

# MCG School of Medicine Faculty Senate

August 17, 2004

Good afternoon and welcome to the first of 9 School of Medicine Faculty Senate Meetings for FY 05. My name is Jack Yu, I am the President of the Faculty Senate, Dr. Iqbal Khan is the immediate Past President and Dr. Jerry Lambert, is your President-Elect.



# MCG School of Medicine

## Faculty Senate Meeting 8/17/2004

### Dean's Remarks

- Dr. David Stern, Dean, SOM
- Report on Admissions
  - Dr. Mason Thompson, Associate Dean
- Role and Core Mission of PPG
  - Dr. Curt Steinhart, President/CEO of PPG

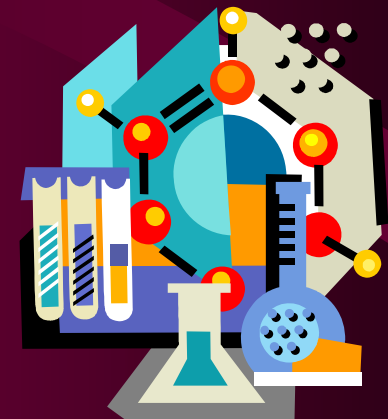
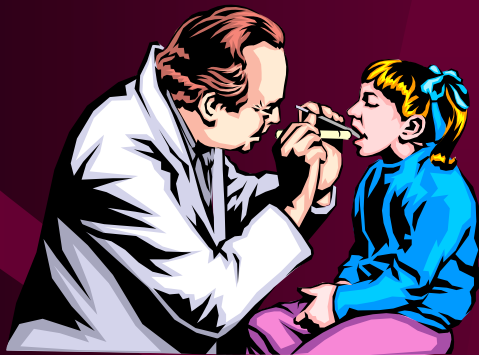
On 17<sup>th</sup> of August, we had the first faculty senate meeting for this academic year. We had a busy schedule that afternoon. Dr. David Stern gave some opening remarks, followed by a report from the Associate Dean for Admissions, Dr. Mason Thompson. The President and CEO of PPG, Dr. Steinhart then gave a very informative report on the core mission and role of PPG.

# **Core Mission and Role of PPG**

Faculty Senate  
MCG School of Medicine  
August 17, 2004

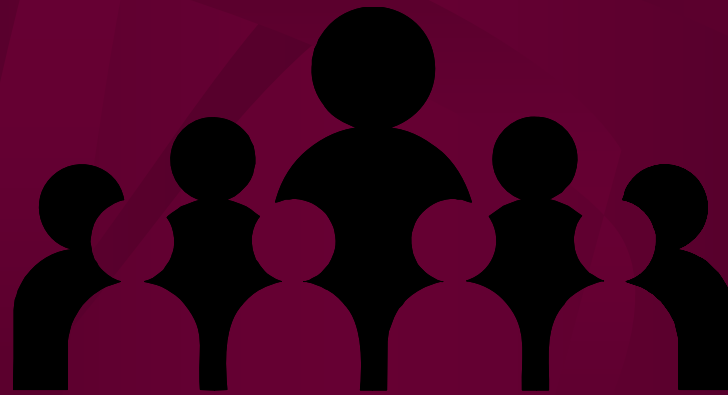
# MISSION

To support the clinical care, educational  
and research purposes of the  
Medical College of Georgia



# VISION

To be a comprehensive, interdisciplinary and innovative academic group practice recognized as a national leader in healthcare delivery



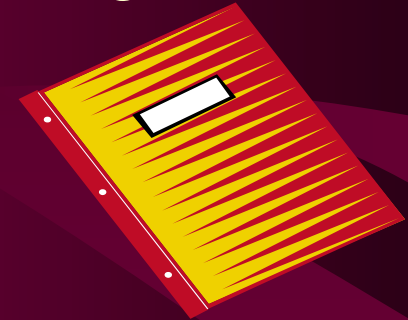
# CORE FUNCTIONS

- Billing and Collecting
  - Documentation Review and Coding
  - Charge Entry
  - Claim Submission = \$194,000,000
  - Patient Statements = 210,000
  - Payment Posting = \$64,000,000
  - Denial Management
  - Customer Service



# CORE FUNCTIONS

- Financial management and reporting
  - General ledger
  - Governance reports
  - Revenue Distribution Plan
  - Bank accounts (> 27,000 checks)
  - Investment management
  - Payroll (nearly 200 employees)
  - Remittance authorizations (>32,000)



# CORE FUNCTIONS

- Fringe Benefits – purchasing and administration
  - Major medical reimbursement
  - Homeowners & Automobile
  - Personal Liability
  - Disability
  - Life insurance
  - Retiree benefits



# CORE FUNCTIONS

- Legal
  - Procurement of legal assistance
  - Contract preparation and management
- Regulatory compliance
  - Compliance office
  - Compliance liaison
  - Compliance plan
  - Workplace regulations



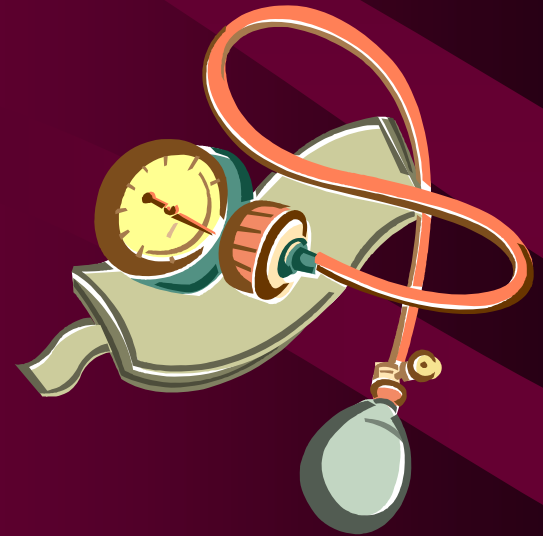
# CORE FUNCTIONS

- Human Resources
  - Hiring; performance evaluation; EEO; compensation planning and analysis; pension; employee benefits
- Communication
  - Members
  - Employees
  - Campus Leadership
- IS/IT
  - IDX B/AR; General Ledger; Desktop workstations; interface to IDX; telecom; campus interfaces and server



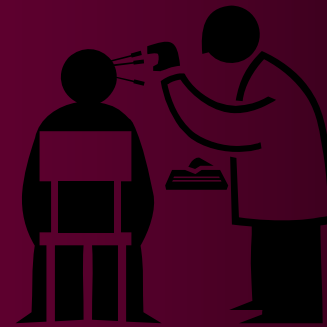
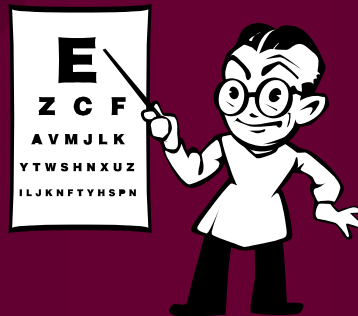
# NEWER CORE FUNCTIONS

- New Program Planning and Physician Practice Development
  - Cosmetic Surgery
  - Ophthalmology Initiatives
  - “The Lake Oconee Project”
  - Orthopedics at Hillcreek
  - Dermatology at Hillcreek



# NEWER CORE FUNCTIONS

- Gyn Oncology at AOA
- Neurosurgery at Aiken
- Neonatology at St. Josephs
- Georgia Correctional Health Care
- Retina Care at SERC
- Dialysis Center Directorships



# NEWER CORE FUNCTIONS

- Practice Management
  - Primary Care Associates
  - Ophthalmology Sites
  - Reproductive Medicine
- Practice Policy Development
  - Clinic cancellation
  - Consultation
- Clinical Service Improvement



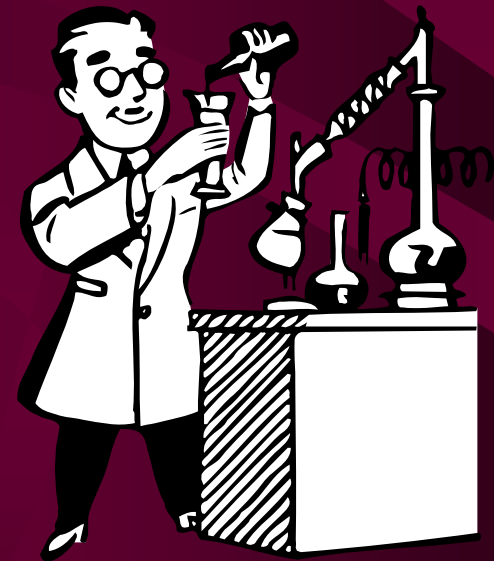
# BUSINESS INITIATIVES

- Subsidiaries
  - Properties LLC
    - 15<sup>th</sup> Street Parking Lot
    - Corner 15<sup>th</sup> St. and Pope
    - Hillcreek Property (Adult PCA)
    - Chafee Ave. (RE Faculty and Community MD)
    - IVF Lab
    - 15<sup>th</sup> Street – Pediatric PCA



# OTHER ACTIVITIES

- Subsidiaries (cont'd)
  - Georgia Esoteric and Molecular Lab, LLC
    - Lab directed by Dept. of Pathology
  - IVF Lab LLC
    - Joint venture IVF/RE Lab
    - MCGHI as partner

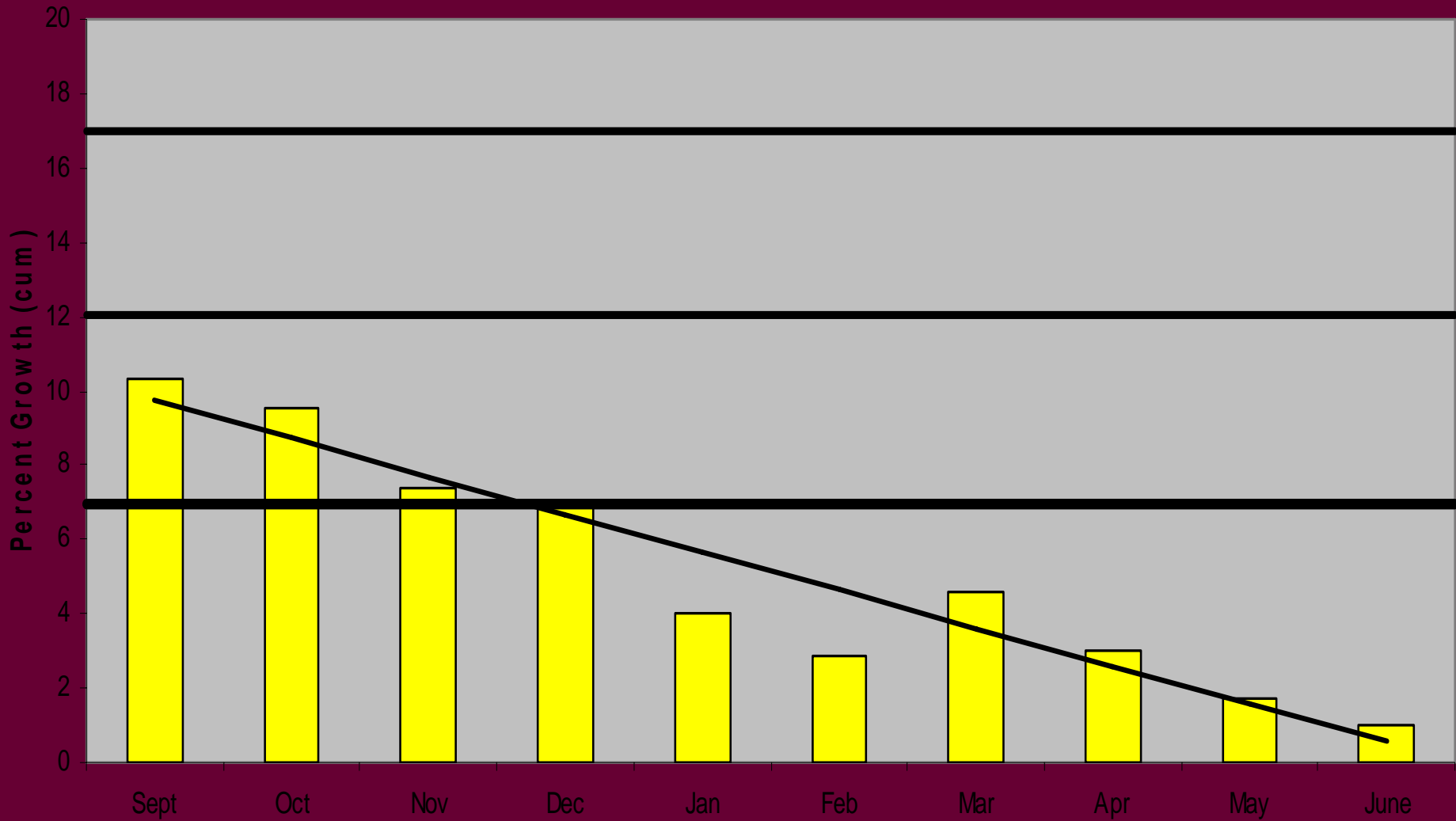


# PPG GROUPWIDE METRICS

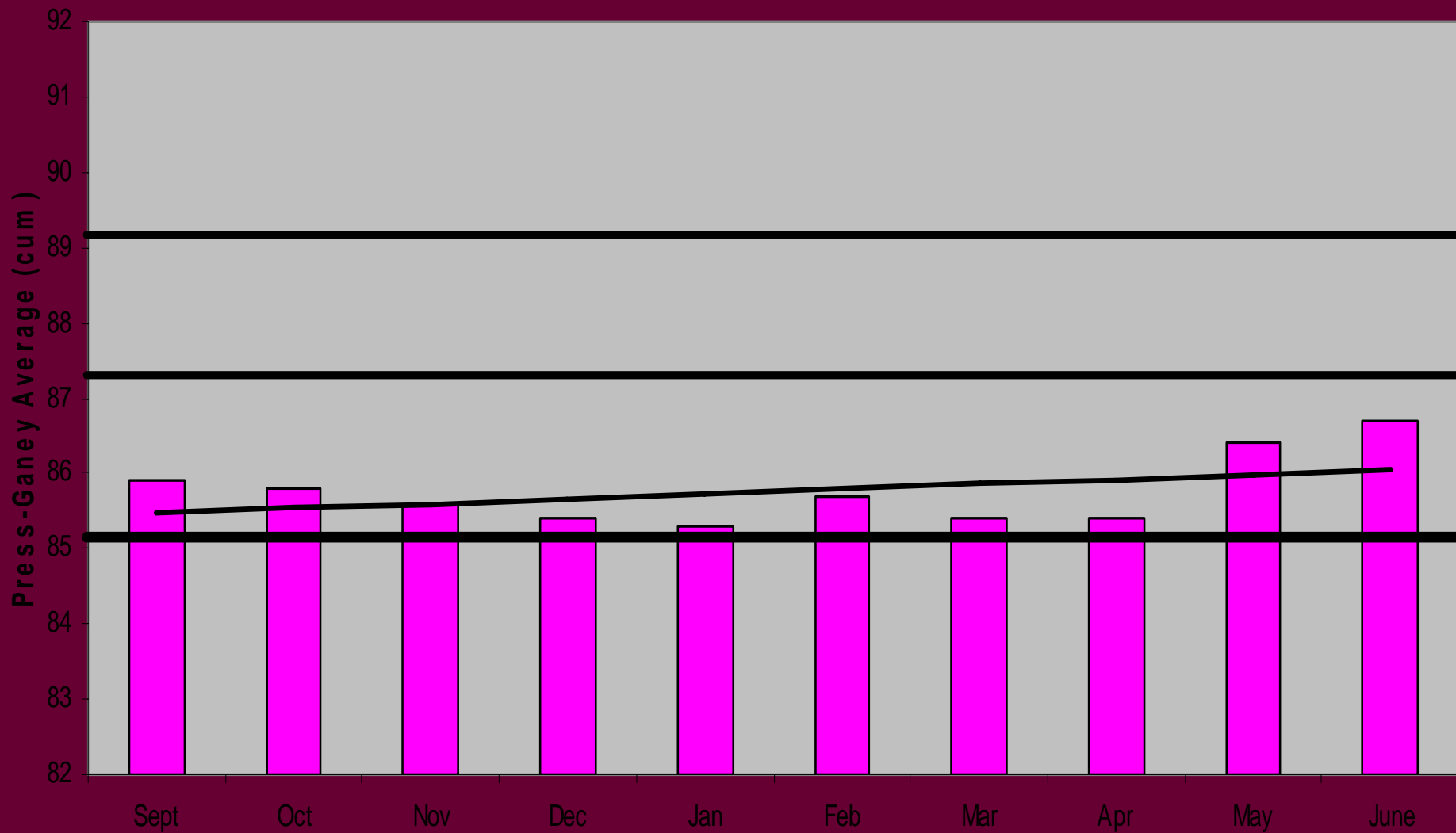
## June 2004

METRIC	FY 2003	FY2004	FY2004	FY2004	FY2004	FY2004	FY2004
	Actual	Actual	Actual	Performance Level	Minimum Performance	Goal	High Achievement
<b>New Ambulatory Care Visits (all sites)</b>	47,668	<b>48,443</b>	<b>48,443</b>	Below Minimum Performance	51005	53388	55772
(% change prior year)	20.1%				7%	12%	17%
<b>Press-Ganey Average</b>	85.12	<b>86.7</b>	<b>85.6</b>	Exceeds Minimum Performance	85.21	87.21	89.21
		June	cumulative		Mean	2 pts	4 pts
<b>Net Collection Rate II</b>	n/a	<b>87.2%</b>		Below Minimum Performance	95%	96%	97%
		**					
<b>Days in A/R</b>	72	<b>63</b>		Below Minimum Performance	60	57	54
		**					
<b>Net Income Less Business Office Expense</b>	\$49.6M	<b>\$63.8M</b>	<b>\$63.8M</b>	Exceeds High Achievement	\$52.1M	\$53.3M	\$54.6M
(% change prior year)	12.9%	June	<b>28.7%</b>		5%	7.5%	10%
		** with anesthesiology					

# New Ambulatory Care Visits

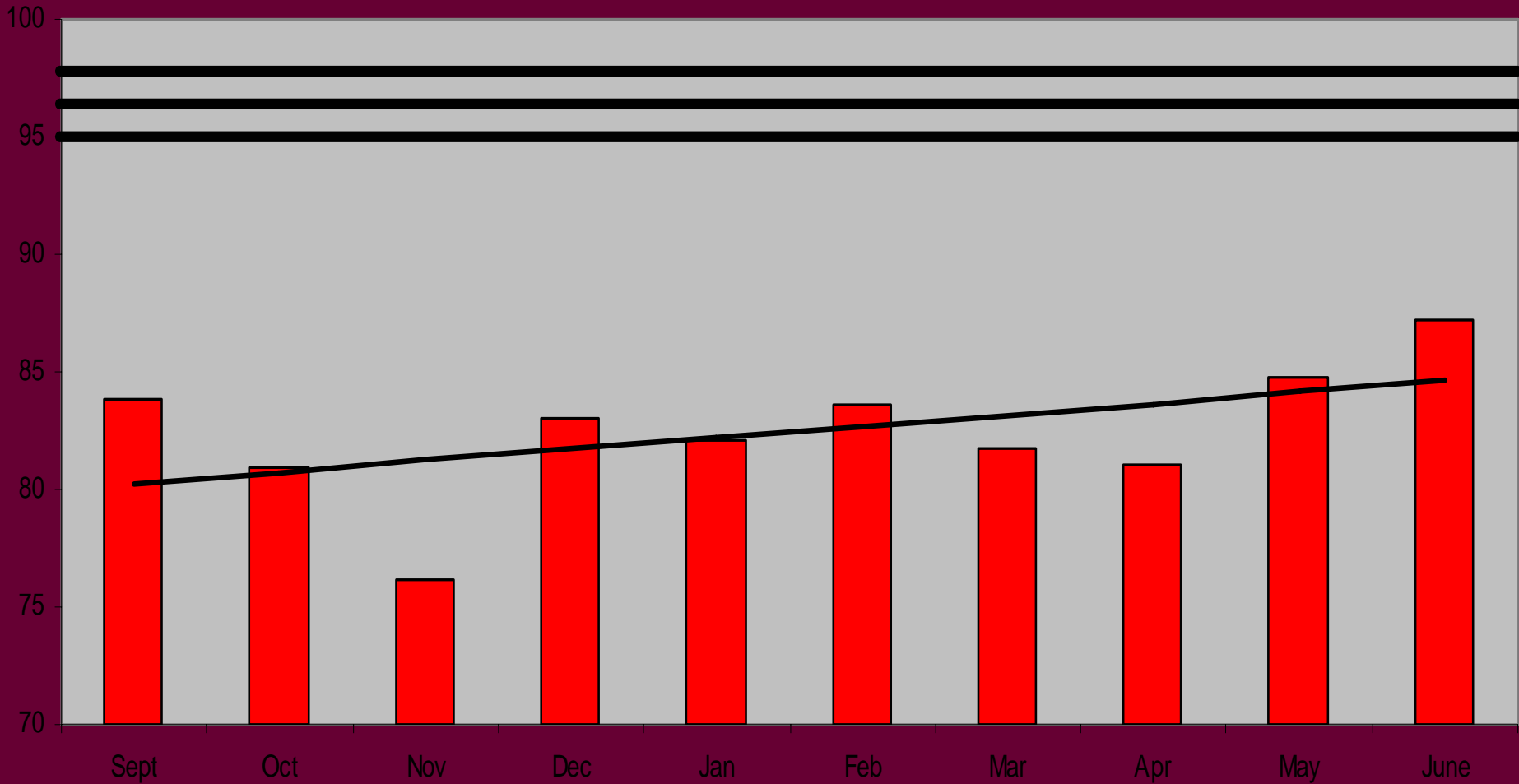


# Patient Satisfaction

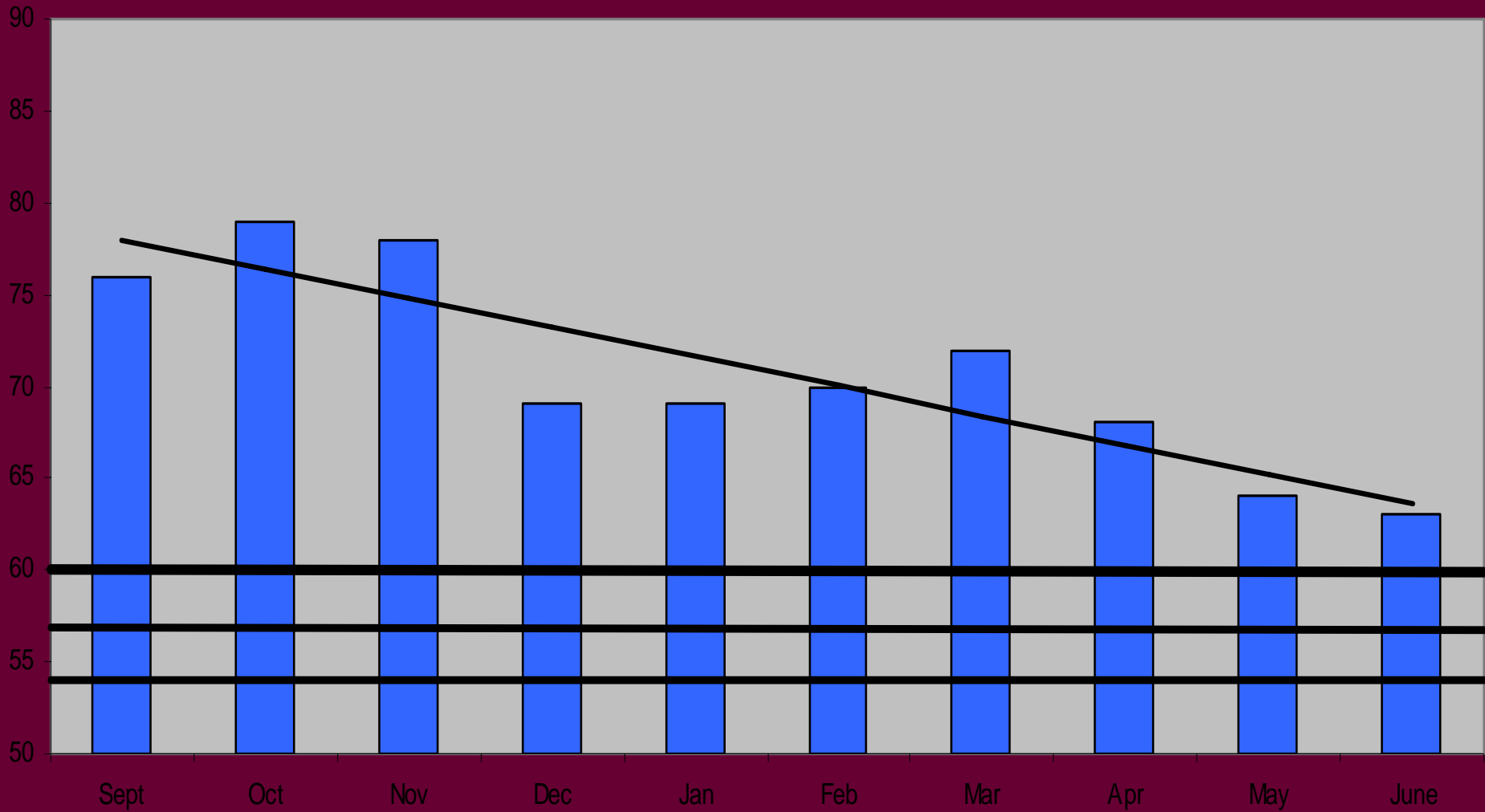


# Net Collection Rate II

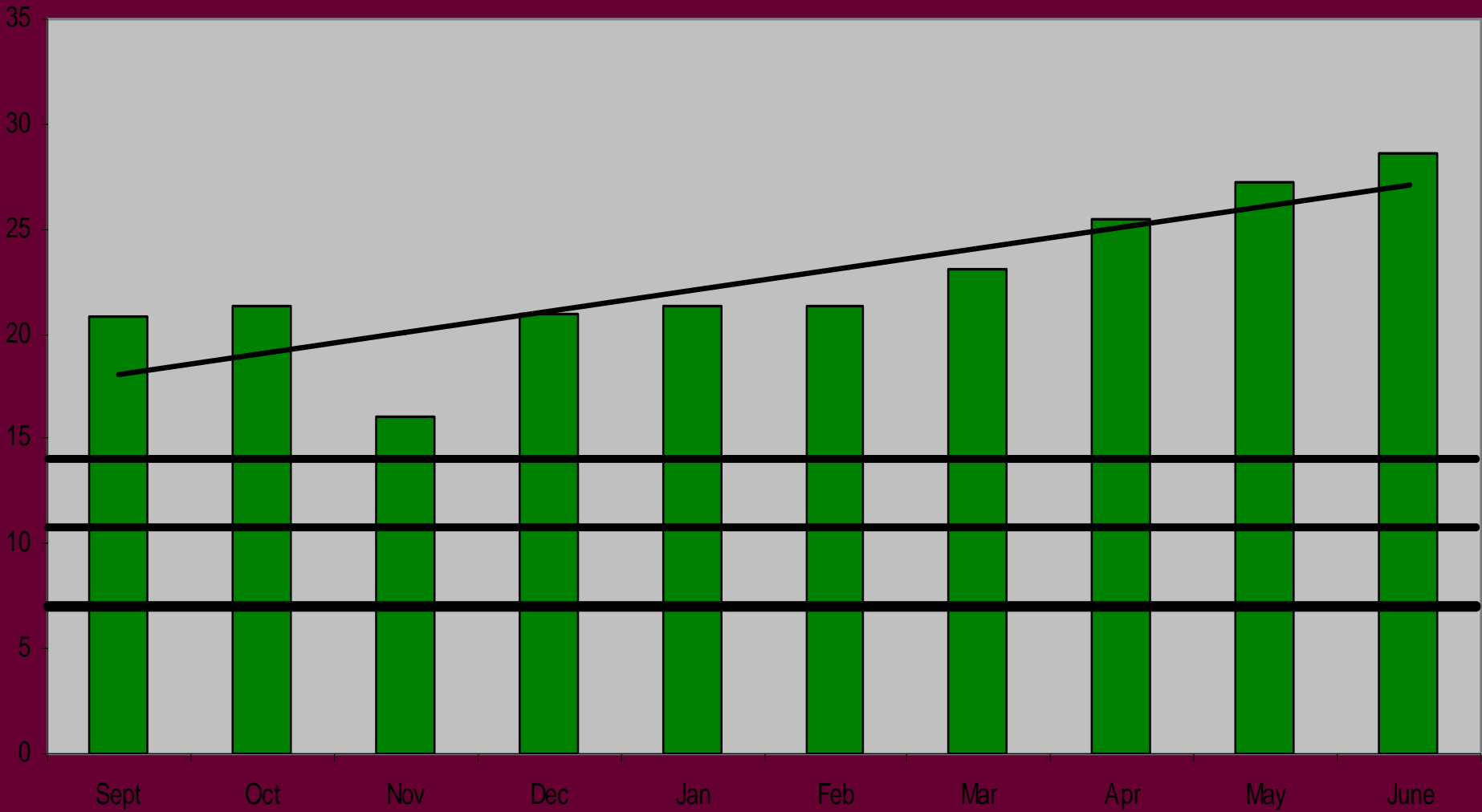
(April and May includes Anesthesiology)



# Days in AR



# Net Income Less BOE



# THE 3 CIRCLES

**Physicians Practice Group**

**MCG**

**Allied Health Sciences**  
**Dentistry**  
**Medicine**  
**Nursing**

**MCG**  
**Health System**

**MCG Health, Inc.**

**Georgia Radiation Therapy Center**  
**Children's Medical Center**  
**Hospitals and Clinics**  
**Satellite Clinics**

# RELATIONSHIP WITH MCG and REGENTS

- Memorandum of Agreement – July 1, 2000
- Roles of PPG
- MCG Reserved Authority



# MEMORANDUM OF AGREEMENT BETWEEN PPG AND MCG/REGENTS

- PPG authorized to:
  - Conduct and manage the practice of medicine
  - Utilize subsidiaries, ventures and other legal entities
  - Enter into contracts for clinical component of faculty time
- Impact/effect
  - Participation in clinical operations, managed care issues, medical management
  - Increases flexibility to manage affairs
  - Facilitates agreements with MCG Health, Inc., third party payors and other providers

# MEMORANDUM OF AGREEMENT BETWEEN PPG AND MCG/REGENTS

- PPG authorized to:

- Conduct and manage ambulatory care services

- Bill and collect professional fees

- Acquire and administer funds

- Enter into contracts and or establish joint ventures – other parties, insurers, managed care organizations

- Impact/effect:

- Work cooperatively with MCGHI to improve ambulatory care programs

- Continue

- Continue

- Allows joint ventures with MCGHI

- Signature authority for managed care contracts

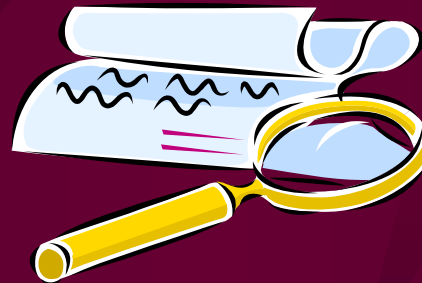
# MEMORANDUM OF AGREEMENT BETWEEN PPG AND MCG/REGENTS

- PPG shall:
  - Contract with MCG Health, Inc. for physician and oral surgeon services (including ambulatory care services)
- Impact/effect:
  - Allows for provisions contained in PPG Agreement with MCG Health, Inc.



# MEMORANDUM OF AGREEMENT BETWEEN PPG AND MCG/REGENTS

- Salary determined by MCG
- Revenue distribution plan allows for incentive income to be paid thru MCG payroll into faculty check
- PPG may directly compensate physicians who do not hold regular faculty appointments



# THE 3 CIRCLES

**Physicians Practice Group**

**MCG**

**Allied Health Sciences  
Dentistry  
Medicine  
Nursing**

**MCG**  
Health System

**MCG Health, Inc.**

**Georgia Radiation Therapy Center  
Children's Medical Center  
Hospitals and Clinics  
Satellite Clinics**

# PPG/MCG HEALTH, INC. AGREEMENT

- Effective 7/1/00
- Major provisions:
  - PPG to provide:
    - Medical Administrative Services
    - Indigent Care Services
    - Hospital Based Services
    - Professional Component Services



# PPG/MCG HEALTH, INC. AGREEMENT

- Medical Administrative Services
  - Clinical service chiefs – adult and CMC
  - Medical directors
  - Unit directors
  - Major committee chairs
  - Formula-based payment methodology



# PPG/MCG HEALTH, INC. AGREEMENT

- Indigent Care Services
  - Paid by MCG Health, Inc to PPG
  - Payment methodology based upon “Write-Offs” for indigent and charity care as recorded in IDX B/AR system
  - Financial counseling issues
  - PPG determines distribution



# PPG/MCG HEALTH, INC. AGREEMENT

- Hospital Based Services
  - Radiology
  - Pathology
  - Anesthesiology
  - Emergency Medicine
- From SOM departments via PPG



# PPG/MCG HEALTH, INC. AGREEMENT

- Professional Component Services
  - Billed to third party and/or patient
  - Allows for non-PPG members to care for patients via open medical staff



# PPG/MCG HEALTH, INC. Agreement

- Right of first refusal
  - Mutual provision
  - Allows for “second look”
  - Timely evaluation
  - No veto card



# PPG/MCG Health, Inc. Agreement COLLABORATION

- Clinical programs
- Ambulatory care
- Marketing
- Managed care contracting
- Obtaining reimbursement
- Defense in litigation
- Recruitment of key individuals
- Dispute resolution
- Information systems management



# REVENUE DISTRIBUTION PLAN

- Adopted May 2001; pilot year FY 2002; full year FY 2003; revised for FY 2005
- Income
- Expenses
- Balances
- Distribution of Income and Payment of Expenses
- Incentive Distribution
- Review



# COMMITTEES

- Executive Committee
- Ways and Means Committee
- Academic Group Practice Committee
- Committee on Business Operations
- Managed Care Committee
- Fringe Benefits Committee
- Risk Management Committee
- Marketing Committee
- Bylaws Committee

