

JAMES KANE, M.D.
LITTLE ROCK CARDIOLOGY CLINIC
LITTLE ROCK, ARKANSAS
72211

ARKANSAS HEART HOSPITAL



POD CONCEPT



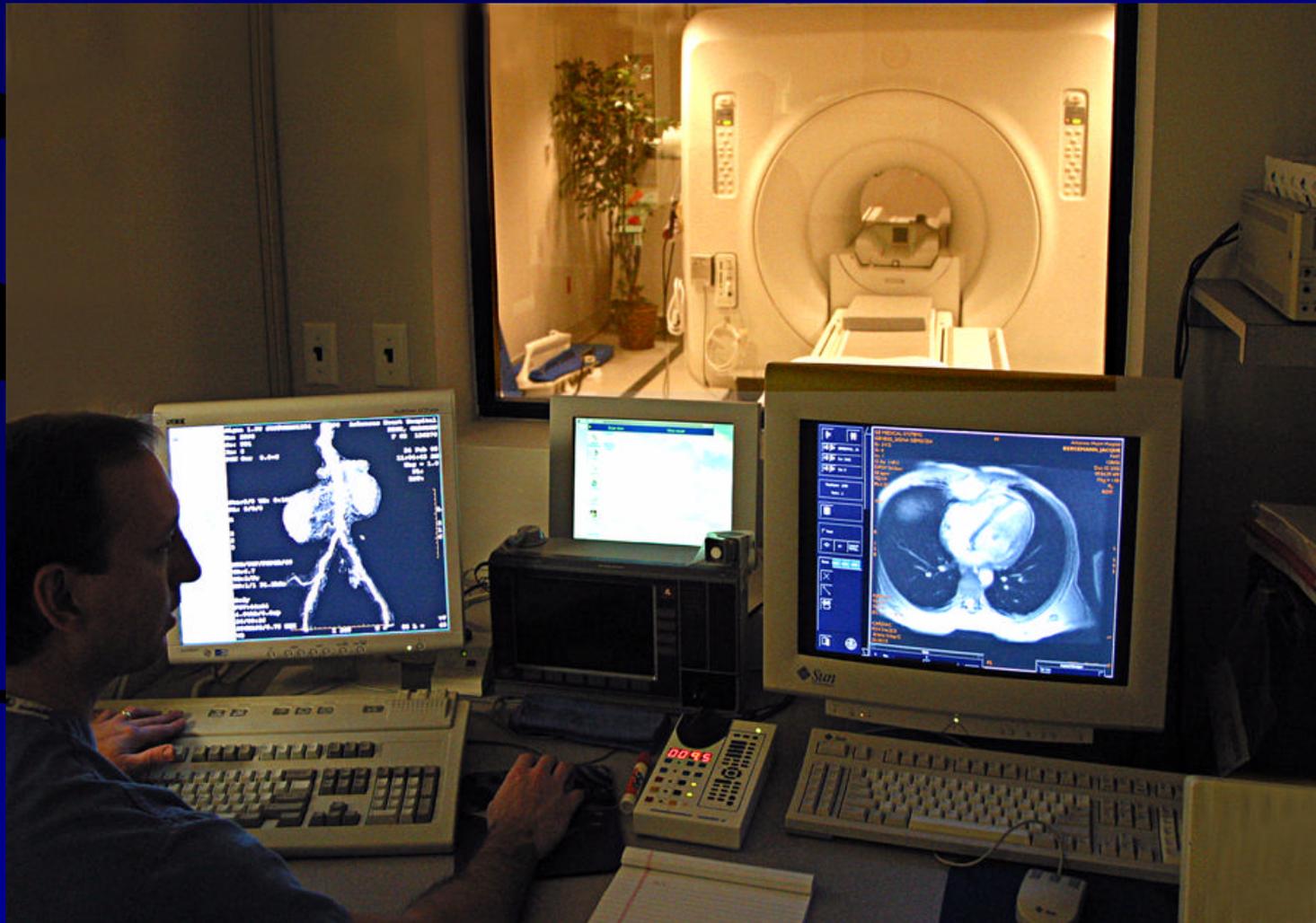
NURSING STATION



CATH LAB



VASCULAR MRI



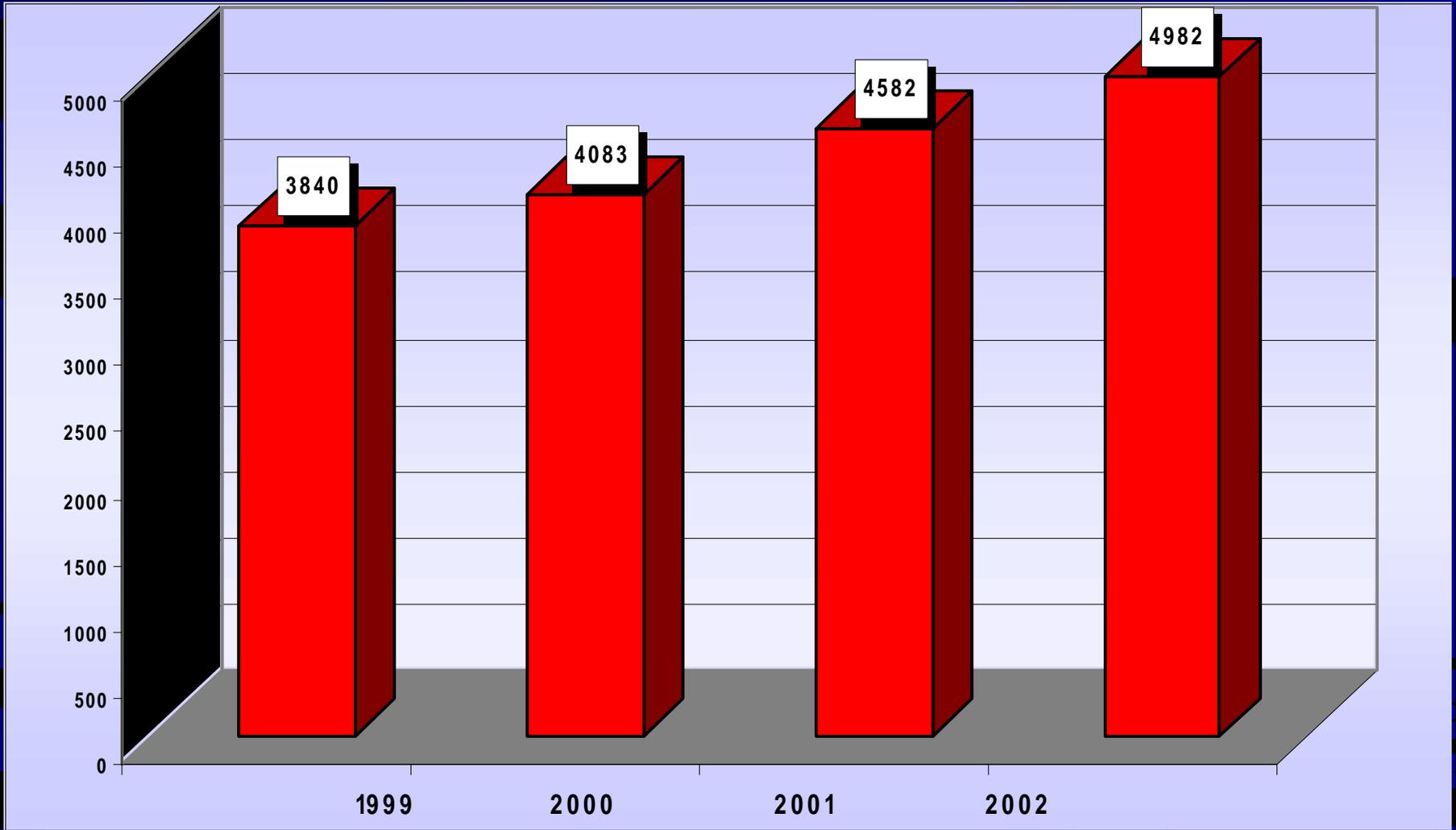
ULTRAFAST CT SCANNER



MOBILITY

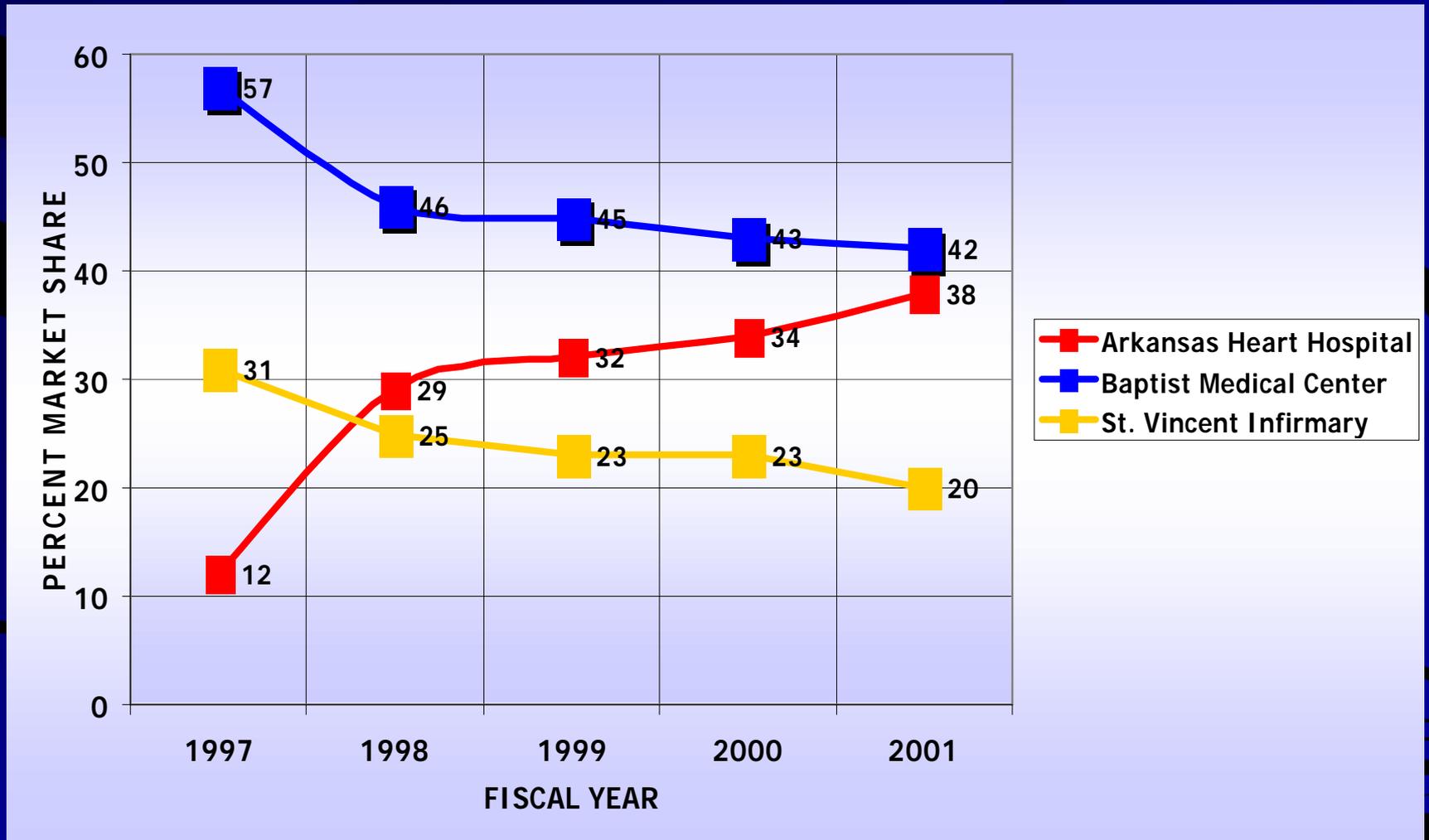


AHH ADMISSIONS



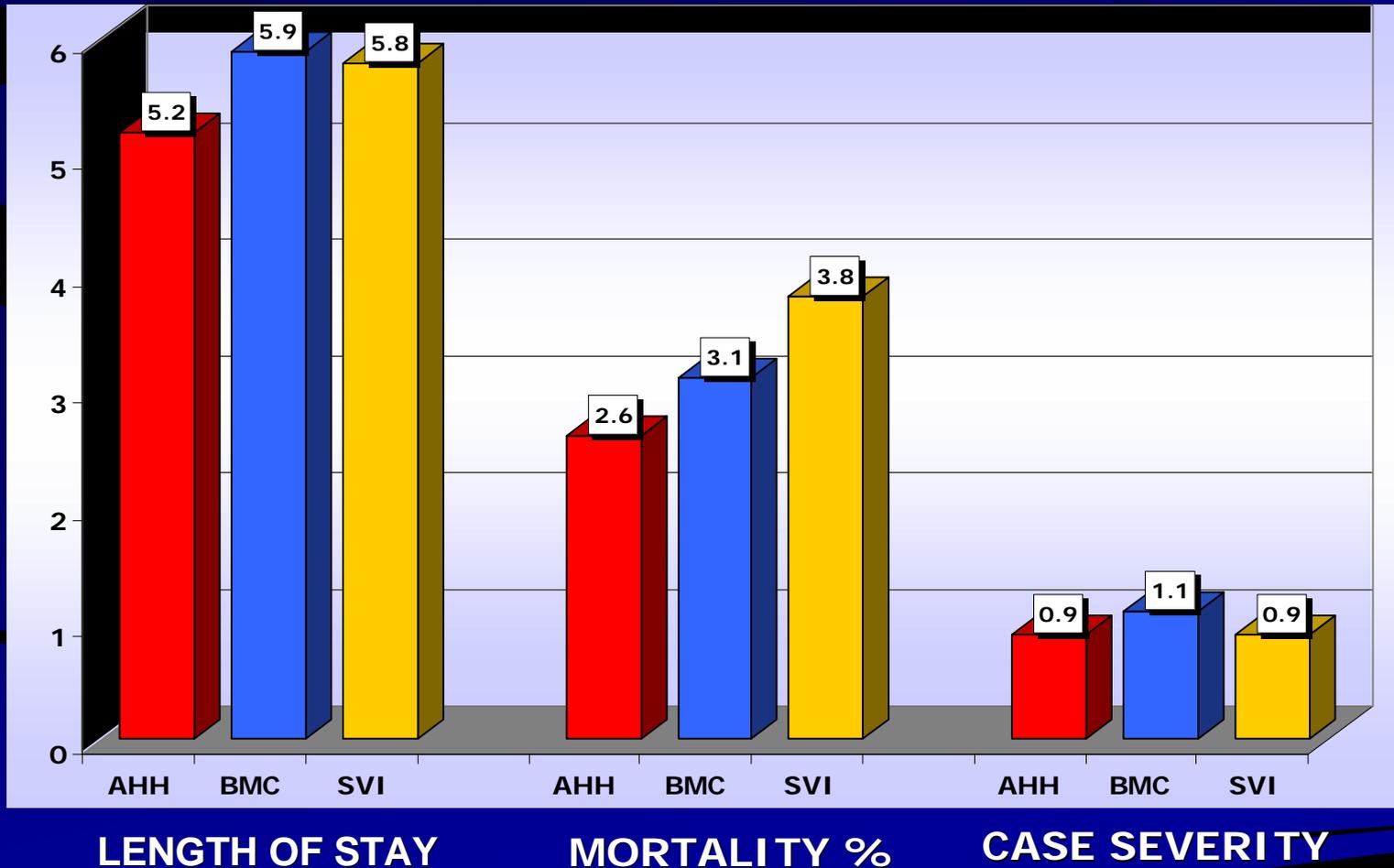
MARKET SHARE

MAJOR CARDIAC DRG'S

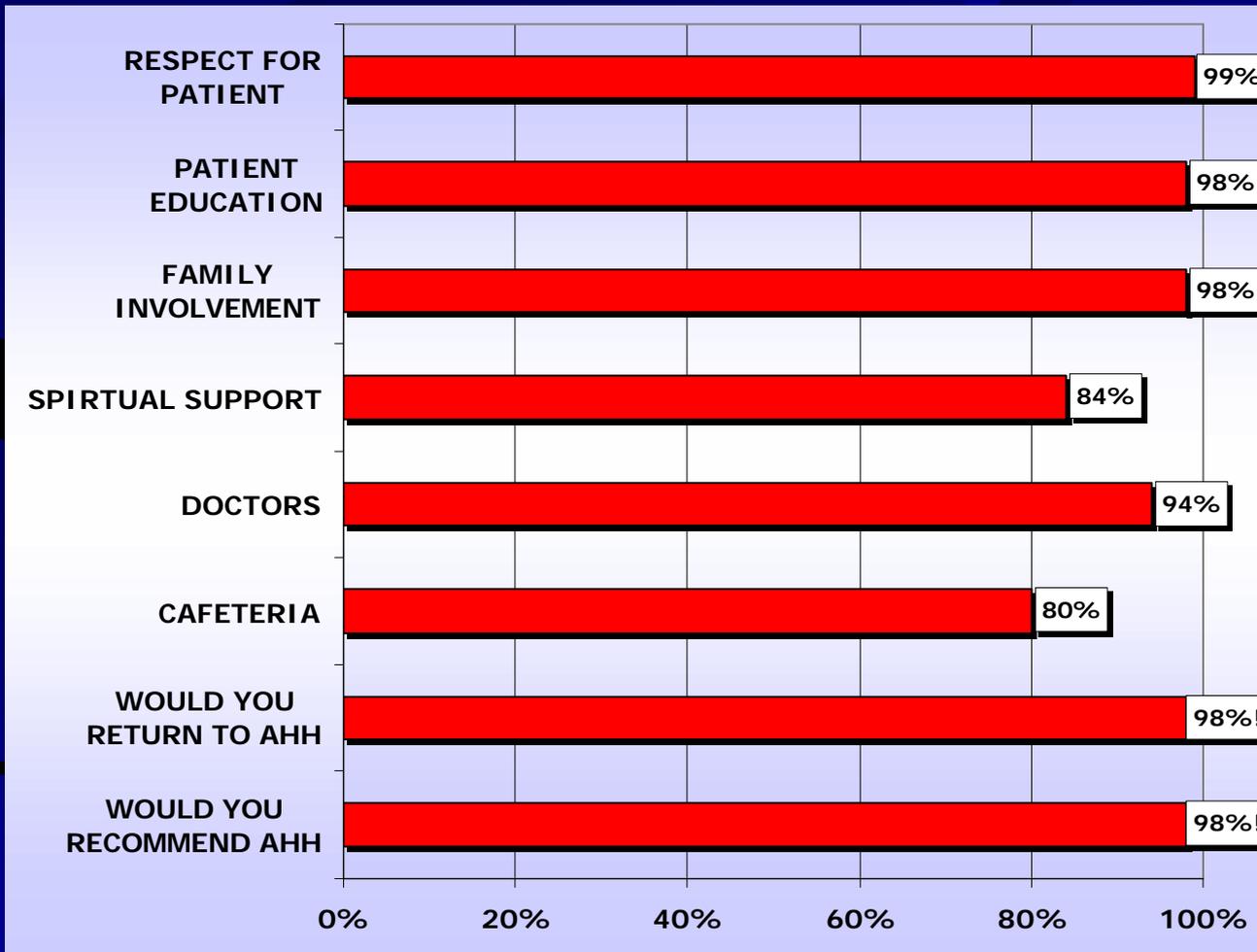


AHH, BMC, SVI COMPARED

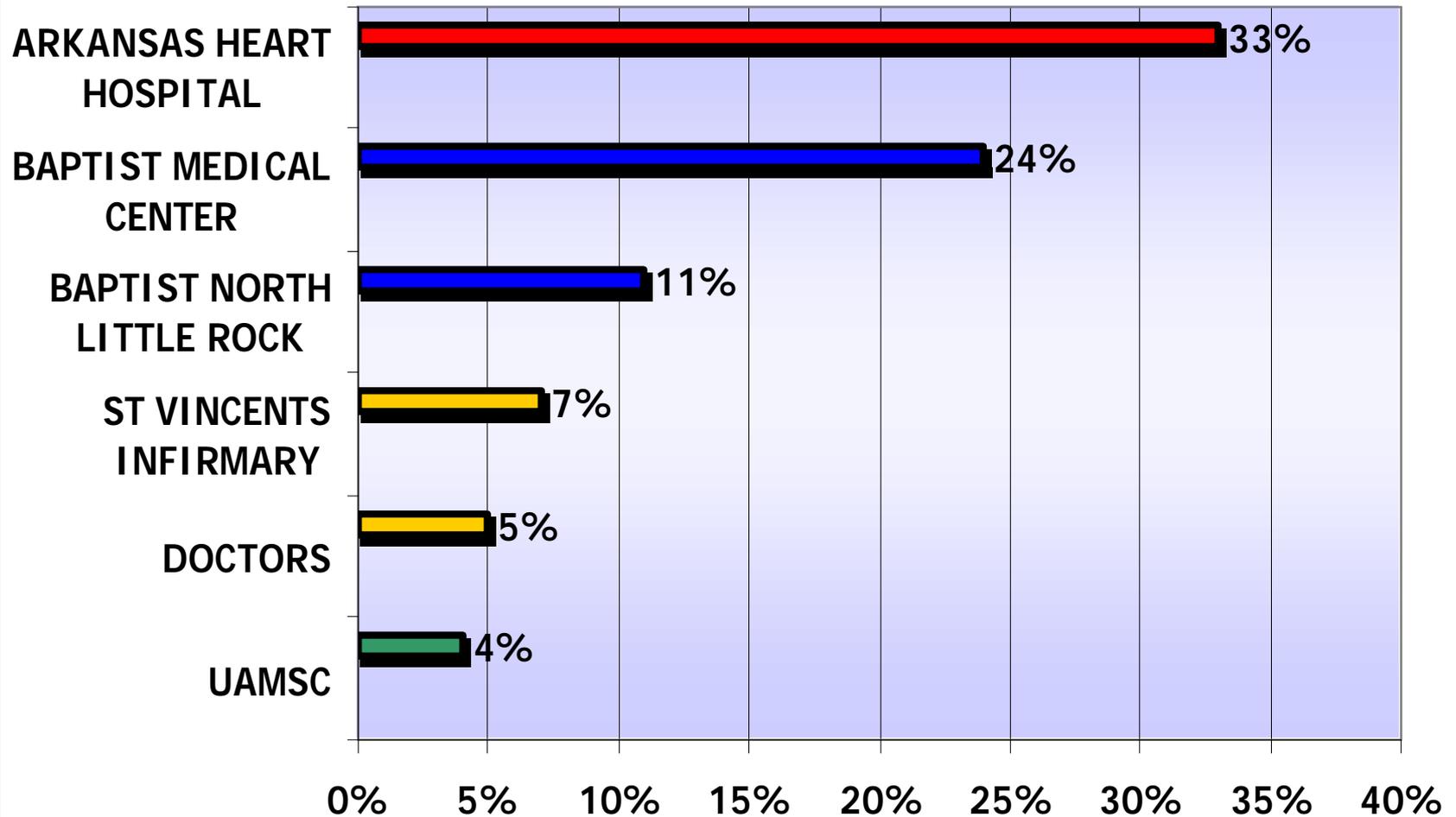
ALL MAJOR CARDIAC DRG'S



PATIENT SATISFACTION

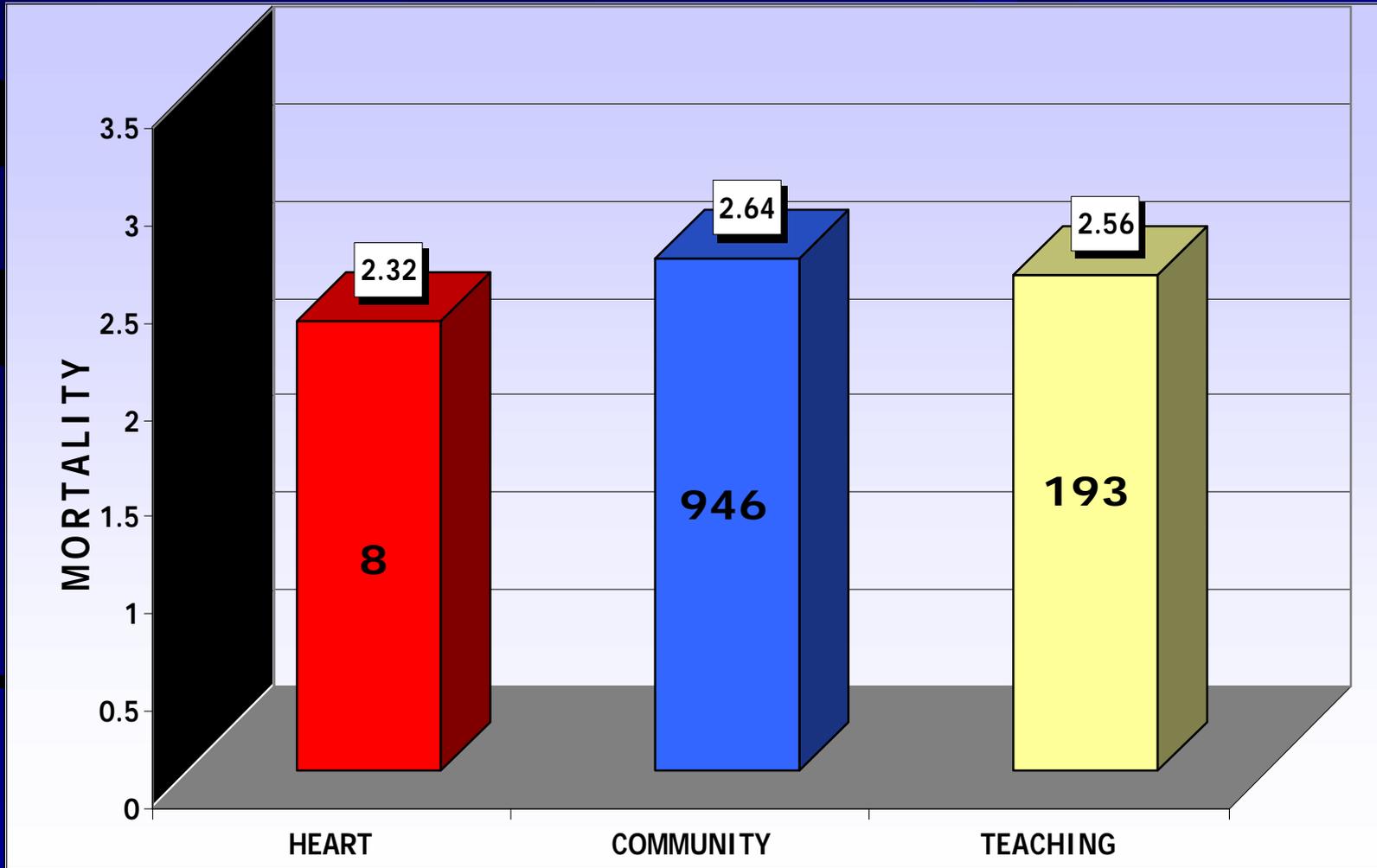


HOSPITAL PREFERENCE FOR HEART ATTACK



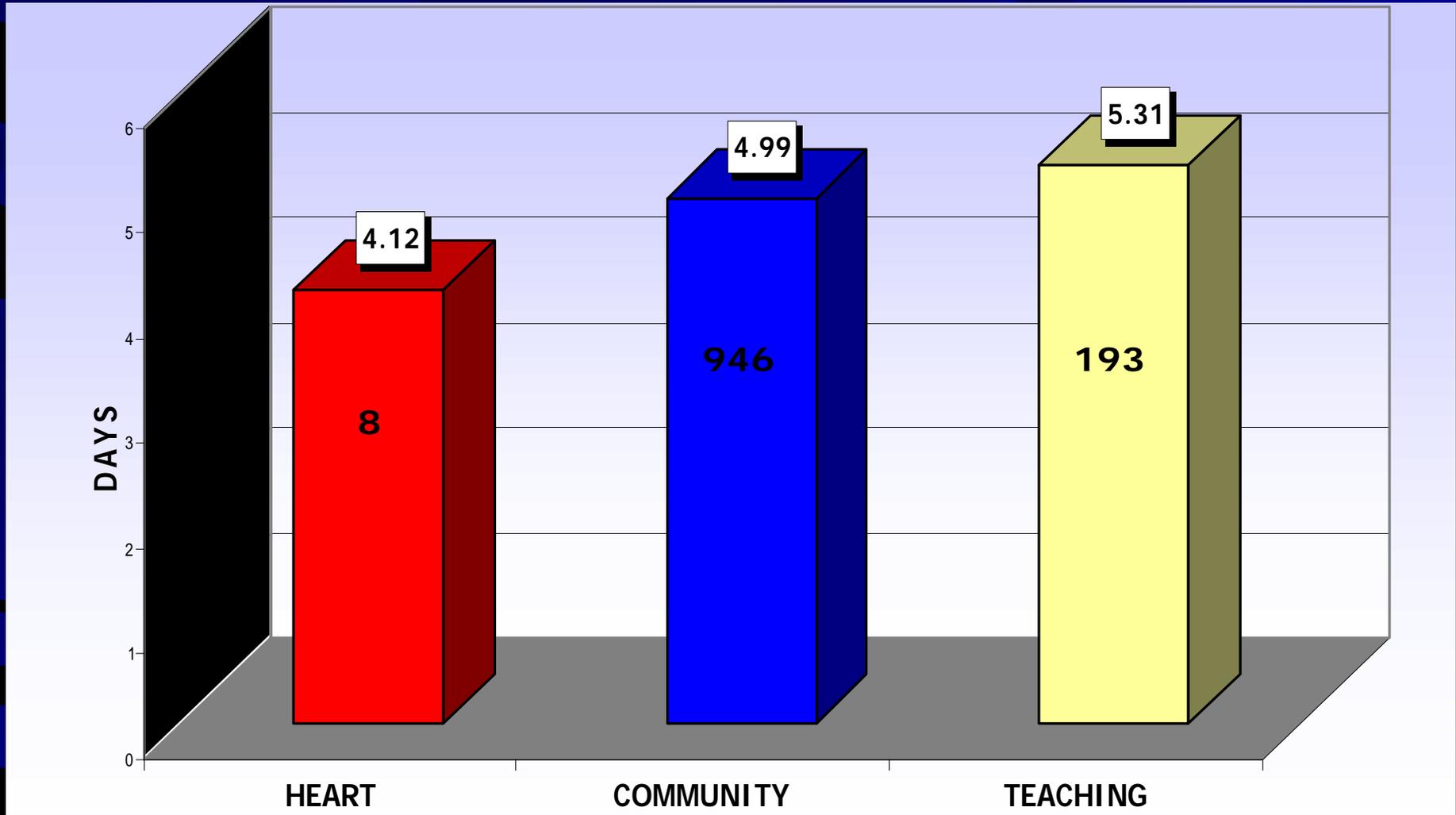
MORTALITY

BY TYPE OF HOSPITAL



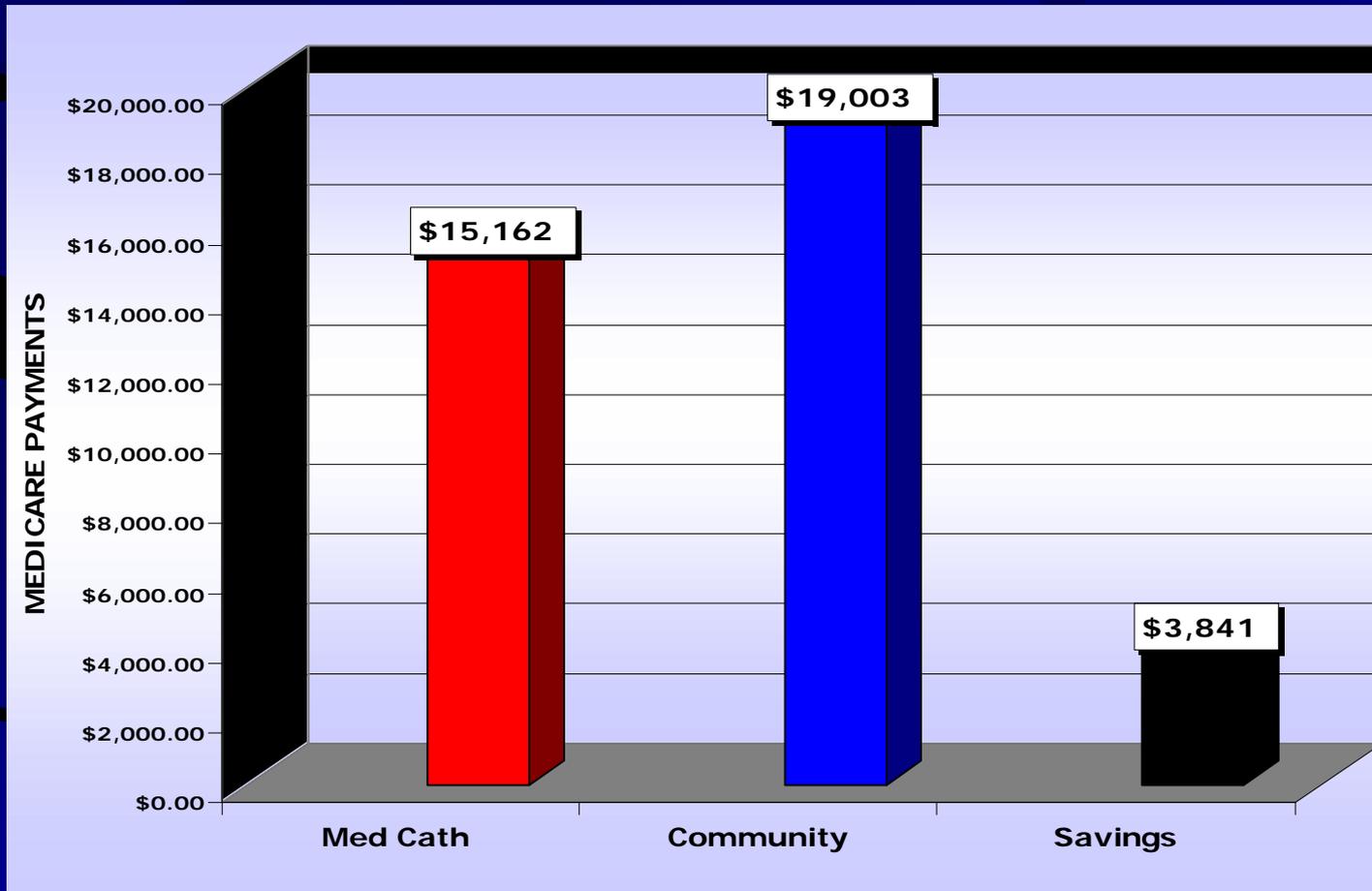
LENGTH OF STAY

BY TYPE OF HOSPITAL



COST PER HOSPITALIZATION

ALL CARDIAC DRGS



LEWIN GROUP ANALYSIS – '99-'00 INITIAL STAY TO 90 DAYS

A NEW JOURNAL



LITTLE ROCK CARDIOLOGY CLINIC



ABCBS FIRES CLINIC



MEMBERS DEPART



NEW ABCBS PROVIDERS!



HAPPY ABCBS PROVIDER



JOINING LRCC



NO LONGER ON THE ABCBS PANEL!

ARKANSAS HEART HOSPITAL

TUESDAY FEB. 25, 2003



ECONOMIC SANCTIONS

The Week in Healthcare

Modern Healthcare • July 15, 2002

PHYSICIANS >> Mark Taylor

Doc investors in for-profit hospitals denied staff privileges

Ohio not-for-profit systems fear loss of market share to specialty hospitals owned by physicians

The boards of two Columbus, Ohio, health systems have restricted staff privileges for physicians who invest in competing, for-profit specialty hospitals.

Last week the board of Mount Carmel Health System prohibited new physician-investors in for-profit, limited-service hospitals from obtaining staff privileges at the three-hospital Catholic system owned by Novi, Mich.-based Trinity Health. Its action echoed an earlier move by eight-hospital OhioHealth in Columbus, which voted a week earlier to deny staff privileges to any of its physicians investing in for-profit specialty hospitals. The Mount Carmel board's action was effective immediately; OhioHealth won't implement the prohibition until Oct. 1.

As physician reimbursement drops and the costs of medical malpractice insurance skyrocket, physicians are increasingly becoming entrepreneurial in seeking other sources of revenue. The actions by the two Columbus health system boards are indicative of the growing battles from not-for-profit hospitals and health systems fighting to retain market share and avoid the loss of lucrative business lines to limited-service specialty hospitals. The not-for-profits argue that investor-owned hospitals are answerable only to shareholders and are not obligated by their missions to provide charity care or operate unprofitable product lines like burn units and trauma centers.

The Columbus boards took the action in response to a recent groundbreaking for a 30-bed, for-profit orthopedic specialty hospital slated to open in 2005 in the Columbus suburb of New Albany. The not-for-profit systems worry that physician-investors at the New Albany Surgical Hospital will "cherry-pick" the

most profitable cases and refer the costlier and least profitable to them. OhioHealth officials said the new hospital would cut into its most lucrative operations, the profits from which are used to subsidize the \$85 million in uncompensated care the system provided last year. OhioHealth estimated it would lose \$28 million per year to the new hospital.

Approximately 28 doctors are investing \$20,000 to \$300,000 apiece in the \$38 million, 95,000-square-foot facility. Nashville-based Surgical Alliance Corp. will own 40% of the

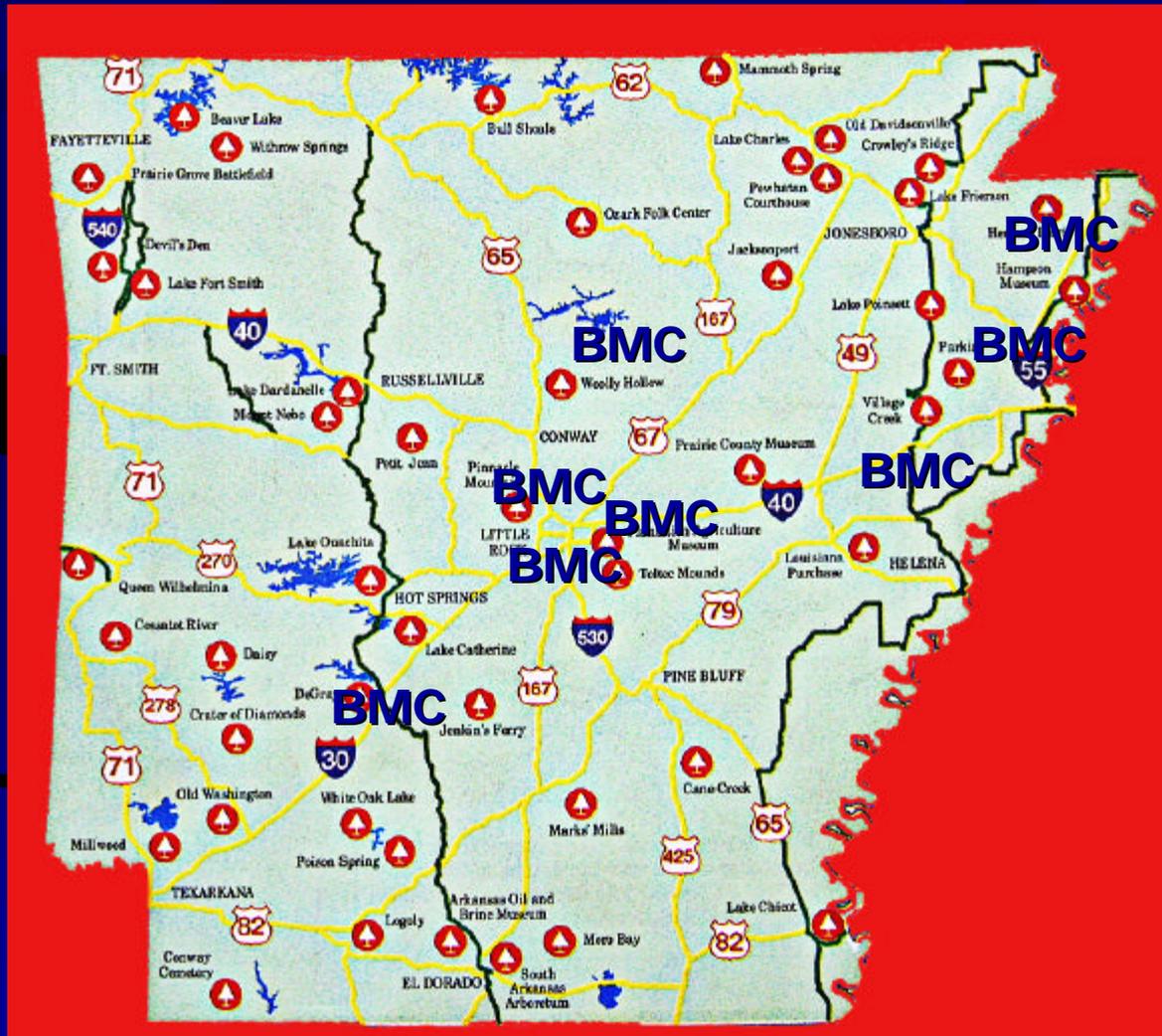
hospital. The for-profit project was conceived after OhioHealth converted its Doctor's North Hospital to an outpatient center, displacing 18 surgeons. Officials from Surgical Alliance Corp. declined to comment on the dispute.

Similar disputes are occurring elsewhere. In March Central Maine Medical Center in Lewiston informed local cardiologists that they could receive staff privileges at its 16-bed cardiology center if they agreed not to refer patients to a competing cardiac surgery center (April 1, p. 20). Cardiologists there complained that 177-bed Central Maine Medical Center was practicing "economic credentialing," or dictating where doctors may admit patients, which the American Medical Association and the Ohio State Medical Association oppose. The hospital subsequently softened its position.

Officials at OhioHealth and Mount Carmel said they are acting to preserve a fragile community health system.

"Philosophically, we share the view that for-profit, limited service hospitals owned by investing physicians will certainly erode the

BAPTIST HEALTH SYSTEM



PHYSICIAN DISSATISFACTION

JAMA 289-22, JAN 2003

**“RATHER THAN DECLINING INCOME,
THREATS TO PHYSICIAN AUTONOMY,
INABILITY TO MANAGE THEIR
PATIENT INTERACTIONS AND THEIR
TIME, AND INABILITY TO PROVIDE
HIGH-QUALITY MEDICAL CARE . . .”**

CONCERNS OF THE GROUP

- ☹️ **Dominance of segments of the market by the ABCBS/BHC partnership**
- ☹️ **Exclusion of LRCC doctors from ABCBS provider panels**
- ☹️ **Departure of competing payers**
- ☹️ **“Economic Credentialing”**

IS IT SERIOUS?!