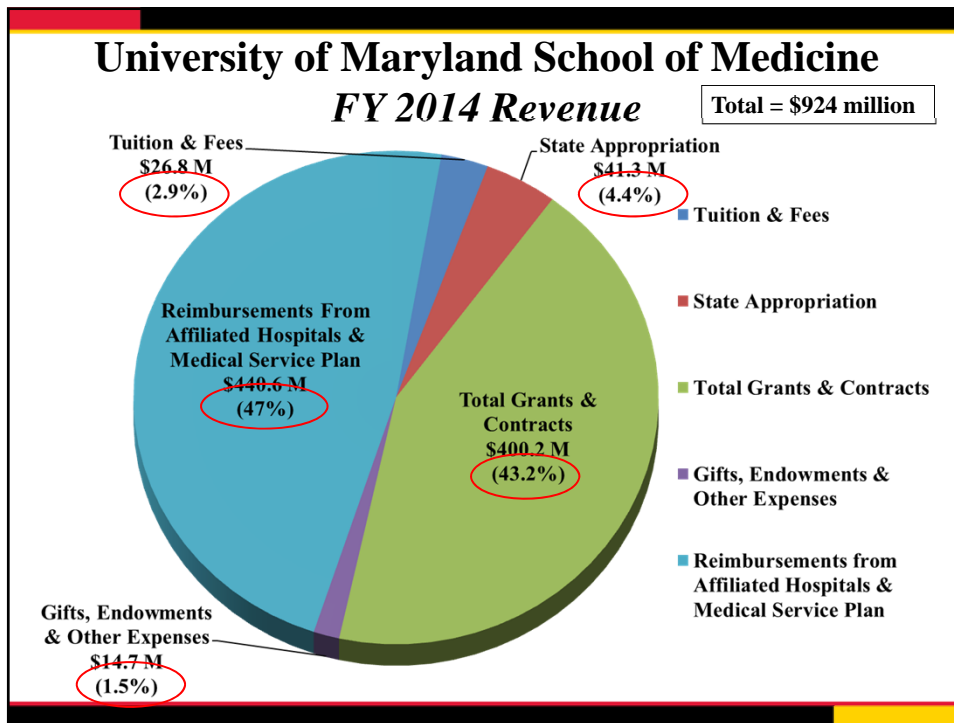
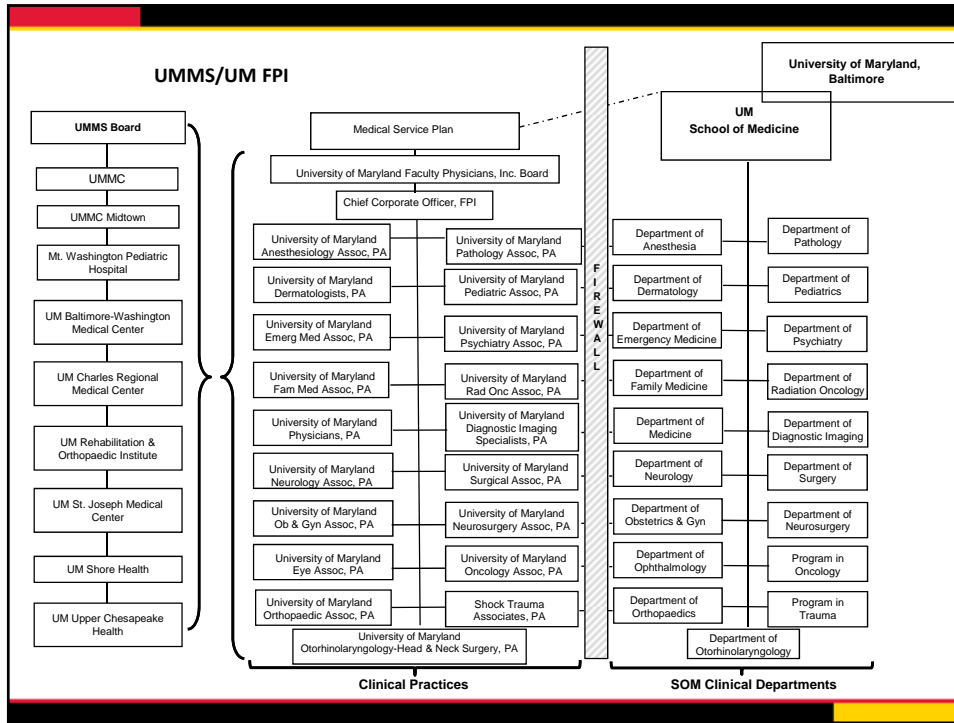
## **University of Maryland Faculty Physicians, Inc.**

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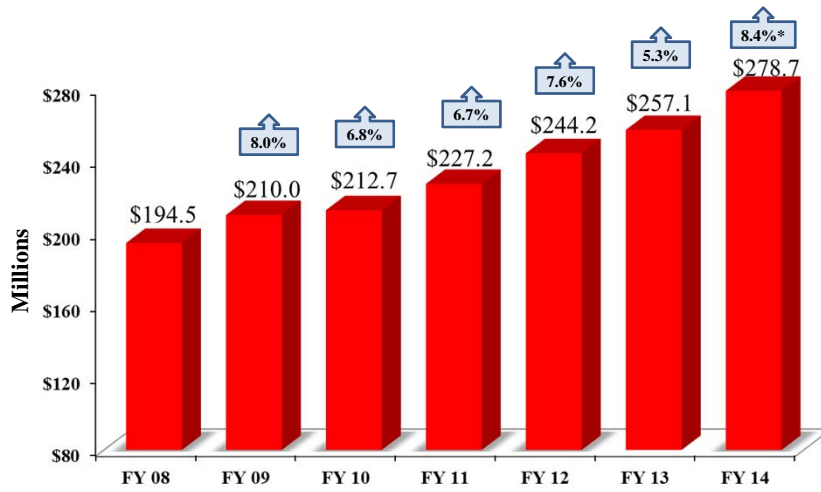
- FPI was created by the USM Board of Regents through the **Medical Service Plan (MSP)** as a 501(c)(3) corporation, outside the University System
  - FPI **supports the clinical mission** of the Medical School and the Medical System
  - Provides a **mechanism for professional fee income** to be generated and distributed for the benefit of the faculty and the School of Medicine
  - Provides **administrative support functions** such as business development, finance, human resources, information technology, compliance, legal affairs, practice operations support, and reimbursement management.

## **One of the stated purposes of the Medical Service Plan:**

- ***To develop the necessary agreements to carry out the tasks of the Plan and thereby provide services to the community.***

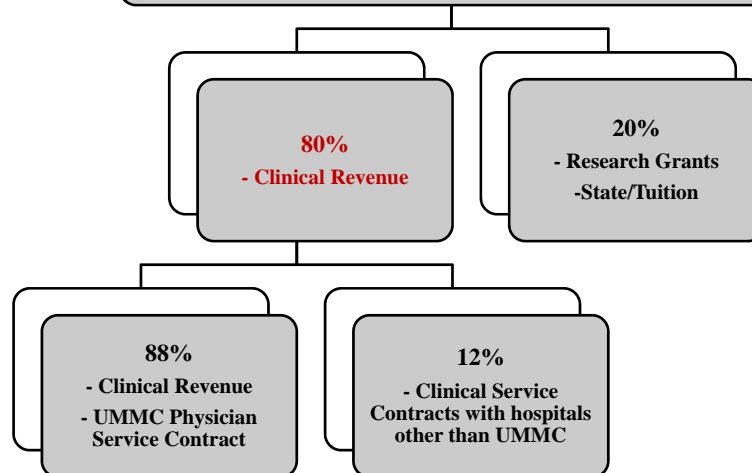


## Total Clinical Revenue FY 2008-2014



\* FY14 revenue number is estimated

## Compensation for Clinical Faculty

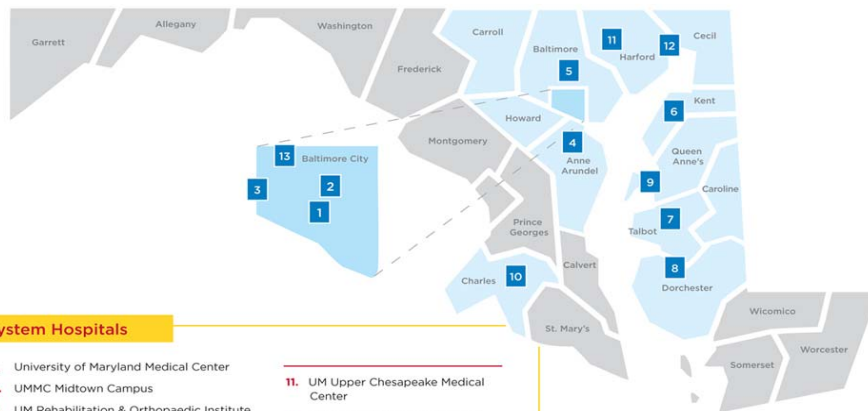


## The Clinical Practice has evolved as the Healthcare environment has changed:

Over recent years, the faculty physicians have been required to **diversify sources of funding, geography and workforce.**

- *Satellite Practice Strategy*
- *Service Contracts with External Hospitals*
- *UM Community Physicians and Allied Health Professionals*
- *National Telemedicine Service*
- *International Consultation Service*

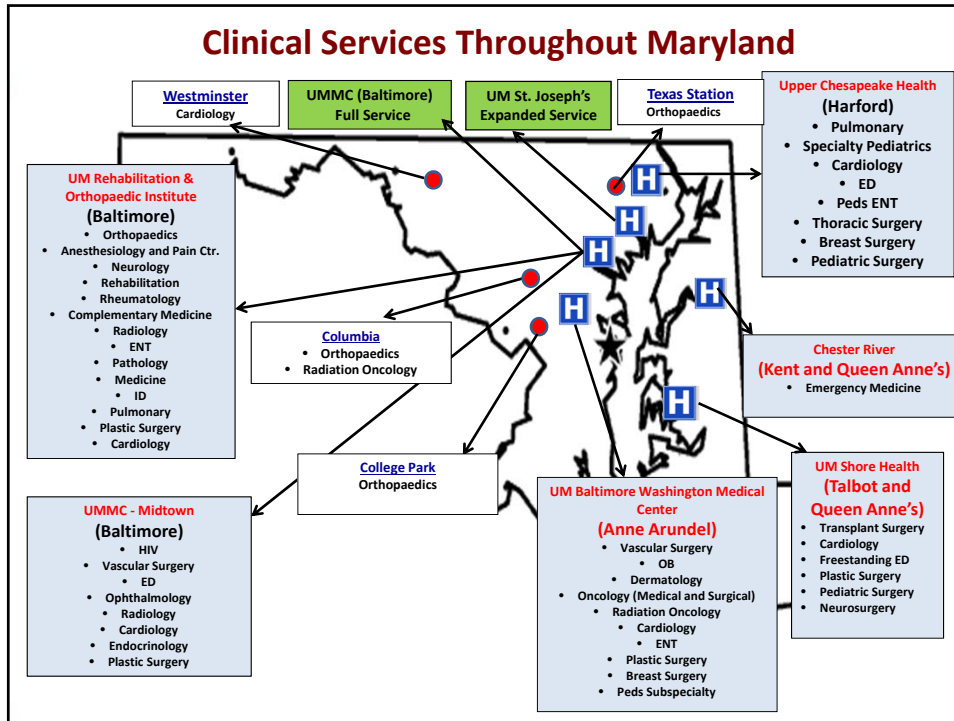
### University of Maryland Medical System (UMMS) Statewide Hospital Network



#### System Hospitals

1. University of Maryland Medical Center
2. UMMC Midtown Campus
3. UM Rehabilitation & Orthopaedic Institute
4. UM Baltimore Washington Medical Center
5. UM St. Joseph Medical Center
6. UM Shore Medical Center at Chestertown
7. UM Shore Medical Center at Easton
8. UM Shore Medical Center at Dorchester
9. UM Shore Emergency Center at Queenstown
10. UM Charles Regional Medical Center
11. UM Upper Chesapeake Medical Center
12. UM Harford Memorial Hospital
13. Mt. Washington Pediatric Hospital (Joint Venture)

UMMS Primary Service Area



## And now comes the impact of the **Affordable Care Act**

This section will cover the following elements:

1. The **changes** to healthcare delivery caused by Health Reform
2. **Implications** for Medical Service Plan
3. Specific **actions underway** in response to a changing environment

## The Affordable Care Act and related policy changes are stimulating **rapid modifications** to the U.S. healthcare **delivery model**:

<u>Traditional FFS Model</u>	<u>Health Reform Model</u>
Incentive to increase volume of services	Incentive to <u>avoid costs</u>
Reactive approach (patient treatment)	Proactive approach ( <u>wellness</u> )
High technology, hospital centered	Ambulatory, <u>lower cost</u> alternatives rewarded
Physicians as the care givers	Expansion of <u>non-physician</u> clinician roles
Independent health delivery components	<u>Affiliations and integration</u> among components
Focused and specialized roles	Broad <u>continuum</u> of care responsibility
Multi-mission faculty	Clinical mission <u>faculty or community</u> physicians

## Maryland's rapidly evolving hospital payment system:

- Payment for quality, **not** volume
- Incentives to reduce avoidable services
- Total Patient Revenue (TPR) **capping the payments** a hospital may receive
- Movement toward a **population health** model

At the same time, *UMMS has been expanding* its scale by acquiring strategically located community hospitals

## Implications for the Medical Service Plan:

- Expansion of **UMMS opens opportunities** for the SOM
- The SOM **effectively partners** with UMMS to deliver consistent quality care across the State
- A **population health model** involves **coordinating care** across clinicians in other professions (e.g., Nursing, Pharmacy, Social Work, Public Health, Dentistry)

## **Specific ways the Medical Service Plan is adapting to a changing environment:**

- Providing clinical services essentially “**full time**” in **distant UMMS hospitals**
- Providing clinical services (e.g., **Emergency Medicine**) through a **combination** of faculty and non-faculty physicians or allied health workers
- **Cost control, access, and geographic reach** will entail the hiring of a variety of health professionals
- Leading strategic clinical **quality performance and integration—among faculty and non-faculty professionals**
- The faculty will need **more integration** with these **other clinicians** and will need to drive change through new metrics and incentives

## **The Medical Service Plan of the Future**

- The Medical Service Plan must **remain strong in order** to support the growth of the clinical programs, the medical school and the medical system
- **Our clinical capabilities must adapt** to be remotely deployed (e.g., satellite practices, telemedicine, and International Consultations Service) and cost effective
- Development of network needed for population health will require **strategies for physician integration and collaboration** of multiple health professionals



## The Medical Service Plan of the Future (cont.)

- UMB seeks the Board’s approval for an amendment of the Practice Plan to add a new purpose clause to read as follows:

*“To encourage the School, with UMB’s approval, to work through the organizations created pursuant to this Plan to develop and maintain relationships with other tax-exempt health care organizations , as well as establishing and coordinating networks of community physicians and/or other clinicians, in order to support Maryland health care policy and School missions.”*



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