Barriers to Providing Rural OB Services

• low Medicaid reimbursement and the high cost of malpractice insurance
• 2010, Medicaid funded 51% rural and 39% urban births
• Medicaid (51% of rural women compared to 39% of urban).
• Medicaid’s reimbursement for childbirth is about half that of private insurers.
• Malpractice premiums to cost as much as $85,000 to $200,000
Workforce Shortages

- Quality of Care and Birth Outcomes
- Workforce Shortages
  - family practice physicians (declining number of physicians)
    - Malpractice lawsuits
    - Inability to keep up
    - Associated with low volume hospitals
  - Obstetricians
  - Certified nurse midwives
  - General surgeons

The unpredictable nature of obstetrical care results in a demanding lifestyle on providers!
Workforce Costs (OB Hospitals)

• large stream of overhead costs associated with the OB’s practice
• Incentive-based compensation is not typically a consideration in contracts (buy providers.)
• Must have more than one provider to cover call and to assist in C-sections
• Anesthesia support is also required
• market competitive for wages, guarantees that approach or even exceed median compensation (usually must be higher)

Fixed workforce cost may make it difficult or impossible to break even!
Compensation for Providers

- Compensation for obstetrician-gynecologists physicians has grown 10%,
- Must have more than one provider
- CAH to provide 24/7 (Increased by $92,000/5 years)
Telemedicine Reimbursement

- Parity provisions for reimbursement of telemedicine-provided physician services
  - Patients stay local
  - Rural community retains revenue
  - Reimbursement by
    - Private health insurance carriers
    - Medicare
    - Medicaid
Academic Education

- AAMC training competencies: AAMC committee to develop student digital health competencies.
- Will apply competencies to training at UAMS
- UAMS COM
  - Senior elective
  - Honors Program development
  - Early training (first 2 years exposure)
- School of Nursing
- School of Pharmacy

Clinical Training

- Clinical Training: UAMS faculty and Nursing service (ICE) (should be embedded in new hires)
- Online education modules have been developed
- Imbedding Education in training (students and residents)
- State wide education of providers
Online Deliveries

Of course no one will ever deliver a baby online?
Digital Health

• Maximizes healthcare resources
• Provides increased opportunities to engage clinicians
• Patients self-manage their care
• Uses technology available to consumers to deliver patient care outside of the hospital or doctor's office

Links: patients + doctors + hospitals = System of Care

Care is delivered anywhere, anytime, and by anyone!
Health Care Experts

• There is broad consensus that fee-for-service (FFS) reimbursement distorts care provision away from the social optimum and incentivizes encourages overtreatment.

## Identified Waste

<table>
<thead>
<tr>
<th>Problem</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variation in the intensity of medical and surgical services</td>
<td>$600 Billion</td>
</tr>
<tr>
<td>Misuse of drugs and treatments</td>
<td>$52.2 Billion</td>
</tr>
<tr>
<td>ED overuse</td>
<td>$55 Billion</td>
</tr>
<tr>
<td>Underuse controller med's</td>
<td>$2.5 Billion</td>
</tr>
<tr>
<td>Generic antihypertensives</td>
<td>$3 Billion</td>
</tr>
<tr>
<td>Antibiotic overuse</td>
<td>1.1 Billion</td>
</tr>
</tbody>
</table>

At least 30% waste in healthcare!
Fee for Service

Reduction in payment may encourage increase in volume!
The Death of Fee For Service

Decreasing Fees

Increasing Number of Procedures

Further Decreases in Fees

Further Volume Increases

Layoff of Personnel & Cuts

Burnout and Safety issues
Shifting Risk

Source: PricewaterhouseCoopers | DHG
Systems Engineering

Systems Engineering integrates all the disciplines and specialty groups into a team effort forming a structured development process that proceeds from concept to production to operation.

Systems Engineering considers both the business and the technical needs of all customers with the goal of providing a quality product that meets the user needs.