

Health Care Leaders Seek Cost-Control Strategies

By Tom Wilemon

With cost and quality becoming more transparent in health care, location is not always the primary factor for deciding which hospital gets a patient's business.

Lowe's [Companies Inc.](#) this year began encouraging its employees to travel to the Cleveland Clinic for heart surgeries.

This trend is why competitors within the Memphis health care market will meet next month to collaborate on ways to control costs and improve quality. Payment reform is the focus of the Oct. 30 meeting, hosted by the Memphis Medical Society and Healthy Memphis Common Table.

“As far as I'm concerned, we need to catch the wave,” said Renee S. Frazier, chief executive officer of Healthy Memphis Common Table. “This is not being ahead of the curve. This is catching the current wave.”

More than 100 hospital administrators, leaders of physician practices, insurance executives, employer benefits experts and consumer representatives are on the list for the invitation-only meeting.

“We had some preliminary meetings coming up before this October meeting,” said [Michael Cates](#), executive vice president of the Memphis Medical Society. “This is the big one. This is the Super Bowl.”

The speakers will include Michael J. Darrouzet, chief executive officer of the Dallas County Medical Society, and [Harold Miller](#), executive director of the Center for Healthcare Quality and Payment Reform.

The meeting is funded through the Aligning Forces for Quality, an initiative of the [Robert Wood Johnson](#) Foundation. Memphis is one of 17 communities in the nation participating in the initiative.

Dr. Manoj Jain of Memphis led one of the preliminary meetings and presented data compiled by a health care economist that compared Part B Medicare spending at some Memphis hospitals to the Cleveland Clinic over the last two years of life for patients. The cost was higher and patient stays longer at Baptist Memorial Health Care and Methodist Le Bonheur Healthcare.

“There are huge variations in the cost of care in different parts of the country,” Jain said. “Places that cost less also have high quality. The question is, ‘How do we make Memphis a high quality, low cost center for the care?’”

Per person spending averaged \$2,582 at Shelby County hospitals compared to a national average of \$2,363.

Payment reform is one of the components called for in the health care law.

“There won’t be one type of payment,” Frazier said. “It really will depend on the type of service that we’re talking about. And it will also depend on the delivery site. There may be multiple systems of payment depending on the care being provided and the location of the care.”