Nightingale's Healthcare News

January 2010 Volume 8, Number 1

inside

Editor's Note: To navigate *Nightingale's,* hyperlinks are provided for the above departments, the "continued on" jumps, and the "¤" mark at the end of articles. Websites and email addresses are also hyperlinked.

Everyone's A-Twitter – Except in Healthcare

Why Jumping Into the Blogosphere Is a Good Move

by Lisa Hubbell

Editor's Note: Last month, *Nightingale's Healthcare News* looked at how the number of healthcare organizations using social media outlets like Facebook, Twitter, and YouTube are increasing. This month, we examine why others might want to follow the trend.

Dr. Bryan Vartabedian, a pediatric gastroenterologist at Texas Children's Hospital, started his blog (www.33charts.com) last spring as a way to communicate with parents. "I wanted to talk at the intersection of health and social media," he says. More and more physicians, though, are looking at what he does for guidance. "There are a remarkably small number of physicians involved," he says. "I don't know if my colleagues know really what to think about it. Physicians like immediate feedback, and there are concerns about liability and

continued on page 2

Slowdown in Assisted Living Facilities

Elderly Finding Alternatives in a Recession

by Steve Raphael

The nation's economic downturn has claimed another victim, the once-flourishing assisted living industry.

Shrinking personal financial portfolios and a tighter credit market have combined to reduce occupancy rates and slow the pace of new construction, says Michael Hargrave, Vice President of the National Investment Center for the Seniors and Housing & Care Industry (NIC). "New construction today is just a trickle, with a few hundred units getting built each quarter."

That's the bad news. The good news is that the future is definitely bright as the baby boomers retire. Most assisted living residents are affluent octogenarians, the fastest growing

continued on page 2

Sicker Patients, Higher Hospital Costs

Top 10 Procedures Changed Over Decade Says AHRQ

by Lisa Jaffe Hubbell

As the debate continues over how to rein in healthcare costs, a new study identifies one of the causes – sicker patients. Nearly two-thirds of hospitalizations involve at least one procedure says the Association for Healthcare Research and Quality (AHRQ), which compared hospital care data of 1997 to that of 2007. AHRQ also compared hospital cost data for 2004 and 2007 and, not coincidentally, found that costs grew by 6.3 percent annually. The mean cost per stay increased by 3.9 percent. The balance of the increase was due to a 2.4 percent growth in the number of hospitalizations.

The study is the most comprehensive of its kind. According to Irene Fraser, Ph.D., Director of the Center for Delivery, Organization and Markets at the AHRQ, the study is a step up

continued on page 4

A-Twitter, *from page 1*

HIPAA. We like to be mysterious, too, and social media don't allow for that. You have to say what you believe and be who you are."

Blogs and other social media are a way to create greater visibility, says Vartabedian. The Boston market, where the blogging CEO of Beth Israel Deaconess Hospital, Paul Levy, resides, is tight, which might help to explain his presence in the blogosphere (http://runningahospital.blogspot.com). "A lot of online social presence allows you to leverage mainstream press," Vartabedian notes. "Lee [Aase of Mayo Clinic] took a $150 flip cam and WordPress (blogging software) and it ended up on *Good Morning America*. It's great for branding and patient education."

This is something that healthcare organizations cannot be afraid of, Vartabedian continues. "You have to do this as a requisite part of hospital marketing and interfacing with patients. People are still figuring it out and its potential – both good and bad." He tells a story of a woman who was on disability for depression who had her status revoked after someone in power spotted pictures on Facebook of her enjoying a party and taking a vacation. On the other hand, there are several healthcare organizations that use simple search tools to see what people are saying about them on Twitter. Some have staved off customer service problems by monitoring conversations that take place not on their Twitter accounts, but in other places in the Twitterverse.

At Aurora Healthcare in Milwaukee, Jamey Shiels, Director of Social Media and Digital Communications, is one of those who has seen the power of social media come in a wave. "We did a live broadcast of a surgery using a digital camera and a play-by-play by PR folks in the room. They took questions from the audience. Many of the questions were so technical it was obvious that, although it was supposed to be for patient education, it was appealing to professionals, too.

Shiels is also one of the people who heard about a customer service problem through Twitter and was able to contact the person and solve the problem. That potential directs what should be everyone's first course of action: to use tools like Google Alerts and search.twitter.com to see what people are saying about you. Maybe you just need to update your website more often, Shiels says. Maybe Facebook or Twitter is a better option.

Brenda Finkle, Director of Corporate Communications at Norman Regional Health System, says finding the right person to handle social media is vital. Just as Levy is known as an engaging blogger, so can everyone be entertaining and informative in a 140-character tweet. Finkle says her Tweeter-in-Chief, Melissa Herron, has a great light tone that interests consumers in and out of the area. The system has nearly 900 followers on Twitter and 243 Facebook fans. "I don't know why people don't do this," says Finkle. "It's free, it doesn't take a whole lot of time, and the copywriter is already writing stories and has an intimate knowledge of the system."

Herron says she spends about an hour a day on social media, and is set up, using Tweet Deck, to check every 20 minutes what her followers are saying. She sends maybe two or three tweets a day, everything from suggestions on how to warm up in the winter to answering questions about where and when someone can take a CPR class within the system. That latter tweet? A response to a question posed by someone *she* was following on Twitter. Another positive Twitter moment came when someone was asking about how to find a good endocrinologist. "I just pointed them to our specialists in a tweet," Herron says.

continued on page 4

Slowdown, *from page 1*

segment of the population, according to the U.S. Census Bureau.

"Our big wave is yet to come," says Paul Williams, Senior Director of Government Relations for the Assisted Living Federation of America (ALFA). The Alexandria, VA-based association represents 600 operators of assisted living communities.

Assisted living facilities are alternatives for individuals who can't live independently in their homes and don't require around-the-clock medical care provided in nursing homes. Individuals in independent living arrangements remain in their homes with the support of aides.

An assisted living facility does not meet any cookie-cutter approach. It can be a small, intimate setting, a four-bedroom house, or multiple campuses where hundreds of people live, Williams adds.

According to Williams, there are about 38,000 assisted living facilities and one million beds in the United States, with the most beds in California, Florida, and Texas. Nearly one million persons live in assisted living arrangements today, compared to 600,000 in 1998.

Until recently, the economics were encouraging. The market capitalization of 5,875 properties is $59.6 billion, Hargrave says. "This industry went through a pretty significant growth spurt from 1998-2002, growing 8.5 percent annually for four straight years. Then came the bust. There was a little too much overbuilding and occupancy rates went down." The current recession has made matters worse. A capital squeeze that hit in August 2008 stifled new construction. Then came the recession, which shrunk the portfolios of the elderly and the incomes of their adult children.

According to Hargrave, "Adult children often decide where and when to place their parents in assisted living, and often they foot a part of the bill. As the economy slumped, they could not place their parents. Since the first quarter 2007, more people have moved out of assisted living facilities than have moved in."

But the industry is climbing back. According to the NIC, occupancy rates hit a high of 91.5 percent in the fourth quarter of 2006, before sliding back to a low of 88.5 percent in the first half of this year. In the third quarter of this year, occupancy rates registered a modest upswing to 89 percent.

Units under construction have been on a roller coaster ride. In the fourth quarter of 2005, 3,909 units were under construction. This figure nose dived to 2,751 in the first quarter of 2007, rebounded to 4,662 in the first quarter of this year, and then plummeted to 3,012 in the third quarter of this year, NIC reports.

The recent ups and downs of the industry are reflected in the far different financial statuses of two of the nation's largest assisted living operators, Seattle-based Emeritus Corp. and McLean, VA-based Sunrise Senior Living.

In April 2008, Emeritus closed on a $305 million deal for 24 communities that it had already been operating.

Sunrise is staring at a different fate. The *Washington Post* reported in March that the company may seek Chapter 11 bankruptcy protection if it cannot reach new agreements with its lenders. The company's stock price nose dived last year after an amended 10K filed for 2008 showed large losses for some of the company's subsidiaries. Sunrise announced last May that it will trim 150 jobs.

The assisted living industry is also being squeezed by socioeconomic factors. The average age of an assisted living resident is 86.9 years old, Williams says, adding, "People only come when they absolutely cannot live independently."

The median income of a resident is $18,972, which includes Social Security and pensions. "Assisted living is not recession proof,

continued on page 4

Research Report

Who's Who in Express Scripts, Inc. and WellPoint, Inc.

by Francoise C. Arsenault

Express Scripts, Inc. is one of the largest pharmacy benefits management companies in North America, providing services to thousands of client groups, including managed care organizations, insurance carriers, employers, third-party administrators, the public sector, workers' compensation plans, and union-sponsored benefit plans. Founded in 1986, Express Scripts provides integrated pharmacy benefits management services, including network-pharmacy claims processing, home delivery services, benefit-design consultation, drug-utilization review, formulary management, and medical and drug data analysis services. Members have access to a network of about 60,000 retail pharmacies, as well as the company's own mail order pharmacies.

Express Scripts, which is headquartered in St. Louis, Missouri, processes claims for about 500 million prescriptions each year. The company also distributes a full range of biopharmaceutical products directly to patients or their physicians, and provides extensive cost-management and patient-care services. In 2008, Express Scripts had revenues of close to $22 billion and approximately 11,500 employees.

WellPoint, Inc. is the nation's largest health benefits company, with more than 34 million members in its affiliated health plans. With its nationwide network, the company delivers a number of leading health benefit solutions through a broad portfolio of integrated health care plans and related services, along with a wide range of specialty products such as life and disability insurance benefits, pharmacy benefits management, dental, vision, and behavioral health benefit services, as well as long-term care insurance and flexible spending accounts. Headquartered in Indianapolis, Indiana, WellPoint is an independent licensee of the Blue Cross and Blue Shield Association serving members in California, Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri, Nevada, New Hampshire, New York, Ohio, Virginia, and Wisconsin, and in all 50 states through UniCare.

WellPoint, which was formed in 2004 with the merger of WellPoint Health Networks Inc. and Anthem, Inc., had sales of approximately $61.25 billion in 2008 and more than 42,500 employees.

The transaction, which was announced on April 13, 2009, and closed on December 1, 2009, includes a 10-year agreement under which Express Scripts will provide pharmacy benefits management services, including home delivery and specialty pharmacy services, to members of the affiliated health plans of WellPoint. Express Scripts acquired the Well Point NextRx subsidiaries for $4.675 billion, including cash and up to $1.4 billion in common stock. NextRx, which was founded in 1993, serves 25 million Americans and manages more than 165 million adjusted prescriptions annually. Even without its NextRx business, WellPoint will still be one of the nation's largest health insurers.

Transaction Professionals

George Paz is the Chairman of the Board of Directors, Chief Executive Officer, and President of Express Scripts, Inc. **Jeffrey Hall** is Executive Vice President and the Chief Financial Officer. **Keith Ebling** is Executive Vice President and General Counsel. **Gary Wimberly** is Senior Vice President and Chief Information Officer. **Patrick McNamee** is Executive Vice President for Operations and Technology of Express Scripts, Inc.

Larry C. Glasscock is the Chairman of the Board of WellPoint, Inc. **Angela F. Braly** is the President, Chief Executive Officer, and a Director. **Wayne S. DeVeydt** is Executive Vice President and Chief Financial Officer. **Lori Beer** is Executive Vice President and Chief Information Officer. **John Cannon III** is Executive Vice President, General Counsel, and Corporate Secretary.

Skadden, Arps, Slate, Meagher & Flom LLP represented Express Scripts on the acquisition. **Howard L. Ellin**, **Lou R. Kling**, **Kenneth M. Wolff**, **Cliff H. Aronson**, **Stephanie L. Teicher**, **David M. Rievman**, **Stacy J. Kanter**, and **Bruce J. Goldner**, all partners with the firm, worked on the deal.

The in-house legal team for Express Scripts included general counsel **Keith Ebling**, associate general counsel **Martin P. Akins**, deputy general counsel **Janice C. Forsyth**, and assistant general counsel **Robert Weinberg**.

White & Case LLP served as legal counsel to WellPoint on the deal. **Daniel Dufner, Jr.** was the lead partner on the team, which included **Daniel M. Latham**, **David N. Koschik**, **Colin J. Diamond**, **Kevin Keogh**, **J. William Dantzler, Jr.**, and **Daren M. Orzechowski**, partners, and **Randall C. McGeorge**, of counsel.

The in-house legal team for WellPoint included general counsel **John Cannon III**, Vice President and counsel **Laurie Benintendi** and **Jay Wagner**, executive counsel **Kathy Mayberry**, Vice President **Kathy Kiefer**, and associate general counsel **Ron Foll.**

Ropes & Gray LLP advised Express Scripts on healthcare law issues. **Michael L. Sexton** was the lead partner on the acquisition. The team also included **Daniel T. Roble** and **William I. Sussman**, partners, and **Nathan A. Brown** and **Ann E. Lewis**, of counsel.

Baker & Daniels LLP is counsel to WellPoint in Indiana. **Tibor D. Klopfer**, a partner, worked on the transaction.

Hogan & Hartson LLP provided WellPoint with advice on antitrust issues related to the acquisition. The team included **Michelle Sasse Harrington** and **Robert F. Leibenluft**, partners.

The **Groom Law Group** advised WellPoint on issues related to pharmacy benefits management contracts. **Thomas F. Fitzgerald**, a partner, worked on the transaction.

Citigroup Inc. served as the financial advisor to Express Scripts, which teamed up with **Credit Suisse Group** and **J.P. Morgan Chase & Co.** to finance the acquisition. The Citigroup advisory team included **Mark Shafir**, Head of Global Mergers & Acquisitions, **Leon Kalvaria**, Global Head of Consumer and Healthcare Investment Banking, and **Joseph Mooney** and **Ray Cooper**, managing directors.

Banc of America Securities Merrill Lynch advised WellPoint on the transaction. **Michael McIvor**, Head of Healthcare M&A Banking, and **Brian Kinkead** and **John Hartley**, managing directors, worked on the deal.

Cravath, Swaine & Moore LLP provided legal counsel to the financial advisors to WellPoint. **Michael S. Goldman** and **William J. Whelan, III**, partners with the firm, directed the work. ¤

A-Twitter, *from page 2*

"In the end, you have to be part of the conversation where it is occurring," Finkle says. "If you have people complaining about you on Twitter, then you should be part of that conversation from the start. We've had situations where people had posted something that led us to believe they were unhappy about an experience. One was a posting about an urgent care facility we had sold a couple weeks before. This was a media person complaining. We called the new owners and said, 'Let's take care of this before it becomes a story.'"

The failure to address such problems can be catastrophic: just ask Domino's Pizza what happened after employees posted video on YouTube of themselves doing gross things to pizza. It went viral. "If you don't deal with these things in the first day, the tone changes. And after two days, you really just have to call your crisis PR firm," she says. Just ask Tiger Woods.

"Hospitals can't be five years behind AGAIN," says Ed Bennett, Director of Web Strategy at University of Maryland Health. Bennett maintains a website devoted to healthcare organizations' use of social media (www.edbennett.org). He refers to how slow most health systems were to embrace the Internet and other new technologies in general. The list he keeps of those using Twitter or maintaining a blog can be of use to those who want to jump on the bandwagon but might lack the power to make it happen in a timely manner. "Most of us are people without power, not a director usually, and often we are just one person in a department. We come up with a great idea, run it up to management and it gets shot down." That doesn't have to happen anymore. Now, there is a growing list that shows more than 500 hospitals and health systems tweeting, blogging, and using social media as an effective tool. That list can – and does – make things happen. "Every week I get a thank you from someone who says they discovered what their competition was doing and now they are on track." ¤

Slowdown, *from page 2*

especially if people pay for this out of their own resources," Williams adds. "In many cases, the care is not a luxury, it is a necessity."

According to NIC, an assisted living unit costs less than half as much as a skilled nursing home, with the median cost for a private nursing home room about $30,000 per year. Medicaid and Medicare, which pays for a limited number of assisted living slots for poor seniors, accounts for about 12 percent of the resident population. Some long-term care policies may cover at least part of the cost, representing another three percent of the population.

The strength of the industry is its intense consumer focus and entrepreneurial leadership. This is primarily because approximately 85 percent of individuals pay their own way.

Since Medicare and Medicaid foot the bill for many nursing home patients, "Nursing facilities have had a tendency to look at the government as their customer," says Paul Willging, a faculty member of the Johns Hopkins Bloomberg School of Public Health. Conversely, assisted living owners consider the resident their customer and move heaven and earth to ensure their comfort and happiness, he adds.

Some of the increasingly popular enticements include varied apartment size and layout, help with moving costs, flexible payment plans, high-speed Internet access, and even flat-screen televisions. And there are the standard services, such as meal preparation, personal care, laundry and housekeeping, transportation for doctor appointments and other trips, and organized social and recreational activities.

Many facilities provide services directly, while others contract with home healthcare agencies or other professional healthcare-related vendors. Some assisted living facilities tack on fees to cover extra or special services. Most assisted living residences charge month-to-month rates, but a few residences require long-term arrangements.

A growing number of assisted living facilities provide specialized care communities for those with Alzheimer's disease and other forms of dementia. Some provide care for the mentally ill or developmentally disabled. Hospice already has become a standard offering for those who want to die in their own assisted living home and be close to friends in their final days.

The lack of a specific government role in assisted living is a double-edged sword. The frail elderly need protections, industry officials agree. While a number of federal agencies have some jurisdiction over resident safety and quality of care, each state shoulders the primary responsibility for developing standards and monitoring the care the homes provide. Consumer protections vary from state to state.

"Any state will tell you that consumer protection means assisted living should be regulated," says Patricia Lange of the Florida Assisted Living Association. "Florida's statutes say our regulations have to be flexible. Over regulation hinders providers from doing their job."

Lange believes the system works best when owners and consumers work together, citing Wisconsin as a state with a good model of collaboration.

In Michigan, the definition of what is and is not an assisted living facility is murky, says Ann Kraemer. Kraemer is an ombudsman for Citizens for Better Care, a Michigan advocacy group for individuals in assisted living, nursing homes, and adult foster care homes. "It is a marketing term. There is no common definition or thinking of what constitutes assisted living in Michigan."

Most Michigan adult foster care homes and most homes for the aged provide 24-hour personal care, supervision, and protection, and must be licensed, she adds. Assisted living facilities can choose whether to be licensed and many obtain care services from unregulated home health agencies. ¤

Sicker, *from page 1*

from previous versions, and even includes data on the uninsured. "[The] databases now include more than 90 percent of all community hospital discharges in the U.S."

The costs for stays in which a procedure was performed grew by 7.2 percent between 2004 and 2007, totaling $296 billion. The top 10 procedures with the fastest growing costs had an average increase of nearly 30 percent. For some procedures, the cost has literally gone through the roof. The cost of a bone marrow transplant is up almost 90 percent over the period. Oprostatectomy costs are up 68 percent. Cancer chemotherapy, spinal fusion, incision and drainage, arthroplasty (knee), and mastectomy are some of the many procedures where costs have climbed by 25 percent or more.

AHRQ says the most important driver of cost increases was that service intensity increased – more was being done for each patient or the patient was sicker or had more co-morbidities.

Costs for hospitalizations have risen faster than the number of hospitalizations, the data show. While discharges increased 14 percent, from 34.7 million in 1997 to 39.5 million in 2007, inflation-adjusted costs increased 55 percent, from $222.4 billion to $343.9 billion.

The top reason for hospitalization in 2007 (unrelated to childbirth,

continued on page 8

Special Report

Healthcare Practices of Major Accounting Firms

Firm	Senior Professionals		Representative Services
BDO Seidman Healthcare Advisory Services Costa Mesa, CA Tel. (713) 957-3200 www.bdo.com	Steven Shill Chris Orella		Healthcare Assurance practice offers financial, operational, and consulting and accounting services for healthcare providers, insurers, and payors nationwide. Provides a broad range of services, including assurance, feasibility studies, long-term care, and biomedical.
BKD BKD National Health Care Group Springfield, MO Tel. (417) 831-7283 www.bkd.com	Brian Hickman Jon Unroe Scott Vaughn	Neal Spencer Eric Hansen	CPA and advisory firm with healthcare specialty provides audit and assurance, tax, and reimbursement services; cost reporting; Medicare, Medicaid, and third-party payer reviews; revenue cycle reviews; forecasts and strategic planning; compliance and corporate integrity; operations and clinical consulting; and information technology.
CBIZ, Inc. CBIZ Healthcare Services Leawood, KS Tel. (913) 234-1990 www.cbiz.com	John Leifer David Bowerman Samuel A. Donio, Jr. George Kelley	Ed Rataj Carolyn Watley Dave Thompson Greg Thomson	Provides strategic planning and marketing services, valuation services, financial operational enhancement services, human capital services, benefits and insurance services, and physician practice management and billing services to hospitals/health systems, major healthcare vendors, healthcare associations, and governmental agencies.
Crowe Horwath Healthcare Services Group Oak Brook, IL Tel. (630) 586-5237 www.crowehorwath.com	Mark Hildebrand David R. Frank Derek Bang Geralyn Hurd Rajeev Chaudhary Ron Ralph Jim Ridenouer	Mark Hull Brian Sanderson Rick Greene Jack Wolfe Nicole Bencik John Woodhull Rachel Spurlock	Assists public and private company clients through audit, tax, risk and consulting services offered as an independent member of Crowe Horwath International, one of the largest networks in the world, consisting of more than 140 independent accounting and management consulting firms with offices in more than 400 cities around the world.
Deloitte & Touche New York, NY Tel. (212) 436-2000 www.deloitte.com	John Bigalke Russ Rudish R. T. (Terry) Hisey	Matthew Hudes Paul Keckley, Ph.D. William Copeland, Jr.	The Life Sciences and Health Care (LSHC) Industry Group, made up of the LSHC practices of Deloitte member firms, provides a range of auditing, accounting, financial advisory, tax, and consulting services to payors, providers, and life science organizations.
Ernst & Young Global Life Sciences Center Boston, MA Tel. (617) 266-2000 www.ey.com/GL/en/Industries/Life-Sciences	Carolyn Buck Luce Glen Giovannetti Scott Sarazen David Womelsdorf		Provides clients in the provider care, biotechnology, and pharmaceutical sectors with solutions based on financial, transactional, and risk management knowledge in E&Y's core services of audit, tax, and transaction advisory services. E&Y's health advisory practice focuses on reimbursement, revenue management, and operational efficiency services.
Advisory Services Iselin, NJ Tel. (732) 516-4200	Lynne Parrott John Simon Jim McLarty		
Grant Thornton Chicago, IL Tel. (312) 856-0200 www.grantthornton.com	Anne McGeorge		Provides audit, tax, and business advisory services to hospitals, nursing homes, assisted living facilities, retirement communities, medical laboratories, managed care organizations, and other healthcare entities.
KPMG Chicago, IL Tel. (312) 665-2073 www.kpmg.com	Ed Giniat Brad Benton Marc Scher	Sam McGarr Bill Baker Bryan Jones	Provides clients with technical support and practical advice across a broad range of audit, tax, and risk advisory services. Helps clients balance risk, controls, and performance improvement to maintain compliance and achieve sustainable value over time.
McGladrey & Pullen/RSM McGladrey, Inc. Health Care Audit, Tax and Business Consulting Services Bloomington, MN Tel. (888) 214-1416 www.mcgladrey.com/www.rsmmcgladrey.com	Tony Cawiezell Jim Crisp Curt Degenfelder Tom Dobosenski Peter Epp Al Gracie	Jim Grigg Christine Hanover Jon Hillman Mike Nichols Randy Ragan Jim Sink Dan Vandenberghe	Services include financial and operational consulting, Medicare reimbursement, tax compliance for for-profit entities, corporate compliance and governance, information systems consulting, assistance with insurance issues, business valuation services for physician practices, corporate compliance, and market/strategic information.
PricewaterhouseCoopers Health Industries Group New York, NY Tel. (800) 211-5131 www.pwc.com/healthcare	Kelly Barnes Paul Veronneau	Robert Dondero Robert Valletta	Provides assurance, advisory, and tax services to integrated delivery systems, hospitals, payer and managed care organizations, pharmaceutical and health science companies, governments and other policymakers, professional associations, and investors.

Worth Reading

The Style and Management of a Pediatric Practice

Author: Leo W. Bass, M.D. and Jerome H. Wolfson, M.D.

Publisher: Beard Books

Softcover: 154 pages

Price: $34.95

Review by Henry Berry

The Style and Management of a Pediatric Practice is an essential resource for pediatricians who have completed their medical education and training and are about to set up a practice in this critical area of healthcare. The authors write from a wealth of experience. For many years, they had a successful joint practice in Pittsburgh, where they also taught pediatrics and consulted for a juvenile detention center. Their teaching and consulting work evidences the broader role that many pediatricians are taking in bettering the lives of their young patients.

This broad perspective of a pediatrician's mission is reflected in the preface to the book, in which the authors state, "We are encouraging our patients to stay with us longer and we are spending more time with adolescents and even young adults." Bass and Wolfson further note that pediatricians are playing a more central role in healthcare in general. Today's pediatrician must keep pace with the latest medical issues and topics, and be prepared to deal with expanded patient relationships and treat a greater variety of patients. Nonetheless, the authors recognize that, "the fulcrum of any pediatric practice is [still] the newborn baby."

As an example of the more expansive mission that pediatricians must now be prepared for, the authors point out that, unlike in years past, the care and treatment of older children may entail genital exams and discussions of sexual matters. Also, as many readers are undoubtedly aware, contemporary pediatricians, more so than earlier generations, must be alert to and capable of diagnosing a variety of psychological and emotional conditions of older children, such as attention deficit disorder and substance abuse. In their expanded role, pediatricians must work with medical professionals in specialized areas such as psychology, with teachers and others at schools, and with personnel who provide community services for younger persons.

Bass and Wolfson's book begins with the premise that, to get a new practice off on the right foot, a pediatrician must first understand the mechanics of setting up an office, which, in turn, is inextricably bound with his or her style of practice. In other words, pediatricians need to recognize the interrelation between the mechanics of the office – that is, its arrangement or design – and their personality and the standard of care they intend to provide as physicians. Thus, the design of a small pediatric facility implies a standard of care the pediatricians mean to provide. Another important consideration, which the authors weave into the discussion, is aligning the pediatrician's mechanics and style with what constitutes prudent business practice.

The book is, however, more than a "how-to" on setting up a pediatric practice. Bass and Wolfson never stray from their objective of helping beginning pediatricians meet the demands of today's world. In doing so, the authors introduce topics that otherwise might be overlooked by beginning pediatricians. For instance, on the subject of play areas, the authors do not simply mention it as a necessary adjunct of a pediatric office, nor do they merely include it as an item on a checklist. Rather, Bass and Wolfson discuss the purpose of the play area, its value to patients and the pediatrician, and how it is used in the daily operations of the practice. With these considerations in mind, the authors advise the pediatrician to ensure that the play area is part of the waiting room so parents can keep an eye on their children. This, in turn, requires that the waiting room be especially large, not only to include the play area, but also because "pediatric patients tend to have lots of company – sometimes both parents or grandparents or friends." An inviting play area is also important because it will "distract the children...while you have a private word with their parents."

The design of a pediatric practice must also take into account the various medical procedures that will be performed on patients. For example, the authors suggest that, "In examining the eye you attempt the fundoscopic exam without touching the face... In examination of the ears learn to stand with your eye at arm's length from the otoscope."

Most importantly, the authors tackle the topic of delivering healthcare to patients of diverse ages and needs. They discuss for example, what office behavior to expect from children of all ages, which can even vary from month to month for patients of the same age. Managing a patient from registration to receiving payment is another topic that is concisely and knowingly covered.

The Style and Management of a Pediatric Practice provides a comprehensive, concrete, informative handbook on implementing the best medical and business practices for the smaller pediatric practice. The authors advocate their particular "system" and beginning pediatricians may conclude they want to modify the authors' advice, but they will find it unfailingly provides a good starting point. This work can help novice pediatricians quickly hit the ground running without expending unnecessary time and energy that is better used on treating patients. ¤

Leo W. Bass, M.D., and Jerome H. Wolfson, M.D., were prominent pediatricians in the Pittsburgh area for many years. Besides operating their own pediatric practice, they have consulted, taught, and provided services for local medical facilities.

Special Report

Outstanding Healthcare Litigators – 2009

Lawyer	Firm	Outstanding Achievements
Warren von Credo Baker	Drinker Biddle & Reath Chicago, IL Tel. (312) 569-1350 Warren.Baker@dbr.com	Defended a physician and his corporate entity, an exclusive acute care dialysis provider, in credentialing case under HCQIA. Defended a hospital and health system in an action for specific performance of an alleged contract to sell the client's interest in ancillary imaging centers to its joint venture partners. Favorable verdicts obtained in both cases.
George Breen	EpsteinBeckerGreen Washington, DC Tel. (202) 861-1823 gbreen@ebglaw.com	Defended medical society and individual physicians in action brought under state peer review statute. Claims dismissed in trial court and ruling upheld on appeal. Represented long-term care provider challenging administrative exclusion from participation in Medicare program. Resolution of litigation secured provider's continued program participation.
Lauren S. Colton	Hogan & Hartson Baltimore, MD Tel. (410) 659-2733 lscolton@hhlaw.com	Successfully represented a biotech company in claim brought by a participant in a clinical study. Achieved favorable settlement for device manufacturer in liability actions alleging injuries from physician's off-label use of company's devices. Representing a leading medical technology company in lawsuit filed by a third-party payor alleging defective cardiac devices.
Gregory N. Etzel	Baker Hostetler Houston, TX Tel. (713) 646.1316 getzel@bakerlaw.com	Obtained two federal court victories in cases of first impression. In *HealthEast Woodwinds Hospital v. Sebelius*, MN federal district court rejected CMS's policy not to apply favorable "capital hold harmless" payment policy to the hospital. *In Bayside Medical Center v. Sebelius*, D.C. district court ruled favorably for critical access hospitals "deemed rural" by statute.
Katherine Lauer	Latham & Watkins San Diego, CA Tel. (619) 238-2841 Katherine.Lauer@lw.com	Represented Advocate Healthcare in acquisition of Condell Medical Center and seller's $36 million voluntary disclosure and settlement; defended major academic medical centers, large public teaching hospital, nursing homes operator, and large hospital system in ongoing government fraud investigations involving allegations of Stark violations and other issues.
James Segroves	Proskauer Rose Washington, DC Tel. (202) 416-6871 jsegroves@proskauer.com	Representing John Kane Regional Centers opposing private enforcement of OBRA regulations in tort case, AHCA and U.S. Chamber in *Graham County Soil & Water Conservation District v. U.S. ex rel. Wilson*, and petitioners in *Wilcox v. United States ex rel. Stoner*. Litigated false claims practice cases for Beth Israel, New York City AHRC, and Psilos Group managers.
Stephen G. Sozio	Jones Day Cleveland, OH Tel. (216) 586-7201 sgsozio@jonesday.com	Represented hospital to resolve U.S. attorney's office and OIG investigation for alleged overcharges. Represented major hospital to obtain dismissal of federal and state class actions challenging not-for-profit status and billing practices. Represented a physician researcher at a major academic medical center in connection with testimony before House subcommittee.
Daron Tooch	Hooper, Lundy and Bookman Los Angeles, CA Tel. (310) 551-8192 dtooch@health-law.com	Lead attorney in *Coast Plaza Doctor's Hospital v. Blue Cross*, a case that created important new law in area of ERISA preemption involving claims by hospitals for emergency services. Co-lead trial attorney in *California Hospital Association v. Health Net, Inc.*, a class action case brought for illegal rescissions of patient policies. Obtained favorable settlement for client.
Richard W. Westling	Ober|Kaler Washington, DC Tel. (202) 326-5012 rwwestling@ober.com	Defending a nursing home company in DOJ's first-ever criminal quality of care prosecution. Representing a physician hospital organization and Medicare managed care plan as part of nationwide investigation and global resolution relating to Tenet Healthcare. Currently defending clients in healthcare-related investigations in matters pending across the country.
Christopher S. Williams	Calfee, Halter & Griswold Cleveland, OH Tel. (216) 622-8441 cwilliams@calfee.com	Defended health care insurance provider in insurance bad faith and ERISA case, obtaining summary judgment on behalf of client. Obtained settlement in excess of $1 million for hospital client arising from a failed joint venture with national hospital holding company. Defended health care insurance provider in two separate, complex lawsuits filed by physicians groups.

In Focus

Center for Value Based Medicine

The Center for Value Based Medicine is a Pennsylvania-based consulting firm that assists clients by showing the value, comparative effectiveness and cost-effectiveness of their products and services using standardized methodologies. In doing so, clients know better how to price their products and develop effective marketing strategies.

Among clients that have used the Center's services are Allergan, Genentech, Merck, The National Institutes of Health, Pennsylvania Department of Public Assistance, and the US Cochrane Center.

Services provided include formulary management, outcomes research and analysis, budget modeling, and cost utility models. Consultants can also help quantify how a product enhances quality of life for patients through the Center's Quality of Life Database. The Center also provides services through its Pharmaceutical Value Index which measures comparative effectiveness and cost-effectiveness of a drug or device. It can work for drugs in development, in the market, or just under consideration.

Through the ValueRx analysis, center consultants can quantify the comparative effectiveness or the improvement in length-of-life and/or quality-of-life, conferred by a drug. Other tools the Center uses with clients include the Pain & Suffering Disability Index, which uses quality of life data used to set public policy; Quality of Life Analysis; and Legal Strategies and Disability Measurement Analysis.

The Center for Value Based Medicine is headed by CEO and President **Melissa M. Brown, MD**. The director of the organization since its founding in 1998, she is also an Adjunct Assistant Professor at the University of Pennsylvania School of Medicine. The author of over 200 publications, Brown has also served on the Advisory Council of the National Institute of Aging.

Other key personnel include:

- **Gary C. Brown, MD**, Director of Healthcare Economics. A professor of Ophthalmology at Jefferson Medical College and Director of the Retina Service at Wills Eye Hospital, he is the former Founder and Chairman of the Board of the Pennsylvania Physician Healthcare Plan.
- **Blair Irwin, MD**. Irwin has worked with the Center on a number of projects, including a complete clinical quality of life analysis in Ghana in conjunction with Unite for Sight. Previously, Irwin worked for Genzyme and Genentech, as well as JP Morgan Chase.
- **Joshua D. Stein, MD**. Stein has worked with the Center for more than 7 years. He has done extensive original quality-of-life research, particularly in the area of source perspective. Currently an Assistant Professor and Staff Physician on the Cataract and Glaucoma Service at Kellogg Eye Center at the University of Michigan, Stein is also a Diplomate of the American Board of Ophthalmology.
- **Lynn E. Geiger, PhD**. A clinical psychologist in private practice in Hilton Head, SC, Geiger advises the Center on psychological issues and quality-of-life associated with healthcare alterations.
- **Chirag P. Shah, MD**. A vitreoretinal surgery fellow at the Wills Eye Institute at Thomas Jefferson University in Philadelphia, Shah is currently looking at the costs of neovascular age-related macular degeneration from a societal and payor perspective.
- **Betsy Luo, MD**. Luo is an active associate at the Center, focusing on quality-of-life studies and health assessment. Currently, Luo is a second-year ophthalmology resident at Temple University. Previously a healthcare consultant with ECG Management Consultants, Inc., Luo specialized in strategic, financial, and management planning for teaching institutions, academic medical centers, and private medical practices
- **Jay P. Slotkin, MD**. A new associate with the Center, Slotkin has been a physician in private practice for 25 years. A clinical associate in the department of medicine at SUNY Medical School in Stony Brook, Slotkin lectures in geriatrics and precepts geriatric physician assistants.
- **Omesh P. Gupta, MD**. Gupta has been associated with the center since 2004. He is skilled in cost-utility analysis and translational medicine instruments from the laboratory to the clinical arena across many fields in medicine. Gupta also currently works as a vitreoretinal surgeon at Temple University School of Medicine.

More about the center is available at its website, www.valuebasedmedicine.com. ¤

Sicker, *from page 4*

pregnancy, or for infants) was pneumonia – an example of the trend in sicker patients arriving at the hospital door. In 1997, the leading reason for admission was coronary atherosclerosis. Meanwhile, infections were the most rapidly increasing reasons for hospitalization between 1997 and 2007. Skin and subcutaneous tissue infections rose 90 percent for men and 75 percent for women; septicemia increased by 63 percent.

A fifth of the hospitalizations of women in 2007 were related to childbirth and pregnancy. When combined with stays for newborn infants, those hospitalizations account for a quarter of all stays for both genders. Infant hospitalizations increased by 21 percent over the 10-year period.

Men entered the hospital most frequently due to circulatory conditions, accounting for 16 percent of all discharges. A tenth of hospital stays involved a blood transfusion. This was one of the fastest growing procedures, increasing 140 percent over the decade. Intubations were up 48 percent, doubling in the 45-64 age group and up 25 percent for infants. Arthroplasty of the knee increased by 86 percent, hemodialysis for renal failure grew by two-thirds, and the use of feeding tubes increased by 219 percent. Diagnostic cardiac catheterization was the second most common procedure for men and fourth for women.

One piece of good news: asthma, the most common reason for hospitalization among children, declined by 28 percent over the decade studied.

The complete report, with additional cost and procedure data, as well as data broken down by age and gender, is available at www.ahrq.gov. ¤

Nightingale's Healthcare News is published monthly by Beard Group, P.O. Box 4250, Frederick, MD 21705. Tel. (240) 629-3300. Fax (240) 629-3360. ISSN 1542-6092. Publisher: Christopher Beard. Managing Editor: Nina Novak (nina@beard.com). Senior Editor: David Buzzell (david@beard.com). Subscription rate: $284/year. Send comments and coverage suggestions to above address or chris@beard.com.