



Washington  
State **Medical**  
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## **The Hospital Medical Staff: Structure and Function as Health Care Changes**

Denny Maher, JD, MD  
Director of Legal Affairs  
Washington State Medical Association

## Structure of the Medical Staff

- Must account for formation of Accountable Care Organizations (ACOs)
- Wider variation from hospital to hospital?
- May look very different in the future?

## Function of the Medical Staff

- Fundamental principles are solid
- Will continue with or without ACOs
- Needs to be vital and flexible in order to adapt

# Medical Staff Structure and ACOs

## General Considerations

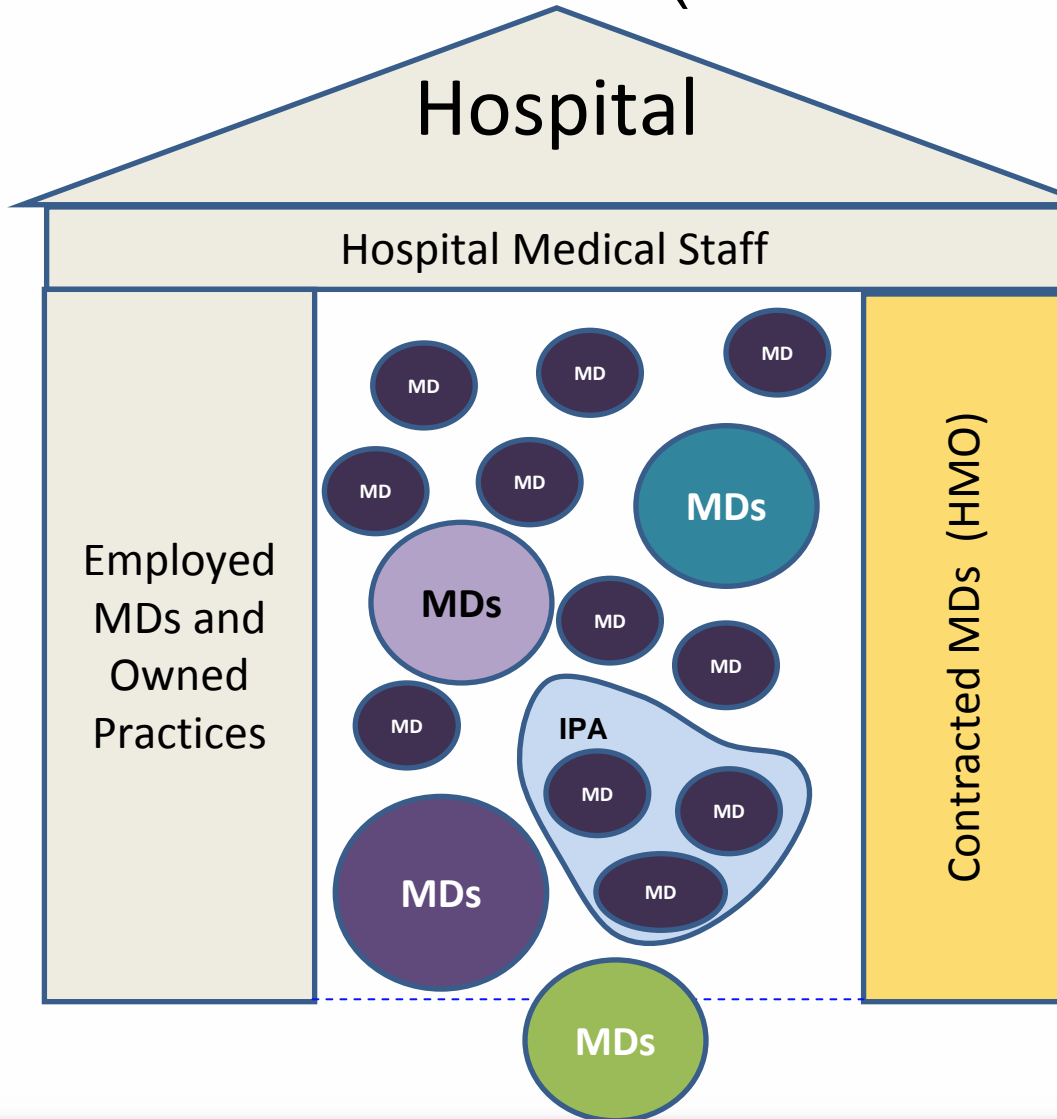
- Final rules for ACOs have not yet been adopted (soon?)
- Several different models of ACOs proposed
- Anti-trust issues
  - ▶ Work in progress between DOJ and DHHS
  - ▶ Market concentration:
    - < 30% → No problem
    - > 50% → Need approval
    - Between 30% and 50% → Gray area

# Medical Staff Structure and ACOs

## Possible Scenarios

- Status quo (not much change)
- Hospital acquires most physician practices
- Hospital contracts with (or is) a single ACO
- Hospital contracts with multiple ACOs

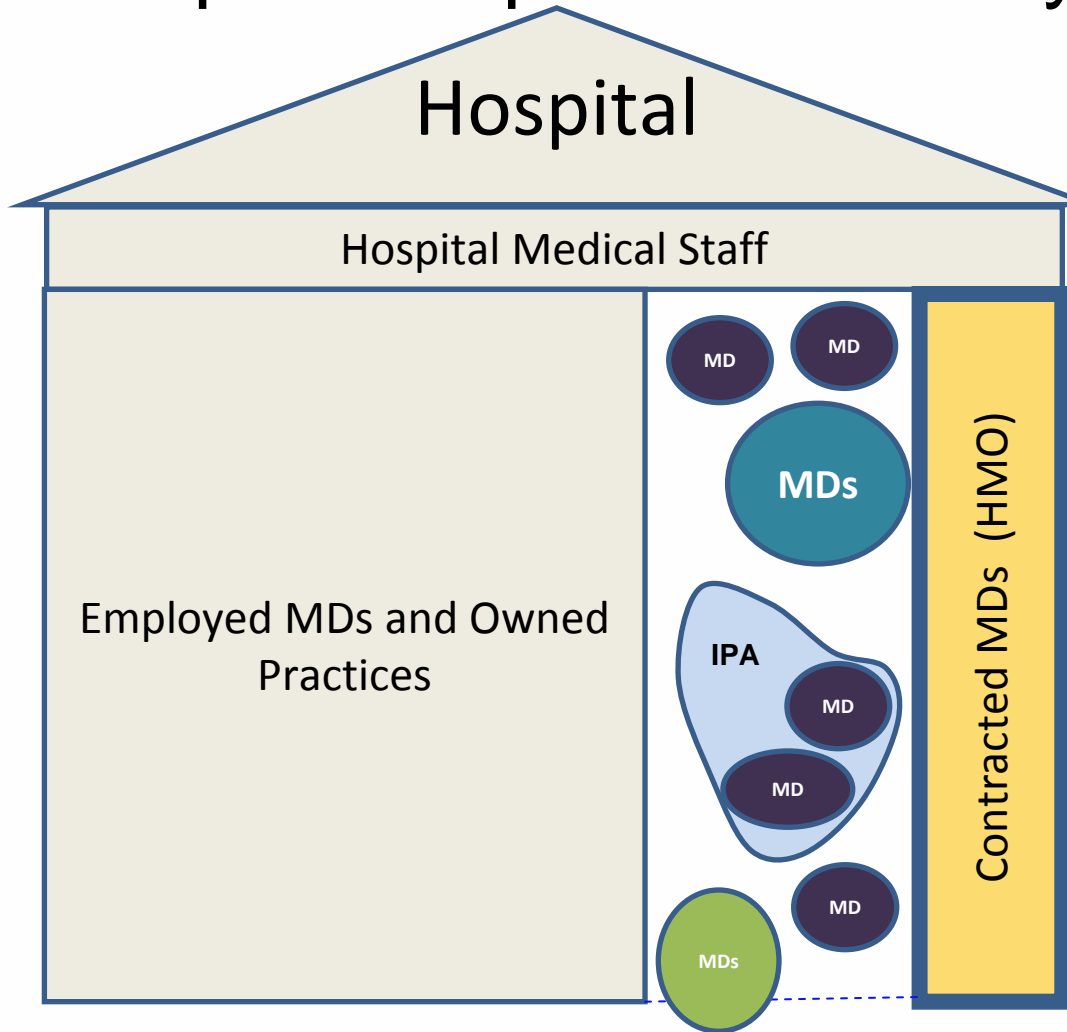
- The Status Quo (not much change)



Issues

- Fragmentation
- Standardization is a Challenge
- Practices in Competition
- Too Few of Some Specialties
- Too Many of Some Specialties
- Call Coverage Frictions?

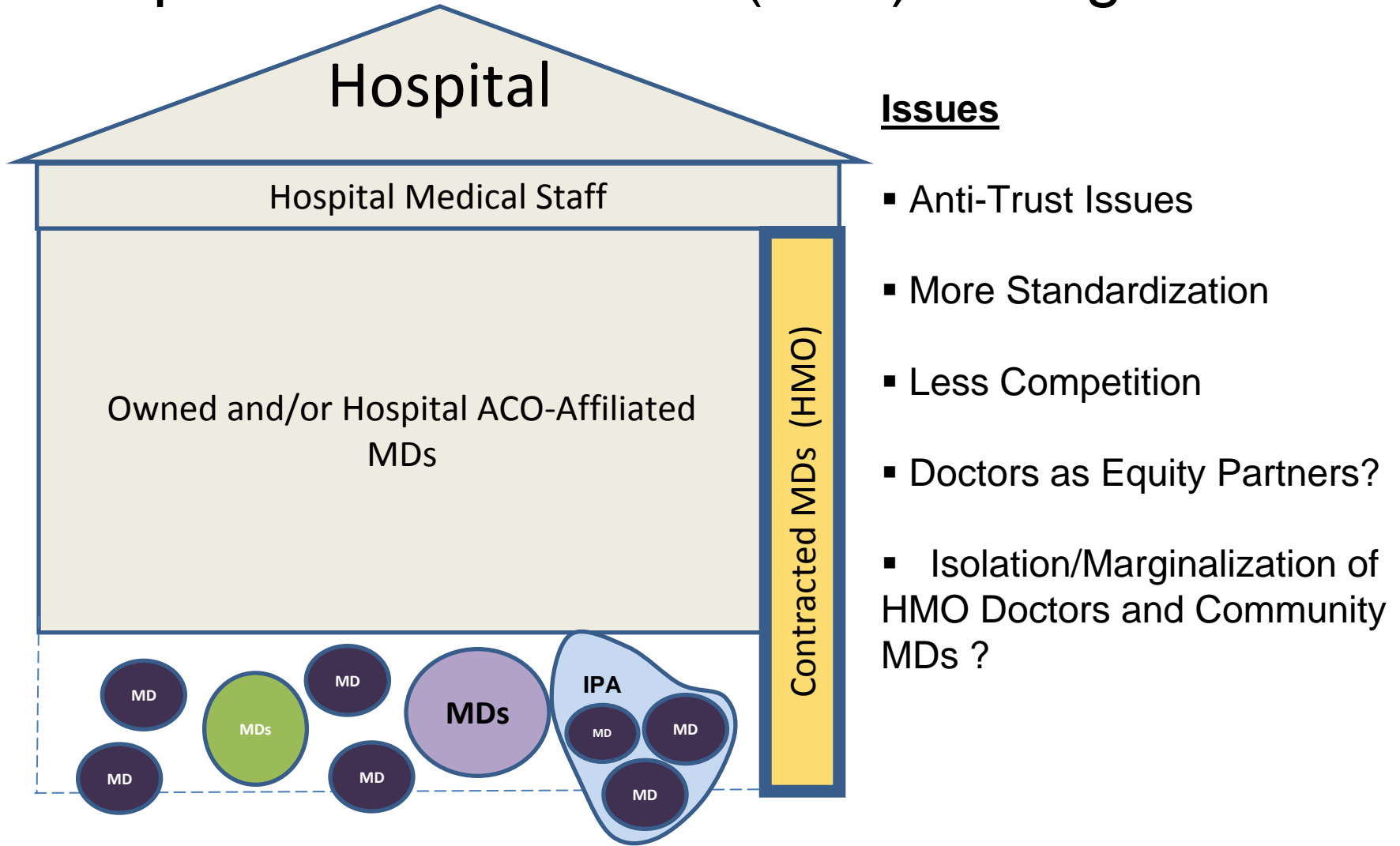
- Hospital Acquires Most Physician Practices



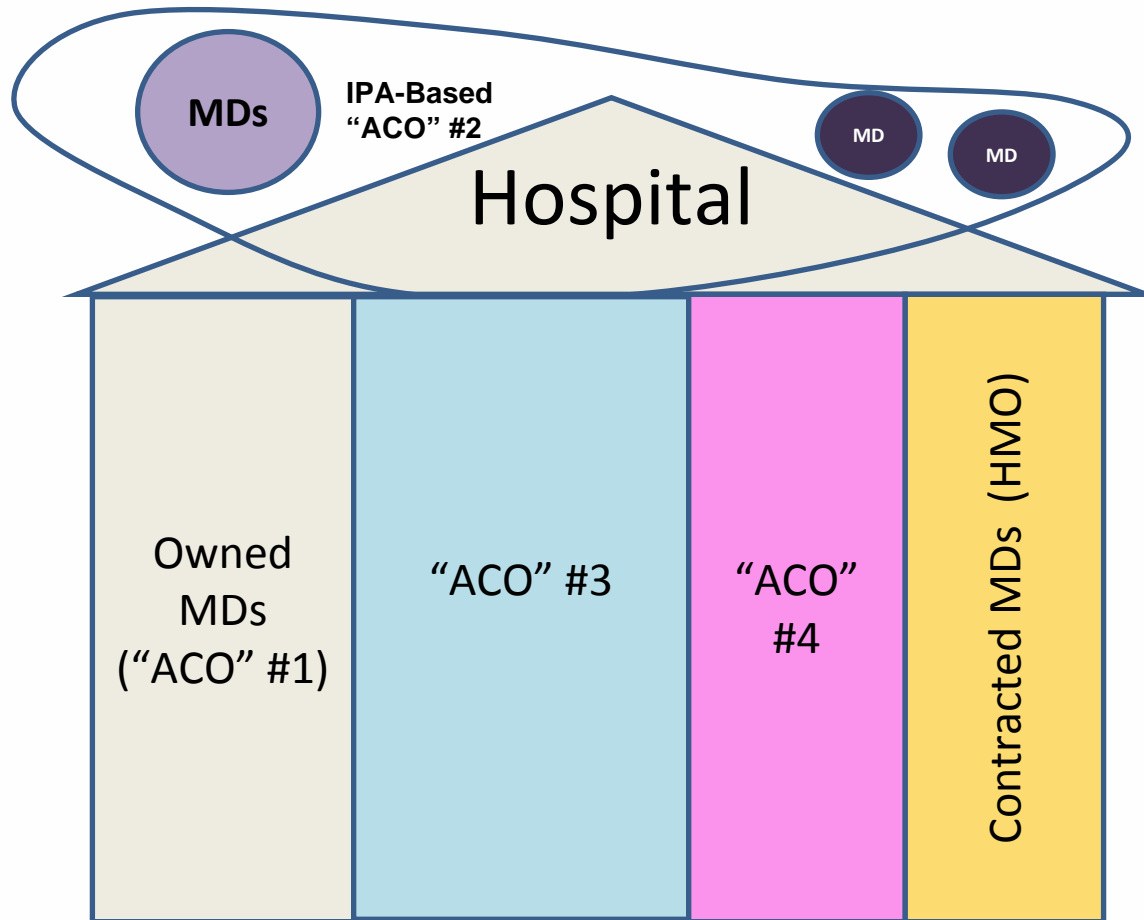
### Issues

- Anti-Trust Issues
- More Standardization
- Less Competition
- Still Fee-for-Service
- Isolation of Non-owned MDs?

- Hospital Contracts with (or is) a Single “ACO”



- Hospital Contracts with Multiple “ACO”s



**Issues**

- Totally new structures
- Hospital as a “supplier”?
- Hospital as a “utility”?
- Bonanza for lawyers
- “Medical Staff” fades away?

## The Medical Staff Model Can Prevail

## Function

An activity that is appropriate to a particular business or profession

## Origin of the Hospital Medical Staff

- 1919
- ACS required “definitive medical staff” to receive its approval
- Required:
  - ▶ Competent, reputable physicians
  - ▶ Abiding by formal bylaws
  - ▶ Not engaging in fee-splitting
  - ▶ Holding monthly meetings and clinical reviews

## Changing Medical Staff

- Solo practitioners and small groups → Employed physicians, hospital-owned practices, large groups
- Less regulation → More regulation
- Less standardization → More standardization
- Practice of medicine → Business of medicine

## Functions of the Medical Staff

- Provide oversight of the quality of care, treatment, and services
- Evaluate the competency of its members
- Delineate scope of privileges granted to its members
- Provide leadership in performance improvement activities

## Strengths of the Medical Staff

- Maintains focus on providing quality patient care
- Uniform mechanism for credentialing and peer review
- Efficiency in relations with the hospital
- Strength in numbers
- Collegiality

## Challenges Facing the Medical Staff

- Shift from private practice model to employment model
  - ▶ Contract issues vs. Medical Staff issues
  - ▶ Polarization
- Economic forces
  - ▶ Shift in practice arrangements (ACOs)
  - ▶ Competition for scarce health care dollars
  - ▶ Overhead expenses (EHR, record-keeping and reporting, quality metrics)

## Threats to the Medical Staff Model

- Time
  - ▶ Physicians don't have time to participate
- Complexity
  - ▶ Hard to keep up with laws and regulations
- Desire
  - ▶ Physicians don't wish to participate

## What Could Result?

### The End of the Medical Staff as We Know It

- Full-time physician leaders
  - ▶ Selected through employment-type application process
- Outsource credentialing
  - ▶ Already being done to some extent
- Professional competence and behavioral issues:
  - ▶ Become a matter of contract (employed physicians)
  - or
  - ▶ Become a matter for component physician organizations (no need for a Medical Staff)

## Why Might This Be a Bad Idea?

- Practice variations
  - ▶ Multiple groups mean multiple standards
- Unknown effects on quality of patient care
  - ▶ Will care in each group be equal? Who decides?
- Inefficient relations with (and for) hospital
  - ▶ Reinventing the wheel with multiple independent groups
- Loss of strength of numbers
  - ▶ Negotiating power related to size and savvy of component organizations
- Isolation, loss of collegiality
  - ▶ No common point of reference with other groups

# Support for the Medical Staff Model

## External Factors

- Centers for Medicare & Medicaid Services
  - ▶ Current laws and regulations require hospitals to have a Medical Staff and dictate some of its functions
- Joint Commission
  - ▶ Medical Staff and certain functions required
- State Laws and Regulations
  - ▶ Medical Staff and certain functions required

# Support for the Medical Staff Model

## Other Factors

- Goal of physicians to provide quality patient care
- Collective wisdom is often best
- Coordinated response to changing regulatory landscape
- Collegiality

## So What Will Happen to the Medical Staff?

- No way to know for sure
  - ▶ Uncertainty over health care reform in general
  - ▶ Acceptance and practicality of ACO model?
- Radical change to overall model is unlikely
  - ▶ Medical Staff model has persisted for a long time
  - ▶ Many benefits in current model
  - ▶ Bureaucratic inertia will resist changes to laws/rules
- Some change in Medical Staff structure is possible
  - ▶ ACO as one part of Medical Staff?
  - ▶ Increase in employed physicians, owned practices?
- But ...

## No Matter What:

### Focus on the Essential Functions of the Medical Staff

- Providing quality patient care
- Evaluating the competency of your peers
- Delineating appropriate scope of privileges granted to your peers
- Providing leadership in performance improvement activities

## You Can Make a Difference!

- Advocate for your patients
- Participate in your Medical Staff
  - ▶ Become a leader
  - ▶ Be aware of important issues
  - ▶ Express your opinions
- Participate in the state and federal legislative process - Your voice **does** make a difference
  - ▶ Be aware of important issues
  - ▶ Write your representatives
  - ▶ Take advantage of WSMA legislative resources

Thank you.





**For more information:**

**Contact:**

Denny Maher

[dpm@wsma.org](mailto:dpm@wsma.org)

206-956-3640

**Website:**

[www.wsma.org](http://www.wsma.org)