



## Happy Hunting or Adventure on the Run

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The article by Clifford R. Frank succinctly and effectively outlines the concept and mechanism of contact capitation — a current form of payment for cardiologists and cardiovascular surgeons in various parts of the country. Contact capitation is indeed an accepted payment mechanism, as are others such as carve outs, global contracting and fee-for-service. All of these may have important and variable application to some practices. Specifically, contact capitation may be very helpful in environments where clinical practices are being urged to accept financial risks.

During the past 5–6 years, numerous health care payment mechanisms have been promoted in an attempt to capture the imaginations of clinicians, hospitals and other health care providers. Many of these, including capitation, have been touted as being the ultimate way of aligning disparate businesses (hospitals and clinical practices). Sometimes, these payment motifs have fostered radical upheaval in the way a once

stable industry provided life and death services. However, it might honestly be said that many of the predictions and benefits of these payment formats have been unrealized or would have to be classified as possible failures to date. This is not to say that one could not build an argument to show that there has been some progress in organizational development rendered possible by hours of education, committee meetings and manipulation of relationships — in the latter case, not the least of which is manipulation of the doctor-patient relationship that is at the heart of the healing profession.

Each morning, as the army of clinicians, nurses, practitioners and health care executives arise to undertake their altruistic task of seeking prevention, pursuing elimination of disease, pain, anxiety and grief, I cannot help but hear the chorus of requests for more cost cutting and payment structures that will make their lives and tasks more palatable. Ah, the promise and possible peril of the new future!

It is amazing how many strategies for large health systems and clinical groups have been built around payment mechanisms — mechanisms that may come and go. The many kinships that have arisen as a consequence are, if one were to take a balance sheet snapshot, often loveless or empty or at the very least disquieting to the participants. Indeed, the organiza-

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tional structures relating to management, governance and the technological infrastructure for these business ventures are still in their infancy and the leadership required to make them successful is often non-existent or struggling to obtain focus, understanding and perspective.

What is the point or moral? Should we smugly assume that this too shall pass away? That contact capitation is one of the long-lived payment miracles that will remedy all that ails us? I think not, although its significance and place in any given practice or practice environment will need to be weighted carefully. However, there is a deeper point I wish to make. The value of a payment mechanism may not merely be a dollars and cents issue. We are really asking how our practice, our hospital, and our businesses are structured to accommodate the payment mechanism of the moment. The answer to that question goes to the heart of the Mission, Vision and Value structure of a business and profession and depends heavily on leadership capable of coordinating the business and articulating the value for the organization in question and its participants. This is a leadership that must understand clinical medicine as well as business. Woe to the healthcare organization or practice designed by legal constructs or consultants unknowledgeable about how medicine is practiced. Likewise, to peer into the future oblivious to the business infrastructure needed to support the practice is tantamount to courting disaster.

As one examines the organizational structure of a practice and potential payment mechanisms having bearing on the practice, there are a few questions to answer:

1. Are we organized and structured from a business and clinical perspective to accommodate the payment mechanism in question?
2. Will this payment mechanism truly reduce costs?
3. More importantly, if we can accommodate the payment mechanism will it lead to the growth of our business and practice?
4. Will we be able to track our performance and articulate value to our internal (within the practice) and external (referring MDs, other consultants, hospital, payors and patients) customers?
5. Will we be able to integrate the plan with other payment mechanisms, since it is unlikely that we will only be paid by this one format?

These questions need to be answered carefully. Again, payment mechanisms are merely one small piece of what we do — an important piece, since they are in a very vulgar sense the fuel for us to continue to ply our trade. However, economics and finances are really not strictly about money — it's about satisfaction and the pursuit of happiness, which comes from knowing your services are ethical, valued and compensated appropriately.

*"The future,"* a noted futurist once said, *"will look like today — only more so."*