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THE REGION'S MONTHLY HEALTHCARE NEWSPAPER

## HEALTH CARE REFORM

### Kaiser Permanente Leader Sees Urgent Need for Health Care Reform

BY RON PAGLIA



Peter Andruszkiewicz

Health care reform in the United States is more than just a social issue. It's also an economic issue that is impacting those who do have health care insurance.

"We believe that health care reform is needed and now is the time for it," Peter Andruszkiewicz, president of Kaiser Permanente of Georgia, said. "Almost 50 million Americans have no health insurance and costs continue to rise."

And there is no immediate relief in sight, he said. "Health care is projected to con-

sume 20 percent of the Gross Domestic Product (GDP) by the year 2020," Andruszkiewicz said.

Compounding the problems in the United States, he emphasized, is that the cost of caring for the uninsured continues to shift to those who are insured.

"A study by Families USA showed that cost-shifting adds over \$1,000 each year to each insured family's insurance premiums," Andruszkiewicz said. "Many of the uninsured don't get the primary and preventive care they need. So when they get sick, their conditions are worse, especially for such chronic illnesses as

diabetes, congestive heart failure, coronary artery disease, asthma and depression. These five chronic diseases alone account for 75 percent of our nation's health care spending."

Andruszkiewicz, who has more than 25 years of experience as a senior executive in the health care industry, also cited diabetes as a "great example" of oversight of treatment (by patients) and increased costs to those who foot the bill.

"(Diabetes) is the fastest growing disease in America," he said. "It's the number one cause of

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### Weathering Change in Nonprofit Healthcare

BY STAN JONES, JR., ESQ.



Stan Jones, Jr.

The fact that the healthcare industry in America is changing at breathtaking speed is no longer news. It is a fact of life, particularly for nonprofits that have seen fundraising sources tighten their belts in one of the worst economies since the Great Depression. The state budget is in a freefall and health reform steadily marches to a likely successful conclusion.

With the right approach, however, nonprofits can weather economic and other storms effectively, keeping themselves and their patients in good health and ade-

quately prepared for the future.

Leadership on the board level is key. The days of passive participation in a charitable board are gone; the environment is changing too fast and the needs are too great. Organizations need intense energy from their boards, not only in the financial and CEO oversight roles, but also in operational consulting during emerging crises. They also need to ensure their members and officers are genuinely interested and willing to do what it takes to succeed. That may mean devoting hundreds of hours a year to the organization, as we did at Visiting Nurse | Hospice Atlanta when we

went through a difficult financial period seven years ago. Our continuing Board members took the responsibility seriously – or they left the Board - and were deeply committed to the organization. Without that, we would never have succeeded.

We learned that when an organization is in crisis, demands on the board are extremely high. To meet the challenges, our board needed to be strengthened and expanded. Tasks that usually would – and should - fall to management as operational issues can revert to the board. Hours were spent dealing with the minutia of

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### North Atlanta Surgical Associates Thriving Four Years After Formation

BY DANIEL CASCIATO

After reimbursement for professional services from insurance companies began decreasing by as much as 50 percent, 14 prominent general surgeons from Northside and St. Joseph's Hospitals in the North Atlanta region banded together four years ago to form the North Atlanta Surgical Associates (NASA). Today, reimbursement for services and buying power for good and services have improved,

proving yet again that there is strength in numbers.

"Initially, we merged for several reasons, one being that we wanted to put together a group of high quality surgeons that could better meet the needs of the hospitals and insurance companies," says Dr. John Daly of Northside Hospital and one of the original members of the group. "We thought that as a unified front it would be better for them and better for us and it seems to have worked out."

But the main reason it was creat-

ed, according to Dr. Daly, was to assemble a group of prominent surgeons that could provide high quality services to patients in the Atlanta area.

"We have all board certified surgeons," says Dr. Daly. "In fact, you can't be a member of the group unless you are board certified. That's specified in our bylaws. We have every specialty area within general surgery covered with high quality surgeons."

Many NASA surgeons have extensive training in their areas of



Dr. John Daly

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Atlanta's Monthly Healthcare Newspaper  
5 Concourse Parkway, Suite 3000  
Atlanta, GA 30328  
Phone: (404) 402-8878  
Fax: (404) 745-0265  
E-mail: info@atlantahospitalnews.com  
www.atlantahospitalnews.com

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**JMC GRAPHICS**  
Art/Production  
adsjmcgraphics@aol.com

**PAM SOLOMON**  
Design & Production Assistant

**Contributing Writers**

Lisa Bianco  
Daniel Casciato  
Ron Cichowicz  
Barbara Fallon  
Kathleen Ganster-Sauers  
Pamela A. Keene  
Nancy Kennedy  
Ron Paglia  
Vanessa Orr  
Lois Thomson

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## COVER STORY: Kaiser Permanente Leader Sees Urgent Need for Health Care Reform

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blindness, amputations, kidney failure and deaths from heart disease. And it represents 32 percent of all money spent by Medicare. But barely 10 percent of diabetics receive the full complement of care they need. We have the knowledge, the medicine and the technology to do better."

Andruszkiewicz said lingering challenges faced by health care providers and insurers have evolved because of two factors.

"We have great doctors, medical staffs and hospitals in this country, but our nation's health care system is uncoordinated and fragmented," he said.

One of the ways to eliminate this fragmentation is through information technology, he said. "When we have the right electronic patient information, then we're able to know who is, and who is not, getting the right care," Andruszkiewicz said. "At Kaiser Permanente we've made that investment using electronic medical records and other online tools. This kind of health care system should be available to all Americans."

In addition to addressing fragmentation, he said, there is a need to change financial incentives so that doctors are "rewarded for quality and for keeping their patients healthy."

"Payment should be based on quality outcomes - not on the number of services provided," he said. "We also must focus on disease prevention and community health."

Andruszkiewicz has seen significant advancements in health care during a career that includes, in addition to Kaiser Permanente, having worked for CIGNA HealthCare and Blue Cross/Blue Shield of the National Capitol Area, Washington, D.C. Three of the most important, he said, have been the practice of evidence-based medicine, the development of less invasive surgeries and better tests.

"I think the advances in information technology and electronic medical records also have been among the most significant," he said. "We are proud that Kaiser Permanente is being held up as a model for use of innovative information technology. Using electronic medical records (EMRs) and a system we call KP HealthConnect, our doctors and care teams coordinate our members' care at every point of the spec-

trum of services: in the physician's office, the laboratory, the pharmacies, hospitals, on the phone, and even online. It helps to make patient care safer, higher quality, more efficient, and less costly."

Kaiser Permanente also provides electronic tools for its members.

"Using www.kp.org, our members manage their health online," Andruszkiewicz said. "They can securely e-mail their doctor's office, schedule appointments, view most lab tests and even order prescription refills and have them mailed directly to their homes."

Because of its ongoing efforts to advance and enhance services, Kaiser Permanente has been named the top ranked health plan in Georgia for four consecutive years in rankings by the National Committee for Quality Assurance and U.S. News and World Report.

"We are very proud of that recognition," Andruszkiewicz said. "Our coordinated care delivery system enables Kaiser Permanente primary care physicians' management of the care experience across the entire health care spectrum for our members. This results in higher quality care, better patient outcomes and lower costs."

Andruszkiewicz joined Kaiser Permanente in 2005 as vice president of National Accounts and served in a number of executive capacities at the organization's national offices in California, where he worked with KP regions across the country. He became interim president of the Georgia operations in April 2008 and was named president in October. One constant during that tenure has been a unified approach to the company's ideals.

"We have several critical goals that we work on as a team," he said.

"First, our goal is to continue to improve the high-quality, affordable health care experience of our members through our distinctive coordinated care delivery system and our innovative use of information technology," he continued. "We are working to continuously improve quality by internalizing additional services and creating more access to our medical facilities for our members. Also, since we know that high quality care is more affordable, we are making operational improvements and trans-

forming our care delivery system in ways that leverage our coordinated care model and our technology innovations.

"We are making excellent progress on all of our goals and initiatives. As we achieve our goals we will be able to build upon the total health solution we provide our members and serve many more Georgia residents."

As a non profit health plan, Kaiser Permanente's mission is "to improve the health of our members and the communities we serve," Andruszkiewicz said. Last year, the company invested more than \$13.5 million in Georgia to help drive improvements in community health. Efforts are prioritized in four areas:

- Care and coverage for low-income people.

"We create and support programs that lower financial barriers so that the uninsured and underinsured can gain access to the care they need," Andruszkiewicz said.

- Developing and supporting Safety Net Partnerships. To that end, Kaiser Permanente is committed to building partnerships with community clinics, local health departments and public hospitals.

- Supporting community health initiatives.

"As an innovator of health, we design, deliver and sustain long-term programs that engage communities to improve the conditions in their neighborhoods, workplaces and schools that may be barriers to good health," Andruszkiewicz said.

- Developing and disseminating knowledge.

"Our aim is to improve health care by sharing our knowledge to address shortages of health care workers, advance research, empower consumers and inform policymakers about the evidence base for care and health," Andruszkiewicz emphasized.

"Our vision is an ambitious one: to end disparities, help everyone get the care they need, and make better health a reality for all," he said. "Providing quality health care is our business, but improving public health is our mission."

For more information, contact Billy Auer, Kaiser Permanente of Georgia, at (404) 869-5952 or billy.auer@kp.org or visit www.kp.org.

## COVER STORY: Weathering Change in Nonprofit Healthcare

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debt instruments and financial issues.

To nonprofits that are struggling in the current economic and regulatory environment, we recommend that board nominating committees bring on people with a wider range of skill sets - not just fundraising capabilities but financial, strategic planning, marketing, political and legal skills to complement the organization's specific area of service. Boards need to reflect the region's diversity and assure wider civic involvement and knowledge. It also helps to have board members who have benefited from the services the organization provides. In our case, many of us had had family members in the sensitive and spiritual hospice program, or had gone through physical rehab with our dedicated home health nurses and therapists. As a result our board enjoyed a strong and necessary emotional commitment to the work of the organization.

During challenging times, older organizations can sometimes suffer from "mission creep," in an effort to stay afloat. But

this can cause a loss of focus, sometimes presenting a mixed message to an organization's patients and donors. We divested the organization of services that were only ancillary to our core mission of quality home health and hospice care. Being clear about your core mission and sticking to it determines what needs to be done and keeps players focused. A continuing rigorous examination of new opportunities following recovery promotes long-term success.

Whatever the challenges, nonprofits do best when they match the needs of the organization with the right skill set at the right time. In addition to strengthening the board, we brought in a new type of CEO with a strong healthcare consulting background who was dedicated to and experienced at tough-minded problem solving. We helped our fundraising team develop relationships with relevant foundations and we created strong partnerships in the civic community at all levels.

We wanted to see our work through to a successful conclusion. And we did. Visiting Nurse | Hospice Atlanta now has

an annual budget of \$44 million and a positive operating margin, serves 18,000 patients annually in 26 counties, and at the end of 2008 ranked in the top 10% of all providers in the U.S. for quality, and #1 among major home healthcare providers in Atlanta (according to HealthInsight).

The health industry can't count on a smooth ride any more. The operating environment has become much more competitive, the regulatory framework is daunting, and our citizens' needs are growing rapidly. And as we witness another round of healthcare reform, every healthcare provider will have to navigate a new set of rules. For nonprofits, reform may and should mean some new opportunities, but only when you have a strong foundation on which to build.

Stan Jones, Jr., Esq., board member and former Board Chair of Visiting Nurse | Hospice Atlanta, can be reached at (404) 817-6133 or stan.jones@nelsonmullins.com.