

**BIPARTISON ROUND TABLE ON HOSPITALS AND HEALTHCARE**

Thursday, November 6, 2014 – 1:00 p.m.

**Informational Hearing on Physician Practice Acquisition and Mergers**

**Day Kimball Healthcare Testimonial**

**Robert Smanik, President & CEO**

**Dr. Richard Wilcon – Chief, Hospitalist Program**

**Dr. John Graham – CMO/Member Board of Directors**

Good afternoon and thank you for the opportunity to speak with you today. I am joined by Dr. Richard Wilcon, a practicing internal medicine physician and Chief of our Hospitalist program, and Dr. John Graham, a urologist, Day Kimball's Chief Medical Officer and a member of our Board of Directors.

Our comments describing the transformation of Day Kimball Healthcare and the state of medicine in the 13 towns which make up the NE corner of CT are centered on a legacy of close working relationships between our area physicians and the region's community hospital. The somewhat isolated nature of our region has allowed this supportive relationship to develop without many of the divisive aspects of the modern competitive health care environment. The formation of Day Kimball Medical Group on January 1, 2013 was born out of our continuing efforts to nurture these working relationships and to work collaboratively with local physicians to evolve within the latest mandates of health care reform.

Looking back to 2006 when I joined Day Kimball, I was impressed by its focus on primary care and the close knit community that existed between doctors and the hospital. What existed in Northeast Connecticut was refreshingly traditional in its view of medicine. During a time when many doctors were establishing competitive imaging centers, surgery centers, laboratories or GI centers, here the physicians continued to support the community hospital in providing these types of ancillary services to the community.

Additionally, the hospital supported providing physician services to the community. For example, for the past 20 years the only means to maintain pediatricians in the area was for the hospital to employ them. Day Kimball Hospital operated three practice sites insuring access to care for the children of the region. Then as early as 2006, as you will hear more detail from Dr. Richard Wilcon, we began to see the challenge of recruiting and retaining physician services affect other practice areas. It was then that Dr. Wilcon shared with me he was not having success in finding a physician to take over his internal medicine practice in Plainfield and asked if Day Kimball Hospital would be willing to take over the practice to ensure the continued presence of a primary care physician in the community.

This began the journey of our Board of Directors and my administrative leadership team to deepen and strengthen the relationship with our community physicians as a primary goal in order to secure access to care for the community. This is not to say we actively sought to purchase private practices in our area, but instead were becoming increasingly aware that the new health care industry mandates were taxing physicians and limiting their abilities to provide patient care.

From 2007 to 2013 most of the primary care physicians, all of the region's OB/GYN physicians, and all three general surgeons in our region chose to be employed by DKH. The issues of recruitment, the need for computerization of their offices, the transition to population health, and, for our specialists, the pressures of 24-hour, 7-day-week availability were responsible for their need to join a larger organization. Today our group is comprised of 40 physicians and 12 mid-levels with physician offices in Dayville, Danielson, Putnam, Plainfield and Woodstock with a walk-in center in Plainfield.

During this time period, we worked with our physicians to establish an integrated group practice and encouraged joint leadership and decision making to set income guidelines, patient visit guidelines, and quality and patient access expectations. As the country continued to move toward the transformation of health care under the Affordable Care Act, Day Kimball worked with its physicians to implement a clinical electronic record, to implement in our primary care practices the patient centered medical home model of care receiving the highest level of accreditation from the NCQA (level 3) by 2008, and to implement policies to meet the growing number of quality metrics being developed in our industry.

Key learnings during this process were that success required us to rapidly adjust our thinking from sustaining individual practices to creating consistency across the entire medical group; that the implementation of an electronic medical record reduces office productivity significantly, and tracking of outcomes for reportable quality metrics is a labor intensive activity.

In our nation's effort to create an evidenced-based continuum of care that shifts medicine's focus from sick care to preventive care, we have also created a very elaborate system that requires we work more collaboratively both internally and externally with additional partners, not just physicians. It has challenged us – nationally, within the State of Connecticut and in our Quiet Corner of the state – to design and create the appropriate balance between providing high-quality medical services and running a business.

That said, even with all the challenges we have faced in the past two years, in particular the federal and state reimbursement cuts for Medicare and Medicaid patients, we remain committed to transforming from a community hospital into an integrated medical services network for Northeast Connecticut. What we've learned in this process is that in order to sustain local health care delivery, Day Kimball must also recognize the importance of deepening its relationships with other organizations that offer scope and scalability in order to create the balance between our 120-year old mission to provide health services for our community and fiscal sustainability of our entire organization.