

Provider-driven managed care: what should doctors be doing?

According to the Medical Schemes Act, managed care is the 'clinical and financial risk assessment and management of healthcare with a view to facilitating appropriateness and cost effectiveness of relevant health services within constraints of what is affordable through use of rules-based and clinical management-based programmes with these rule-based and clinical-based programmes being 'a set of formal techniques designed to monitor the use of and evaluate clinical necessity, appropriateness, efficacy and efficiency of healthcare services, procedures or settings.'

While academic definitions are useful, we like to define things simply. The best way to define managed care is to define 'unmanaged care'.

Examples of unmanaged care would include:

1. A hypertensive who doesn't understand the risk of his/her blood pressure being uncontrolled. When last did you test your patients' understanding of this?
2. An asthmatic that has repeated attacks and admissions for nebulisation and is only being treated with bronchodilators.
3. A person living with HIV and on antiretroviral therapy, whose viral load and CD4 are not tested regularly. Interestingly, recent surveys suggest that, on average, medical scheme members on ARVs are only tested every second year!
4. A diabetic who does not regularly test his/her blood sugar levels, regularly take medication and lands up with an amputation. Recent surveys suggest that scheme members with diabetes mellitus only have an HbA1c every second year!
5. The fact that belonging to a medical scheme has gone up 500% (after adjusting for inflation) in the last 33 years, above inflationary increases is simply not sustainable.

Managed care can, therefore, be defined as interventions designed to eliminate 'unmanaged care' and ensure the system is sustainable.

There is most definitely a need in SA to 'manage care'. The question one needs to be asking is what form this should take, and what role you will play in this.

Currently, managed care in SA is provided mainly by 'for profit' insurance companies. The model sees coordination of care taken away from GPs and moved into call centres that

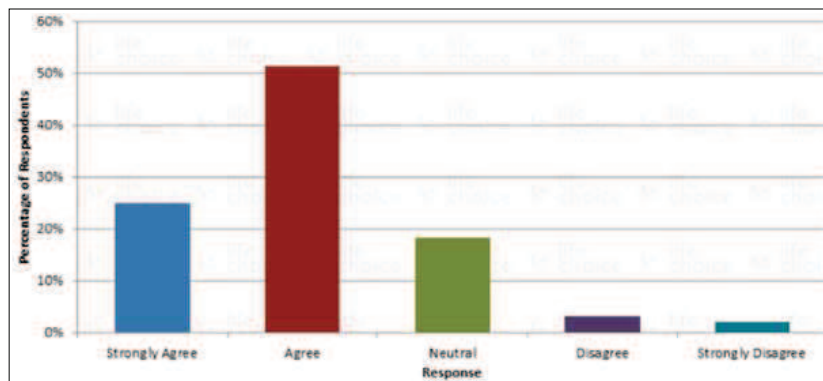


Figure 2: Provider networks must be managed by doctors in the network

are staffed by clerks, nurses and pharmacists. Schemes invest significantly in managed care. In 2011, schemes spent R2.44bn (not insignificant considering GPs were only paid R5.35bn from schemes' risk benefits).

Managed care is here to stay

The reality is that managed care is here to stay. Until costs are brought under control, quality of care improved, and examples of 'unmanaged care' eliminated, we will have managed care.

What is clear is that most doctors are unconvinced with the current model. In the 2012 *Medical Chronicle* annual provider attitude barometer survey, less than 5% of respondents indicated that they find managed care processes easy to understand, with little or no red tape.

You are not alone in your scepticism with the current model. Many medical scheme trustees and principal officers question the success of current interventions.

What form can managed care take?

There are three likely scenarios for the managed care we will see in SA in the years ahead.

- a) The current model provided by insurers with contact centres (through calls and email) that are staffed by clinically trained expertise will become more electronically sophisticated.
- b) Medical networks managed by insurers, hospital groups or pharmaceutical chains.
- c) Medical networks owned by the doctors in the network that deliver provider-driven managed care.

While we are all familiar with the existing call centre model, the increased focus by the private

medical scheme industry on using doctors within networks to manage care shows a realisation that doctors are vital to the process and are needed to improve the management of care.

You have most likely been inundated with requests to join insurers' networks. More and more as insurers and others roll out their managed care network strategies; you will be requested to play an active role in their network activities while receiving little to no recognition for the role you need to play. We have recently seen an insurer (Metropolitan) open up its own primary health facility.

Clearly, practitioners need to understand what involvement in insurers' networks mean in the short term as well as in the long term. Just 'going with the flow' may see you effectively employed by a network or working in a clinic that is run by a big insurer, health group or state entity.

Interestingly, doctors feel strongly that doctors should own these networks. Referring back to the *Medical Chronicle* annual provider attitude barometer survey, practitioners believe that they should own the networks they work in.

What is provider-driven managed care?

Provider-driven managed care is simply managed care initiatives that are controlled by doctors working in a network that endeavours to eliminate 'unmanaged care' and coordinate care to ensure sustainability of the medical scheme industry.

There are many who feel that provider-driven managed care has the best chance of improving the sustainability of our health systems.

An example of a provider-driven managed care in SA is the Independent Clinical Oncology

Network (ICON). ICON is a network of oncologists that has organised itself to ensure that it is able to manage oncology in order to decrease unnecessary treatment and waste. They have developed an oncology authorisation system to ensure that the cancer care offered within their network is provided within the protocols that they have developed and exceptions are managed by peer review. They have also put in place the ability to analyse medical scheme data to effectively demonstrate the value of provider-driven managed care to client schemes. They have clearly been very proactive in building their provider-driven managed care model.

What should I be doing regarding provider-driven managed care?

In life, you always have options. There is the 'do nothing' option and then there is the option to do something. If you think there is merit in provider-driven managed care networks and its ability to improve how you can look after your patients, then you need consider the following:

1. Do you belong to a doctor organisation or doctor-owned entity that can build and run provider-driven managed care?
2. Are you sure that the organisation has leadership that is committed to developing provider-driven managed care capability?
3. Are you sure that your organisation and its leadership are not inadvertently involved in processes that legitimise the creation of a network that is not doctor owned?
4. Are you identifying examples of unmanaged care (e.g. ignorant patient behaviour, poor disease management, unnecessary referral or unnecessary costs being incurred by colleagues) and working to eliminate this unmanaged care?

Cynically, we could argue that if all of us were effective in eliminating unmanaged care, then there would be no need for managed care.

We can certainly all play an important role in eliminating unmanaged care and provider-driven managed care may provide the mechanism that recognises and rewards our efforts.

Reference

1. www.medicalschemes.com/files/Circulars/Circular270f2012.pdf



By Dr Andrew Good, CEO Lifechoice

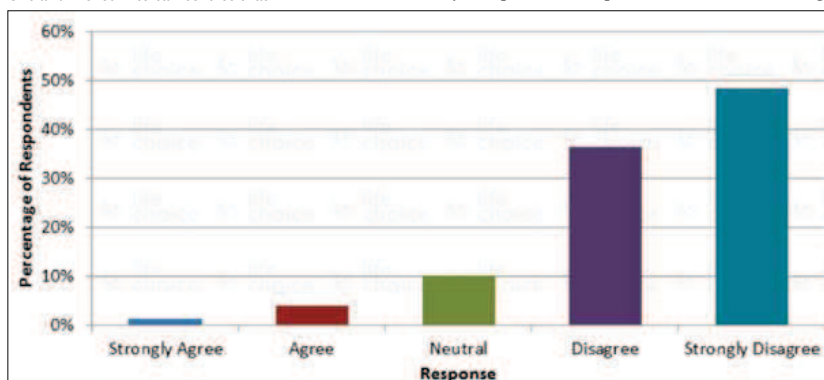


Figure 1: Managed care processes are easy to understand and have no or little red tape