

SPECIAL REPORT HEALTH CARE

executive at **IPC The Hospitalist Co. Inc.**, a Glendale company that the largest manager of hospital-based doctor practices in the country – which unlike Apollo has not started an ACO.

“But at some point, somebody has to lose money for the others to win. If that’s the case, hospital costs could go up,” he said.

Laura Jacobs, executive vice president at health care consultancy **Camden Group** in El Segundo, disagrees.

She said hospitals, doctors and labs already fight the zero-sum game with insurance companies. The concept of an ACO or Vivity is to make the players more cooperative.

“Now we are all at risk for the losing the top dollar,” she said. “If we are paid in a lump sum it means we have to collaborate, rather than everyone looking out for themselves.”

Gallegos at the hospital association believes that if ACOs grow large enough, they could save money by eliminating the need for health insurance companies altogether. In this version of the future, ACOs would sell coverage directly to consumer via Covered California, the online insurance exchange and marketplace established under the health reform law.

“You’ll have hospitals with integrated medical groups and clinics put their plans on the commercial market,” Gallegos said. “They could put together a small regional insurance plan and market it, maybe even on the exchanges.”

But to Apollo’s Augusta, that day is a long way off. According to Medicare, of 220 ACOs that participated in its refund program, only 49 got money. To encourage their growth, he believes, the government needs to allow more ACOs to get money back.

“In the future, cost-efficiency will longer be a bad word in health care,” he said. “But for large companies to go into it the reimbursement formula has to change.”

Even High Tech Needs Human Touch

CEO of maintenance firm laments lack of qualified technicians, other obstacles.

By **JOEL RUSSELL** Staff Reporter

As chief executive at **enBio Corp.**, **Arthur Zenian** looks at the future from the inside out.

The Burbank company repairs and maintains hospital machines, including X-ray scanners, magnetic resonance imaging units and vital signs monitors.

From his perspective, the next step in medicine will be the ability of a patient’s medical file – including blood sample results and prescriptions – to be available to machines, not just doctors and nurses. For example, an infusion pump could check a patient’s medical file to make sure the correct drug is feeding into the IV tube at the proper rate.

“Not everyone has the money to move that infrastructure, but eventually, all hospitals will have to,” he said.

Getting to that future is a one-step-at-a-time journey that Zenian knows all too well. For example, EnBio has already run into a very practical roadblock: a lack of qualified repair technicians.

Traditionally, Zenian hired people with hospital backgrounds, but the new machines require software expertise. And while recent graduates understand the IT, they can’t relate to patient needs or the hospital setting.

“We need people who understand the physiology as well as the IT integration,” he said. “There is a training portion that we have to handle.”

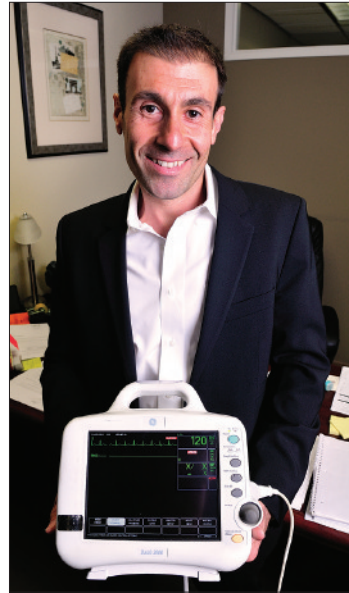


PHOTO BY THOMAS WASPER

Blips: Arthur Zenian at Burbank office.

Also an issue is protecting all that patient’s information transmitting wirelessly around a hospital. There is a risk it can fall into the wrong hands, which would expose hospitals to violations of the federal Health Information Privacy Protection Act, or HIPPA.

Martin Gallegos, senior vice president at the Hospital Association of Southern

California in Los Angeles, said it’s almost certain the state will weigh in with new regulations involving hospital technology.

“As we move into each new stage of technological advancement, you’re likely to see a new set of regulations to deal with it,” he said. “That’s California.”

However, **Laura Jacobs**, executive vice president at health care consultancy **Camden Group** in El Segundo, said that health organizations already have a “need-to-know” protocol for



Gallegos

HIPPA compliance. She is more concerned about whether the new generation of wireless, smart machines will perform well in the field.

“There are still technical and financial and practical barriers.

People are investing in their own systems, and how well they integrate over time remains

to be seen. We can pool all this information, but the accuracy isn’t perfect,” she said.

Zenian also cites costs and traditional reimbursement as a roadblock. While the initial transition to digital systems is expensive, hospitals will realize savings once insurance compliance, billings and other administrative tasks are automated. However, when new technology threatens traditional hourly billing or fee-for-service regimens, he sees some pushback.

“If technology takes away a doctor’s time from an operation, they are afraid to invest in it because their reimbursement goes down,” he said.

A Healthier Community is a Great Investment



2014 Corporate Partners

The Afriat Consulting Group Inc. • Community Bank • Hamer Toyota • Keyes Automotive
Paul Davis & Alberta Bellisario Insurance Services • Polenzani Benefits & Insurance Services
RGE Employee Benefits • San Fernando Valley Business Journal • Wells Fargo

To donate contact Judi Rose: 818.301.6321/jrose@vchcare.org
www.valleycommunityhealthcare.org

Your Investment Ensures:

- 24,000 low-income men, women & children remain healthy & productive
- 260 jobs at 3 health center sites
- Healthcare Workforce Training

We all benefit!

Supporting Valley Community Healthcare ensures a Healthy & Happy Holiday Season for us all

