Beaumont, Botsford, Oakwood reach definitive agreement to create new, not-for-profit health organization

Beaumont Health System, Botsford Health Care and Oakwood Healthcare reached a definitive agreement to combine their operations into a new $3.8 billion health care organization following approval by their boards June 23.

Beaumont Board Chair Stephen Howard, Botsford Trustee Chair Gerson Cooper and Oakwood Board Chairman John Lewis say the agreement reflects their organizations’ common vision to remain leaders in providing high-quality, high-value, not-for-profit health care and their mission of community service.

Under the terms of the definitive agreement, the three organizations are creating a new, not-for-profit Michigan health system called Beaumont Health. The Beaumont Health name was chosen to demonstrate the new system’s focus on health and wellness and was based on independent market research showing the regional and national strength of the new name. The name also has historical ties to pioneering Michigan physician and medical researcher, Dr. William Beaumont, whose medical research and innovations are recognized globally.

The three organizations announced a letter of intent on March 21 to integrate their combined eight hospitals and 153 other patient care sites into a
Beaumont, Botsford, Oakwood reach definitive agreement

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new comprehensive, collaborative health system focused on advancing quality and access to care throughout the region.

Oakwood Board Chairman John Lewis, who will be the future chair of the Beaumont Health board says, “While Botsford and Oakwood have outstanding names and brands in their primary communities, we chose the name ‘Beaumont Health’ because of its recognition and strength throughout all of Southeast Michigan and on a national level. The new health system will be a national model and the name paves the way for an even stronger national voice in the future of health care delivery. And the word ‘Health’ represents our combined goal of improving the health of individuals, families and employers in the communities we serve.”

Beaumont President and CEO Gene Michalski, who will serve as initial CEO of the new health system, heralded the hard work, respect and collaboration that led to the agreement. “This milestone demonstrates our mutual commitment to working together to improve quality, efficiency and value for our patients. We’ll be able to share and build on our individual successes and will stand stronger together during a time of major transformation in the health industry.”

As announced in March, the new health system will be governed by a single board and executive leadership structure with representation from the three organizations. Michalski, Oakwood CEO Brian Connolly and Botsford CEO Paul LaCasse, D.O., will all serve on the CEO Council, overseeing the transition and implementation of the new system. Michalski will chair the CEO Council. Connolly, LaCasse and Michalski will remain as president and CEO of their respective organizations during the period of transition. Connolly is serving as chief transition executive and Dr. LaCasse is serving as clinical transition executive on behalf of the CEO Council.

Chief Transition Executive Brian Connolly says, “The work to integrate these three great organizations, while challenging, is progressing well. We see the signs that we are indeed creating the health care system of the future – a system in which population health can truly be impacted in a very positive way while increasing quality and value for every family we are fortunate to serve.”

Physician collaboration and integration is another key priority for the new health system.

“We want to continue to engage all our physicians in driving clinical standards, performance, programs and services, and to expand opportunities to partner with community physicians and other care providers to better serve patient needs and secure the future for our physicians,” says Dr. LaCasse, Botsford CEO. “This includes the physicians we are training through our graduate medical education programs and medical school relationships.”

The final steps in coming together are state and federal regulatory approvals. With these approvals, the organizations expect to close the transaction in the fall.

Work will also continue to develop detailed transition plans to bring the operations of the three organizations together and to finalize details, such as a location for executive offices and the appointments of board members and the new health system’s executive team.

The new Beaumont Health organization will have eight hospitals with 3,337 beds, 153 outpatient sites, 5,000 physicians, 33,093 employees and 3,500 volunteers. The hospitals include:

- Beaumont Hospital, Royal Oak;
- Beaumont Hospital, Troy; and
- Beaumont Hospital, Grosse Pointe
- Botsford Hospital, Farmington Hills
- Oakwood Hospital-Dearborn;
- Oakwood Hospital-Southshore;
- Oakwood Hospital-Taylor; and
- Oakwood Hospital-Wayne

The names of the eight individual hospitals will be linked with the Beaumont Health name and brand in a manner to be determined over time.

“We recognize and respect the community’s connection with these legacy names and their strength within their markets. So, we will take our time and seek inside and outside counsel in developing a plan for communicating the new brand,” says Michalski.

A website for the new health system, beaumonthealth.org, has been created to keep the community informed of progress.
Understanding the new health care world: Physician alignment

Hardly a day goes by when we don’t hear or read something in the news about the Affordable Care Act. The sweeping legislation has the potential to touch the lives of everyone who needs health care or provides it, including Beaumont.

Every hospital in the nation is having the same conversation: How do we prepare for and adapt to health care reform and other industry changes? There’s no simple answer, but at Beaumont, we have a plan and a strategy to help ensure our future success.

In this article, we’ll explore one way Beaumont is preparing to meet these new challenges and why physicians play a key role.

Physician alignment: Our strategy for building a foundation for a healthy future

If someone were to ask you, “Who does Beaumont serve?” you’d reply, “patients.” It’s a good answer. After all, patients come here for care and they and their insurers pay for the services provided. But why do they come here?

“Most people go where their doctor tells them to go for treatment,” says David Wood, M.D., executive vice president and chief medical officer. “While you choose your emergency center—you usually go to the closest one—most patients don’t disagree with their physician when they are told to go to a specific hospital for elective admissions. You go where your doctor says.”

When you think about it that way, your answer changes. Beaumont also serves its physicians.

“If our primary customers are physicians, we need to align with them and recruit more of them to Beaumont,” says Dr. Wood. “We need to create an environment where every high-quality physician wants to practice. To do that, we’re working on streamlining orders, improving communications between the EC and physicians and looking at discharge processes. Under health care reform, paying hospitals a fee based on the number patients they serve is changing. Instead, hospitals and doctors will be paid based on the quality of the care they provide. The amount of those payments is based on meeting specific measures of quality and service. It’s called value-based reimbursement and it is designed to ensure high quality care at an affordable cost. That’s why hospitals and physicians must work together to coordinate care across all settings – to avoid care duplication, to ensure care is given in the right setting and to ensure high quality.”

These changes are prompting physicians to work in new ways.

“Going from a volume-based to a value-based system is a significant shift in our practice,” says Mike Williams, M.D., president and CEO, United Physicians, Beaumont’s physician organization. “Beaumont has a large number of private-practice physicians, which is different than most academic medical centers. Think of it like this. Those practices are hundreds and hundreds of small businesses. All of them must work together with Beaumont to eliminate waste and duplication and to make sure the patient gets the right type and amount of care.”

Beaumont and United Physicians form a clinical integration network

To meet this challenge, Beaumont and United Physicians, one of the largest physician organizations in Michigan, have developed a clinical integration network called Beaumont United Care Partners.

BUCP is a physician-led network that allows physicians and Beaumont to work together to meet defined quality initiatives and to manage the overall health of populations of patients.

“In the last 20 years, medicine has become so complex that there’s just too much for any one physician to know everything. These organizations work under the concept of ‘none of us is as smart as all of us,’ says Dr. Williams.

Through BUCP, physicians in all specialties will strive to meet quality benchmarks to improve both patient care and cost effectiveness. In return, physicians get paid more for delivering high-quality care, as part of a value-based insurance network.

“Physicians can opt-in to the network, and by proving they can deliver cost-effective care, the hospital can then share a percentage of the cost savings with them,” explains Dr. Wood.

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Leading the change in health care: a physician imperative

When I was first elected Troy medical staff president in 2003, Beaumont and its physicians were looking for a better way to move forward together. Though very successful, largely due to exceptional effort and a relatively stable external environment, we were far from integrated, and physician influence in decision-making was limited. By the time I left office in 2009, a pathway forward had been determined, and the journey was underway.

Today we have four doctors on the Beaumont board of directors, three of whom are elected by the medical staff. United Physicians and Beaumont are now working closely together. Beaumont United Care Partners, led by physicians and supported by Beaumont, has been established. Elected President’s Councils and physician-led Centers of Excellence are active at all three Beaumont hospitals. The Beaumont Executive Committee now includes not only leaders from Medical Administration, but also the medical staff presidents, COE leaders, and the president of United Physicians.

Also important, under the leadership of Sam Flanders, chief quality and safety officer, we are now seeing data that we only dreamed about in 2003. Our electronic medical record system, oneChart, is bringing our colleagues and our patients closer. And our new medical school offers us additional opportunities to work together.

As a result, we physicians are more integrated and involved than at any time in Beaumont’s history. And not a moment too soon. We are in the midst of a tsunami of change in health care. External scrutiny and expectation have risen exponentially, insurance deductibles are skyrocketing, and Obamacare is amongst us. “Physician do no harm” is no longer limited to clinically and emotionally; financially is now front and center.

In 2003, the strategy was clear. We had to get physicians a seat at the table, and integration was the cornerstone for success. Integration is now moving to another level as we join our colleagues from Botsford and Oakwood to form Beaumont Health. Though we will now be larger and the organization chart will be more diverse, it remains imperative that both appointed and elected physician leaders continue to play a key role.

The best ideas often come from real-time communication, not after decisions have already been made. Who better to advocate for our patients and the pursuit of academic excellence than physicians and nurses? Let’s work together and ensure that this new effort to integrate maintains our role as leaders in the delivery of Beaumont health.

David Forst, M.D.
Medical Staff President
Beaumont Hospital, Troy

Understanding the new health care world

Out-of-pocket payments may change how patients seek and use health care

Health reform is changing insurance options for patients. With more high-deductible and high co-payment plans, more patients will ask whether or not they really need a test or prescription. “When patients are paying more out of their own pocket, they’re more likely to look for value,” says Dr. Williams. The reality is that consumers of health care are going to demand value-based medicine. If you want to be part of the transformative process, now is the time to get involved.”

From personal health to community health, reform also affects hospitals and physician offices through entities called “organized systems of care,” which are focused on managing the overall health of populations of patients with the same diagnosis. Blue Cross-Blue Shield’s OSC covers five main conditions—diabetes, stroke, congestive heart failure, chronic obstructive pulmonary disease, and coronary artery disease. If physicians and Beaumont work together to improve the outcomes for patients in these five areas of focus, Blue Cross will reward us for providing value.

“Beaumont has some of the best physicians in the nation on staff,” says Dr. Wood. “Navigating health care reform may be a challenge, but we have the talent and the determination to succeed. Our strategy is solid and we have an excellent reputation for quality. We’re building the foundation for the future of Beaumont.”

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Physicians take leadership roles in facing health care challenges

The many challenges now facing the nation’s health care system – and Beaumont – make it more and more important for physicians to take on leadership roles.

For example, as Beaumont Health System, Botsford Health Care and Oakwood combine the three organizations into one, new, not-for-profit health care system, the three chief medical officers have been actively engaged in learning about the governance structures and practices of each other’s medical staffs. We also are working to better understand how each organization addresses clinical quality and how, together, we can improve quality and improve the overall patient experience at all of our patient care sites. This important work will take some time and require the thoughtful input of many more clinicians.

The work we are doing now will steer the formation of the Clinical Leadership Council in the coming months. This system-wide group, led by physicians, will develop and drive physician alignment and integration over time.

Physician leadership also drives our clinical integration organization, Beaumont United Care Partners. More than 1,500 physicians have joined this network, representing all specialties. The organization recently signed an agreement with the Beaumont Employee Health Plan that includes a 5 percent higher fee schedule, effective April 1, 2014.

In addition, the BUCP Quality Committee reviewed and endorsed a new Acute Back Pain Program. Patients can be referred into the program by their primary care physician or after being seen by a physiatrist within the program. This program will allow patients quicker access to begin therapy within 24 hours. Outcomes for similar programs show a reduction in the need for expensive diagnostic testing and extended physical therapy.

Beaumont physicians also are taking a leadership role in partnerships with nursing leaders on each patient care unit across all three hospital campuses. These partnerships, called “dyads,” are comprised of the physician director for a patient care unit and the nurse leader of that same unit. Their role is to develop a partnership where they can work together to build teamwork and interdisciplinary collaboration with a common goal of improving the patient’s experience and working through barriers to improve the culture of safety within their work environment.

To be successful with this initiative, physicians and nurses on the floor have to be both accountable and empowered. We believe that by engaging the frontline staff to provide input and empowering dyad leaders to lead local innovation, we are laying a solid foundation for positive culture change.

Beaumont physicians will continue to lead the way as the health care system continues to evolve. Your active engagement will help shape a future organization in which we will all be proud to practice medicine and where our patients will receive the very best care.

David Wood, M.D.
Executive Vice President and Chief Medical Officer
OUWB student wins research grant from the American Medical Association Foundation

According to the Centers for Disease Control and Prevention, stroke is the fourth leading cause of death in the United States. The CDC reports that stroke kills almost 130,000 Americans each year and costs the U.S. more than $36 billion annually in treatment costs and time off from work. It’s estimated that an American dies from stroke every four minutes.

Rachel Hanke is among researchers nationwide who are trying to turn those grim statistics around. The second-year student at Oakland University William Beaumont School of Medicine recently earned a $2,500 grant from the American Medical Association Foundation, which will support her work to identify patients at risk for stroke. Her research focuses on patients with carotid atherosclerosis, a condition where plaque buildup in the carotid artery hinders blood flow to the brain, resulting in stroke.

Rachel explained that, in some cases, a stroke is caused when unstable plaque in the carotid artery breaks into fragments that can block the blood supply to the brain. Her research will analyze blood and plaque samples of patients with carotid atherosclerosis in an effort to identify biological markers linked to patients who have unstable plaque. Those findings could lead to development of a simple blood test to help doctors identify high-risk patients before complications arise.

“The biological markers we are looking at are involved in vascular inflammation, and we are hoping to identify the inflammatory biomarkers that correlate with unstable plaques,” Rachel said. “The cost of biomedical research can be prohibitive, and there are not many funding opportunities for medical students who are interested in leading-edge projects like this. The Seed Grant Research Program from the AMA Foundation allows students like myself to explore more challenging research.”

Rachel’s project is part of a Capstone experience designed to engage students in collaborative research with OUWB basic science and clinical faculty. Her team of mentors includes Samia Ragheb, Ph.D., assistant professor of biomedical sciences and Charles Shanley, M.D., professor of surgery and a vascular surgeon at Beaumont Health System.

Dr. Shanley believes Rachel’s research holds tremendous promise in the search for biomarkers and novel therapeutic targets in human atherosclerosis. He says the medical school is uniquely positioned to provide students with unique “translational” research opportunities. Translational research involves scientific discoveries that can be used to enhance human health and well-being.

“The Capstone program underscores the synergies to be realized through the unique combination of Beaumont’s large clinical and translational research platform with OU’s state-of-the-art educational infrastructure and basic science expertise,” he explained.

Dr. Ragheb praises Rachel not only for earning the grant, but also for taking on such a demanding project amid the rigors of medical school.

“It’s not very common for a second-year medical student to win a grant like this,” Dr. Ragheb says. “The Seed Grant Research Program from the AMA Foundation is intended to support research by medical students, physician residents and fellows. Rachel was competing with residents and fellows who are more advanced in their studies, and also with students from medical schools all over the country,” she said. “Considering the intensity of medical school just makes Rachel’s achievement even more remarkable.”
Beaumont opens BioSkills Lab: High-tech training center for cardiovascular medical technologies

Beaumont Health System has launched a one-of-a-kind BioSkills Lab providing hands-on training for physicians in the use of new, advanced cardiovascular medical technologies.

The 950-square-foot lab includes 16 plug-and-play stations for hands-on device manipulation allowing physicians and other clinicians to learn how to use new treatment technologies.

“Once technologies gain Food and Drug Administration and Medicare approval, there’s an important need to train physicians to use them,” says Robert D. Safian, M.D., director of Beaumont’s Center for Innovation and Research in Cardiovascular Diseases. “Through the BioSkills Lab, we are collaborating with medical device companies to train physicians in practice how to use these new technologies for their patients, to transfer technology to the community.”

The BioSkills lab is one of the training and educational components of CIRC, a commercialization program at Beaumont that helps develop innovative cardiovascular technologies and therapies and bring them to the marketplace.

CIRC also includes:

- A digital cinema studio for creation of digital libraries of procedures and web-based physician training (under development)

The opportunity to learn from clinicians involved in the research and testing of newly approved medical devices, in a high-tech, hospital-based setting, is a first that is especially important as devices become more sophisticated.

Dr. Safian says the response of medical device companies to the unique approach offered by CIRC has been uniformly positive. Several companies, such as Boston Scientific, Abbott, and St. Jude Medical, have already used the CIRC facilities, and many others are expected to do so in the near future.

Unlike other innovation centers, CIRC is designed to interact with inventors, medical device start-up companies and large medical device corporations at all stages of device development leading up to approval and market release. These stages include concept and design, pre-clinical testing, clinical trials preceding FDA approval, and physician training and education after FDA and Medicare approval.

Dr. Safian says Beaumont patients benefit from the stream of new technologies brought in by CIRC by providing them with access to advanced cardiovascular treatments that are not available elsewhere.

By training physicians from around the world in the use of new technologies, including activities in the BioSkills Lab, CIRC will help transfer new technologies to other communities, so that benefit is extended to patients regionally, nationally and around the world.

In addition, CIRC helps to enhance Beaumont and southeast Michigan as a destination center for cardiovascular research and innovation, by attracting top medical specialists and boosting the local economy.

“Our approach of offering one-stop-shopping for medical device development encourages companies to make a longer-term commitment to doing business in this region,” explains Dr. Safian.
Medical school reaches out through international affiliations and programs

True to the founding principles prescribed in its mission and vision statements, the Oakland University William Beaumont School of Medicine is a learning community that serves and embraces its local, regional, national and global communities.

These collaborations include student exchanges, research, faculty development and an exchange of ideas about admissions and curriculums. OUWB currently has partnerships with universities and health systems in Korea, Trinidad and Tobago, Israel and Jordan.

OUWB will expand partnerships to additional countries and students in an effort to provide the best clinical and academic experiences possible.

“We have been pleased to host students from our international affiliates for several years,” says Robert Folberg, M.D., founding dean of the Oakland University William Beaumont School of Medicine. “Now that we have our own fourth-year medical students, we look forward to sending them abroad.”

Yonsei University College of Medicine, Seoul, South Korea

Founded in 1886, the Yonsei University College of Medicine provides a cutting-edge approach to medical education. The Yonsei University Health System consists of graduate schools in Public Health and Nursing; colleges of Medicine, Dentistry, and Nursing; and five hospitals: Severance Hospital, Gangnam Severance Hospital, Yongin Severance Hospital, Severance Mental Health Hospital, and the Yonsei University Dental Hospital. Severance Hospital in Seoul has more than 2,000 beds and is the world’s largest Joint Commission International-accredited hospital in the world.

The University of West Indies at St. Augustine, West Indies, St. Augustine

The Faculty of Medical Sciences at the University of West Indies opened its doors to a five-year teaching program in 1989. The Faculty of Medical Sciences at St. Augustine, Trinidad & Tobago is located at the Eric Williams Medical Sciences Complex and includes schools of medicine, dentistry, veterinary medicine, pharmacy and advanced nursing education. The main Medical Hospital at the Eric Williams Medical Sciences Complex provides generalist and specialist medical and surgical services within three blocks of clinical research laboratories. The hospital features ambulatory health care facilities, 13 operating theaters, nuclear medicine, CAT scanning, radiological facilities, intensive care units, outpatient clinics and accident and emergency units.

Emek Medical Center, Afula, Israel

Founded in 1924, Emek Medical Center is northeast Israel’s most prominent health-providing institution. More than 500,000 residents of the region’s cities, towns and villages depend on and enjoy the health care services of Emek. Emergency services, surgical facilities, intensive care units, medical institutes, inpatient departments, laboratories and physicians are part of the infrastructure of this respected hospital. Emek Medical Center is a major teaching affiliate of the Ruth and Bruce Rappaport Faculty of Medicine at Technion-Israel Institute of Technology. They have worked towards providing care to hundreds of thousands of people regardless of national origin, religious beliefs.

The Hebrew University Hadassah Medical School, Jerusalem, Israel

Hadassah Medical Center operates two university hospitals at Ein Kerem and Mount Scopus in Jerusalem, as well as schools of medicine, dentistry, nursing and pharmacology affiliated with the Hebrew University of Jerusalem. The Medical Center ranks as the sixth-largest hospital complex in Israel. Across its two campuses, Hadassah Medical Center has a total of 1,000 beds, 31 operating theaters and nine special intensive care units, and runs five schools of medical professions. In 2005, Hadassah was nominated for the Nobel Peace Prize in acknowledgment of its equal treatment of all patients, regardless of ethnic and religious differences, and efforts to build bridges to peace.

The Jordan University of Science and Technology, Irbid, Jordan

The Faculty of Medicine of the Jordan University of Science and Technology (JUST) houses 11 clinical departments and five basic science departments. According to its dean, JUST is “committed to teaching both the science and the art of medicine,” a theme echoed often at OUWB. Like OUWB, basic science instruction uses an organ system approach and a robust clinical skills center. Basic science and clinical instruction are in English. The King Abdullah University Hospital is Joint Commission International accredited, has a bed capacity of nearly 700 and serves nearly one million individuals in the north of Jordan.

Faculty interested in exchanges are welcome to contact Cathy Welch in the Office of the Dean, welch@oakland.edu.