

Forum

CATHOLIC MANAGED CARE CONSORTIUM Strength and Support in Numbers

As members of the Catholic Managed Care Consortium (CMCC), nine Catholic multi-institutional healthcare systems and their affiliated institutions receive managed care consulting and support services. The consortium provides guidance to member systems (see **Box** below) and their hospitals in managed care ventures. Together, the nine systems repre-

sent more than 140 hospitals.

Leaders from four systems initiated CMCC in 1988 after agreeing that their organizations needed to support member hospitals in addressing managed care issues. In addition, they believed it would be beneficial if systems and hospitals shared resources, expertise, and experiences as the concept of managed care spreads.

SERVICES

CMCC provides two types of services—fee-for-service consulting (see **Box** on p. 71) and core services (free to hospitals sponsored by CMCC systems).

As part of the core services, CMCC members have access to contracting support tools. One such tool is a managed care data base that contains more than 1,900 managed care contracts. Each hospital provides information on its managed care contracts, physician-hospital networks, managed care volume, and equity investments. The information is used to identify managed care trends and allows CMCC members to share comparative information. Using a rate analysis CMCC provided, one hospital's chief financial officer was able to negotiate a more equitable contract with a preferred provider organization (PPO) because the analysis showed that the PPO's rate proposal was inadequate.

Guidelines for Managed Care Agreements is another contracting support tool CMCC provides for its members. This publication identifies critical con-

tract provisions to help consortium members negotiate contracts and minimize risk.

In addition to a monthly newsletter that provides information related to managed care, CMCC also publishes HMO-PPO background reports on regional and national managed care organizations.

By sponsoring an annual two-day conference, CMCC enhances hospital managed care staff members' understanding of managed care, helping them develop the necessary networking skills. Invited speakers discuss topics such as physician-hospital organization structures and employers' perspectives on managed care. Member hospital representatives present case studies.

Through evaluation forms, participants of CMCC's most recent conference, held in May, rated it highly, with 63 percent judging it excellent and 33 percent judging it good, according to David Schopp, CMCC's executive director and director of managed care services, Daughters of Charity National Health System, St. Louis. One reason for the high ratings may be that before each conference CMCC polls consortium members on issues they

believe need to be discussed.

The conference's participant mix is changing, noted Schopp. Hospitals are increasingly sending medical staff members, who now make up more than 10 percent of conference participants. He said that hospitals are finding that their physicians need to become more informed about managed care.

Finally, CMCC offers members preferred vendor arrangements as part of its package of core services. Consortium members can take advantage of several group purchasing arrangements for managed care data-software products.

ACHIEVEMENTS

During the five years since its inception, CMCC has been successful in areas of service, support, and collaboration.

CMCC provides members high-quality, responsive service, resulting in systems' and hospitals' satisfaction with the consortium. The consortium periodically asks members to evaluate services. The most recent survey was completed in October 1992. Members gave high ratings to all current services, ranking the annual managed care conference and HMO-PPO research reports high-

Catholic Managed Care Consortium Members

- Carondelet Health System, St. Louis
- Catholic Health Corporation, Omaha
- Daughters of Charity National Health System, St. Louis
- Eastern Mercy Health System, Radnor, PA
- Franciscan Sisters of the Poor Health System, Brooklyn Heights, NY
- Humility of Mary Health Care Corporation, Lorain, OH
- Sisters of Charity Health Care Systems, Inc., Cincinnati
- Sisters of Charity of Nazareth Health Corporation, Nazareth, KY
- Sisters of Charity of St. Augustine Health System, Richfield, OH

Daughters of Charity National Health System Managed Care Services staff are under contract to provide consulting and support services. Finance staff from Eastern Mercy Health System provide CMCC's accounting services.

est. The service members most wanted to see CMCC offer was risk contracting capability assessment, which CMCC has subsequently begun to offer.

In addition, through the sharing of experiences and expertise, CMCC has strengthened members' position in addressing managed care issues. For example, after examining a hospital's internal strengths and weaknesses, as well as market opportunities and threats, CMCC can develop an individualized managed care strategic plan to enhance the hospital's awareness of the impact its decisions may have on managed care. Of the 22 hospitals for which CMCC has completed managed care strategic

plans, some report that they had previously negotiated managed care contracts only when they were approached by HMOs or PPOs. Now they more actively pursue managed care business. Those hospitals that had been pursuing managed care ventures report refining internal capabilities to support managed care, increasing managed care education for trustees and medical staff members, and initiating physician-hospital organizations.

CMCC's Future

Although President Bill Clinton's healthcare reform proposal will not have a major impact on CMCC's services, it is shifting CMCC's focus to capitation, said Schopp.



At May's CMCC conference in Tempe, AZ, more than 10 percent of attendees were medical staff members.

Since consortium members increasingly need guidance on capitation, last November CMCC held a hands-on, practical seminar on topics such as how to structure risk-sharing pools. The seminar, open only

to consortium members, was in such demand, CMCC plans to offer it again early next year.

CMCC is cautious about its rate of expansion. To continue providing high-quality ser-

vice, CMCC will only add a maximum of two Catholic multi-institutional healthcare systems a year.

CMCC members have established the following long-term strategies:

- Support growth of CMCC membership as a vehicle for continued collaboration among Catholic multi-institutional healthcare systems.

- Increase consortium members' preparedness and sophistication for addressing managed care issues, especially the assumption of financial risk.

- Develop and offer managed care insurance products and programs.

- Support CMCC hospitals' ability to address managed care quality issues.

—Michelle Hey

Fee-for-Service Consulting

CMCC provides systems and hospitals with fee-for-service consulting in addition to the core services. Because CMCC shares existing system staff and has little overhead, consulting services are available to consortium members at a moderate cost, less than half the fee an outside consultant would charge. Fee-for-service consulting includes the following:

- Health maintenance organization (HMO)—preferred provider organization (PPO) contract review
- Negotiations support
- HMO-PPO feasibility and operational review
- Development of hospital managed care strategies
- Assessment of hospital risk contracting capabilities
- Evaluation and design of capitation-risk sharing arrangements
- Hospital-specific education programs
- Formation of physician-hospital relationships
- Direct employer contracting programs