

Health Progress asked three healthcare executives for their thoughts on Emily Friedman's article. Here is what they wrote.



PSO Helps Restore Trust in Managed Care

In many ways, Emily Friedman's article goes right to the heart of why St. Joseph Healthcare, Albuquerque, NM, took advantage of the provisions for provider-sponsored organizations (PSOs) in the Balanced Budget Act of 1997.

St. Joseph Healthcare—almost a century old, with deep roots in the community—found itself a few years ago in a highly competitive, extensively penetrated managed care market. As a delivery system, we were at the mercy of large managed care operations, some of which are aptly described by Ms. Friedman. Utilization had been ratcheted down in a way that put providers at a disadvantage. Feeling it was time for innovation, we saw a PSO as a way to move from managed costs to true managed care. That is why we created our PSO, St. Joseph MedicarePlus.

We did this for three reasons:

- Taking care of the Medicare population has long been a major part of our healthcare mission. Risk is not an issue. We are comfortable managing it.

- Albuquerque, like many other markets, is witnessing a rapid consolidation of health insurance companies, with fewer options for healthcare. Our PSO gives Medicare enrollees a greater opportunity to choose St. Joseph Healthcare, the last remaining faith-based healthcare system in the state.

- The formation of a PSO has allowed St. Joseph Healthcare to partner with physicians in a way that revives the patient-doctor relationship. We have a history of successful provider partnerships that empower physicians.

We believe that by helping providers get together in the interests of their patients, St. Joseph MedicarePlus can reverse some of the public animosity toward healthcare and restore its declining credibility.

We have based St. Joseph MedicarePlus on a

philosophy that differs from that of the traditional health maintenance organization. This is a physician-driven health plan. We have worked with our physician partners to structure the medical management so that prevention and disease management are given the priority they should have. We have more than 35 front-line clinicians working with us to guide our PSO's medical management decisions. We know that our physicians are committed to providing the healthcare their patients need, and we in turn are committed to providing the physicians with the tools to successfully manage the care of those they serve.

St. Joseph Healthcare's philosophy and commitment, coupled with the commitment of its physicians, will move managed care to a new level in our market, one that enables providers to focus on true medical management—high-quality outcomes and patient satisfaction.

BY JANICE M. TORREZ



Ms. Torrez is president of St. Joseph MedicarePlus, Albuquerque, NM.

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