

Cornerstone Health to invest \$25M, add 135 jobs

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Cornerstone Health Care, the Triad's largest independent physicians group, will invest \$25 million and add 135 staff members during the next two years as it changes the way it delivers and charges for patient care.

Cornerstone is shifting from the traditional "fee-for-service" model that pays providers primarily for quantity to one that ties payment more directly to quality and emphasizes early intervention and prevention.

The change requires expanding upon the already significant investment in electronic medical records and patient information systems that Cornerstone has made. It also will require more information technology employees and mid-level providers.

While many in the industry are now studying and discussing how to transform health care to counter rising costs, Cornerstone is putting a plan into action that's likely to be watched closely.

"Our vision would be that we'd be able to lower the cost of health care on a per employee basis by getting the waste out of the system and at the same time insuring that patient access has increased," said Dr. Grace Terrell, president and CEO of Cornerstone.

About half of the 135 jobs Cornerstone anticipates creating will be in information technology, which underscores a new treatment model that is based on processing patient information to identify gaps in treatment and identify more serious and chronic conditions earlier. Cornerstone currently employs about 300 providers, including 210 physicians, as part of its 1,500-member work force.

Terrell sees an economic development impact from Cornerstone's efforts beyond the initial job creation, since the ultimate goal is to reduce health care costs.

"Imagine if we could take the average cost of health care, reduce it by \$1,000 to \$2,000 a year," Terrell said. "We would have people flocking to this area to bring jobs."

Information infrastructure

Cornerstone has been on the leading edge of implementing electronic medical records and has aggressively pursued incentives from the Centers for Medicare and Medicaid Services to implement that network. Such an information system enables the physician group to better track patient care and quality metrics that Cornerstone officials said will be a large part of this shift.

"We will be monitoring their care much more closely than we do today," said Rick Blake, business development officer for Cornerstone. "The information technology is the infrastructure that will help drive the change. You need to measure the patient as a whole."

As part of a shift to what is called "population-based" health care, Cornerstone will be putting patient care coordinators in place throughout its practices, hiring mid-level providers that will concentrate on disease management and bringing in clinical informaticists to sift through the data.

“We’re just being smart about putting the right provider in front of you,” Blake said. “We’ll need to demonstrate on the broader scale that the population we’re caring for is measurably better.”

Leading the transition

Jeff Miller, president and CEO of High Point Regional Health System, said it’s obvious that the way health care is delivered has to be restructured, and that Cornerstone is poised to take a leadership role in that transition.

“We’ve got to get more value rather than just getting paid because of volume,” Miller said. “A physician-led effort like this is very positive.”

Since Cornerstone is a large physician group with a broad array of specialties, it already has much of the integration required for such a move, Miller said.

Terrell said part of Cornerstone’s strategy includes deepening relationships with hospitals. Since Cornerstone physicians are on staff at 10 Triad hospitals, there are greater opportunities for clinical integration.

For instance, Cornerstone has a co-management agreement with High Point Regional in cardiology, which allows those providers the opportunity to shape care and improve quality while reducing waste, Terrell said.

“They are really becoming a part of the management process,” Terrell said.

Miller said High Point Regional is open to partnering with Cornerstone, but it’s premature to see what those new opportunities will be.

Payer partnerships

Another piece of the puzzle is redefining how providers are paid by those writing the check for care, including government payers and insurance carriers.

Pilot programs by the Centers for Medicare and Medicaid Services are exploring a move toward “bundled” payments or flat-rate payments for care that place an emphasis on quality and efficiency rather than paying providers for each service they provide.

Cornerstone is talking with insurance carriers, such as UnitedHealthcare, about how to make the shift to paying for quality rather than quantity, similar to what government payers are already exploring.

Garland Scott, president and chief executive of UnitedHealthcare’s operations in the Carolinas, said his company has already partnered with Cornerstone on other initiatives and is interested in working with the group through this transition.

UnitedHealthcare is already looking at performance-based contracting with physician groups and tying increases in payment to quality and performance criteria, which meshes with what Cornerstone is planning.

“From a carrier perspective, I’m very excited that they’re doing it,” Scott said. “They are taking a very strong partnership approach as they look at the things they’re launching.”