Executive summary

South Shore Hospital Active Medical Staff members will be asked to vote on June 16, 2010 on a proposed new governance model: The Health Provider Services Organization of the South Shore. HPSO is designed to be a physician-driven governance model that would give Medical Staff members a major voice in South Shore Hospital’s strategic planning, Medical Staff recruitment and clinical program development. The following information provides more detail about HPSO and its potential benefits to Medical Staff members, their practices and the future of South Shore Hospital. You are encouraged to learn more about HPSO by visiting www.southshorehospital.org/hpso. [NOTE: The website User Name is medstaff, the Password is safetyfirst.] You may also contact any Physician Engagement and Alignment Team (PEAT) member (see page six).

Why a need for change?

Profound and systemic change is affecting every individual with a stake in healthcare delivery on the South Shore and throughout the country. The headlines here illustrate just some of the challenges all health care providers face:

The Boston Globe

New Therapy For Old Woes
Massachusetts' dominant health insurer is proposing to overhaul the way it pays doctors and hospitals, in what company officials said is an attempt to slow runaway healthcare costs and improve the quality of care.

Blue Cross and Blue Shield of Massachusetts wants to stop paying doctors and hospitals for each patient visit or treatment, a common arrangement that most experts agree has led to unnecessary, inefficient, and fragmented care that is sometimes harmful to patients. Instead, they want to pay doctors and hospitals a flat sum per patient each year, adjusted for age and sickness, plus a significant bonus if the providers improve care, Blue Cross officials said.

In most cases, the payment would cover all services from primary care doctors, specialists, counselors, and hospitals - forcing them to work together closely ...

The Boston Globe

Equity Firm Set To Buy Caritas
Caritas Christi Health Care, the state’s second-largest hospital group, is set to disclose today that it has agreed to be acquired by New York private equity firm Cerberus Capital Management in an $830 million deal that hospital officials say will allow the chain to shed debt and make major improvements ...

The Wall Street Journal

Injecting Value Into Medical Decisions
It’s widely estimated that 30% of U.S. health-care spending—some $700 billion a year—is spent on tests, treatments and procedures that provide no value. But one man’s waste may be another’s life-saving treatment. And there are hundreds of medical quandaries with no clear answers ...

The Boston Globe

What The Health Care Overhaul Means for Massachusetts
Although Massachusetts already has the lowest rate of uninsured residents in the country because of its own health care coverage expansion, the measure voted upon by the House yesterday would have significant impacts on the state ...
Why a need for change? (continued)

In light of dramatic changes in health care delivery and funding, South Shore Hospital and its Medical Staff members each have a need and an opportunity to partner more closely to sustain patient care excellence.

South Shore Hospital’s growth in the last two decades is testament to a high degree of collaboration among hospital and Medical Staff leaders as they have worked together to meet community health needs. But decision-making models that have served South Shore Hospital well in the past will not necessarily advance the organization in the years ahead.

There has not been a structure and process in place which assures a formal method of collaboration and alignment of Medical Staff and hospital priorities and vision for the future. As a consequence, there can be fragmented and uncoordinated initiatives that are not fully understood or supported. A new governance model would create a framework for organized input into critical decision-making concerning the future of both South Shore Hospital and its Medical Staff.

What is PEAT – and what has it been doing?

The Physician Engagement and Alignment Team (PEAT) is a working group of 16 physicians and six hospital administrators. It was formed two years ago at the request of South Shore Hospital’s Board of Directors. PEAT was charged with the task of researching and recommending to the Board of Directors how the hospital and its Medical Staff could become more closely aligned and better positioned for future success. PEAT members have met at least monthly since June 2008 to accomplish this goal.

Considerable thought and effort went into selecting PEAT members from nearly 30 applicants, to assure that team members would be representative of the various physician constituencies on the Medical Staff.
What is PEAT – and what has it been doing? (continued)

PEAT’s first task was to identify specific opportunities for greater alignment between South Shore Hospital and its Medical Staff (see right). PEAT then set out to build its collective knowledge about how other organizations achieve physician/hospital alignment around these priorities.

The team looked at a number of possibilities, including the physician-operated Lahey Clinic, a spectrum of integration/alignment models, adaptation of existing physician groups and structures, and organizations in Connecticut, California and elsewhere that successfully addressed similar alignment priorities.

It became clear to PEAT that the best way to address its identified priorities and to move toward a better aligned Medical Staff and hospital would be by establishing a new governance model called the Health Provider Services Organization (HSPO).

The governance model that PEAT has developed is designed to give Medical Staff members a major voice in strategic planning, Medical Staff recruitment and clinical program development. The model also is flexible enough to represent the varied perspectives of Medical Staff members and groups.

What is HPSO? How would it work? What would it do?

The Health Provider Services Organization (HPSO) would be a physician-led and directed governance model that, if adopted, would give all Medical Staff members a major voice in South Shore Hospital’s strategic planning, clinical program development and physician-related issues.

HPSO’s mission is to:

- Provide residents of the South Shore region access to coordinated care by providers aligned through HPSO, which appropriately responds to the evolving healthcare needs of our communities and fosters collaboration among physicians in order to promote high-quality program development, ensure planned physician recruitment, and create and execute effective strategies to enhance the value of health care in the region.

- Afford affiliated providers the opportunity to achieve optimal personal, professional and organizational success which will result in the highest-quality patient care and serve as a basis for establishing a succession of providers for the future.

- Sustain South Shore Hospital’s mission of healing, caring, and comforting through such collaboration.

Priority Opportunities For Greater Engagement and Alignment

- Primary care strategies to facilitate future practice growth and enhanced access.

- Physician recruitment strategies to assure adequate provider supply and legacy as the medical staff ages toward retirement.

- Development of a common EHR platform to facilitate timely and efficient information exchange between all parties.

- Creation of Centers of Excellence that would be attractive to specialists.

- Increased alignment with payors
What is HPSO? How would it work? What would it do? (continued)

HPSO would be governed by a board of five medical staff-elected physicians and four hospital-appointed administrators, supported by an executive director.

The five physician board members would be elected by a vote of the Active Medical Staff. Any member of the Medical Staff may self-nominate or be nominated to serve on the HPSO board.

Initially, the physician members of PEAT and South Shore Hospital’s President/CEO would serve as the nominating committee of HPSO, would screen Medical Staff candidates, and would select eight Medical Staff members to stand for election to the five physician board positions. Upon completion of this task, PEAT will have accomplished its goals and will disband.

The HPSO board would be chaired by a physician elected by the board. The physician chair of HPSO also would occupy a newly designated seat on the board of directors of both South Shore Hospital and South Shore Health and Educational Corporation, the parent organization of South Shore Hospital.

The organization chart above illustrates the relationship of the Health Provider Services Organization to South Shore Hospital’s Board of Directors, Medical Executive Committee and Administrative Team.
What is HPSO? How would it work? What would it do? (continued)

The HPSO board’s role would be to provide Medical Staff members with a major voice in South Shore Hospital’s strategic planning, Medical Staff recruitment and clinical program development in ways previously not available.

HPSO would create a more formal mechanism for Medical Staff members to participate in decisions affecting the long-term viability and legacy of South Shore Hospital’s Medical Staff.

It should be noted that establishing HPSO would not necessitate changes to current insurer contracting mechanisms, such as the South Shore Physician-Hospital Organization (PHO). Any changes in the PHO’s roles or responsibilities would be determined by those who govern the PHO.

What if HPSO is not adopted?

Rapid changes in health care will continue, regardless of whether HPSO is adopted. Without HPSO, South Shore Hospital’s Medical Staff can be reasonably assured of the following:

- There will be inconsistent Medical Staff member input into the hospital’s strategic planning and clinical program development decisions.
- The many, interrelated issues involving physician recruitment and Medical Staff legacy, a universal electronic health record (EHR), and opportunities for development of clinical Centers of Excellence are likely to be addressed without organized and substantive Medical Staff member input.
- The number of physicians that South Shore Hospital employs will likely grow, as the hospital takes necessary actions to fulfill its charitable obligation to meet current and future community health needs.
- The interests of the Medical Staff and hospital will not be optimally aligned around quality, efficiency, operational improvement, patient access or patient-centered care. Great difficulties would be involved in developing a common technological and administrative infrastructure to achieve these goals.

--- Proprietary and Confidential ---
**Vote on Wednesday, June 16, 2010**

The proposed HPSO governance model is designed to give Medical Staff members a major voice in their own professional futures. The model would give Medical Staff members a dynamic new degree of representation in how issues of importance to physicians and allied health professionals are addressed.

South Shore Hospital also would gain much by HPSO's adoption:

- Strong and engaged Medical Staff leadership at a time when it is most needed
- Greater physician/hospital collaboration in patient care delivery and clinical program development
- A mechanism to plan for, sustain, and expand the local availability of expert medical staff talent

Health reform is inevitable; changes are already underway. Medical Staff members face an important choice: Evolve and adapt to changing circumstances – or risk having a limited voice in decisions that will affect how, where and by whom health care is provided in the region.

The proposed HPSO model will be adopted or rejected based upon a vote by the Active Medical Staff on Wednesday, June 16, 2010.

It is in the profound self-interest of all Medical Staff members to be aware of the issues involved and to become knowledgeable about how the proposed HPSO governance model may benefit them, their practices, and South Shore Hospital’s future success.

**Where to go for more information**

Extensive information about the PEAT process and proposed HPSO governance model may be found by visiting the South Shore Hospital Medical Staff web site at [www.southshorehospital.org/hpso](http://www.southshorehospital.org/hpso). [NOTE: The website User Name is medstaff, the Password is safetyfirst.]

You also are encouraged to contact any PEAT member.

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