Medical Xpress

Academic medical centers at risk of a 'Kodak moment' if they fail to adapt

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Today's academic medical centers (AMCs) need to embrace the changing healthcare marketplace or run the risk of becoming the next Kodak - a former industrial giant that became obsolete when it failed to adapt to a shifting technological landscape.

That is the premise of a commentary published this month electronically ahead of the print edition of *Academic Medicine*, the journal of the Association of American Medical Colleges. The commentary is authored by Verdi DiSesa, MD, MBA, Chief Operating Officer of the Temple University Health System (TUHS) and Vice Dean for Clinical Affairs and Professor of Surgery at Temple University School of Medicine (TUSM), and Larry Kaiser, MD, President and CEO of TUHS, Senior Executive Vice President for Health Affairs at Temple University, and Dean and Professor of Surgery at TUSM.

"AMCs and those who lead them need to recognize that they are in a business that is transitioning from a system of 'sickness' care to one of 'health' care, accountable for the health of defined populations and for the value of the services provided," says Dr. DiSesa.

According to the authors, a failure to recognize the importance of this transition may impair AMCs irrevocably. They argue that leaders of academic medicine need to understand, respond to and ultimately lead the transformation toward a population health paradigm which demands the best combination of preventive and therapeutic services to deliver the best outcomes at the lowest overall cost.

"Historically, payments have been based on volume - do more for more patients and get paid more," says Dr. Kaiser. "The system fostered incentives to increase the number of services. We are now groping our way to an era in which 'value' will replace 'volume' as the measure driving payment for service. Payers, regulators and patients are demanding a shift from a system of intervention for episodes of illness - 'sickness care' - to one which maximizes the health of the population served - 'health care.'"

In their commentary, the authors review the pressures driving healthcare changes, including value-based purchasing, "observation" status, denial of payments for re-admission, "risk" contracts, "tiering" based on historical costs, accountable care, and payer-mandated medical management. They also offer potential responses to these challenges, including:

- Redesign the delivery mechanisms for specialty referral services by reorganizing them into multi-disciplinary systems of care, usually focused on an organ system (e.g., Heart Institute) or disease process (e.g., Cancer Center), and which engage patients in lifetime health management through a combination of hospital-based and outpatient services
- Position AMCs as the tertiary/quaternary hub in a networked system of lower cost-basis community hospitals and outpatient resources
- Create new fields of medical specialization such as "observation medicine" or "low-cost hospital medicine," which also incorporate telemedicine and "virtual" outpatient visits into their practice
- Accelerate the growth of population health and accountable care as academic disciplines.

"To survive, AMCs will need to become an integral part of a system in

which enhancement of population health is the explicit mission," says Dr. DiSesa. "This transformation presumably must be accomplished while the AMCs still fulfill their traditional missions of advanced patient care, teaching and research. It's likely that some AMCs will need to redefine their mission and not try to be everything for everyone."

Provided by Temple University

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