District Director Reports: May 2012

The District Director reports that appear below contain personal views expressed by each Director, rather than statements made by or on behalf of the CSA.

Gregory M. Gullahorn, MD— District 1
(San Diego and Imperial counties)

At the La Jolla campus of the University of California, San Diego (UCSD), the new Sulpizio Cardiovascular Center is in full operation. UCSD has reopened its cardiac transplantation program, which had been combined with Sharp Memorial's transplant program in 2007 because of declining case volume. Scripps Health's nearby Prebys Cardiovascular Institute can be seen rising nearby, as construction continues with a planned opening in 2015.

Sharp HealthCare has been successful in its bid to participate in the federal Pioneer Accountable Care Organization (ACO) program. The Pioneer program was designed as a pilot, to encourage organizations already providing coordinated care to "fast-track" along a path to being a fully developed ACO. The Pioneer ACOs will have the potential to share in a larger portion of savings than other types of ACOs, but also expose themselves to the risk of a larger share in losses. After a two-year demonstration, Pioneer ACOs that are successful in establishing savings will be able to convert to a capitated, population-based funding model. It is unclear how, exactly, this may impact anesthesia services and reimbursement. Capitated payment models in the early to mid-1990s placed significant strain on anesthesia groups in San Diego.

In a Feb. 16, 2012, piece on California Healthline, Robert Berenson of the Urban Institute is quoted as saying that an interesting feature of the Shared Savings model is that organizations that have been less efficient in providing integrated care have a higher upside potential for savings — and thus higher "profits" or shared reward income — as compared with ACOs that have done a good job in streamlining coordinated care under the current models.

A key feature of the programs is an array of 33 quality metrics, which the ACO must meet to receive quality bonuses. IT and electronic health records will likely play a pivotal role in developing, monitoring, and reporting quality metrics. Qualcomm Life, a subsidiary of San Diego-based Qualcomm, is seeking to become a leader in wireless health care technology. They have partnered with Rady Children's Hospital and Sharp HealthCare, as well as Advanced

Warning Systems (which develops remote patient monitoring), hoping to facilitate deployment and incorporation of Qualcomm's 2net wireless technology in medical devices and monitors. Qualcomm Ventures has committed $100 million in funding to Qualcomm Life to support wireless health care start-ups.

Scripps Health in San Diego, along with LA Children's, El Camino in Mountain View, and UMass Memorial Healthcare, is working with West Wireless Institute in rolling out "medical grade wireless open framework" architecture. Don Casey, CEO of West Wireless Health Institute, noted that medical centers have heretofore been dependent on expensive proprietary solutions, which they hope to reduce with the open reference architecture.

In another interesting development, Prime Healthcare Management President and CEO Lex Reddy stepped down last week, and San Diego-based Dr. Prem Reddy assumed the post. Prime Healthcare owns Alvarado Hospital and Paradise Valley Hospital in San Diego County, along with 13 other acute care hospitals in California. Prime Healthcare has grown by acquiring and turning around distressed hospitals, and is highly rated by Thomson-Reuters Corp. from a business standpoint. However, more recently Prime Healthcare has been the target of a state Senate committee inquiry into its billing practices.

Stanley D. Brauer, MD—District 2

(Mono, Inyo, Riverside and San Bernardino counties)

Hospital projects continue in the Inland Empire. In Banning, San Gorgonio Memorial Hospital recently held an open house for new OR suites and ICU beds. Kaiser Fontana is nearing completion of an entirely new hospital, largely due to seismic requirements; multistoried hospitals are often finding retrofitting cost-prohibitive.

Steel framing for a new Temecula hospital has begun. The facility will include a 140-bed, five-story acute care hospital. The parent company building this facility is Universal Health Services (UHS).

At Loma Linda University there appears to be an increased tendency for the residents to pursue fellowship training. While interest in pain medicine has been strong for a number of years, cardiac, intensive care, and pediatrics have also become increasingly popular. Possible causes include a tighter job market, more demand for specialty training in hospital credentialing, and new subspecialty requirements coming online.

John G. Brock-Utne, MD, PhD—District 4

(Southern San Mateo, Santa Clara, Santa Cruz, San Benito and Monterey counties)

Since the January board meeting, activity in District 4 has included two district meetings, gathering information about the separation of the annual spring meeting from the House of Delegates, and collecting ideas on how the CSA can better partner with the CMA and the ASA.

Unfortunately I have heard a lot of mutterings from the delegates and alternate delegates that they don't think the split of HOD and spring meeting is a good idea. In an effort to gauge what District 4 delegates and alternate delegates think prior to the event, I sent an email to them asking if they thought that the HOD and annual meeting should be split. Out of 22 members, 15 said "no," three said "yes," and one abstained.

On January 17, at the Casanova Restaurant in Carmel, I gave a talk on "What's New in Aspiration and Its Prevention?" to members in the southern part of the district. Twenty-two people attended. We are grateful to Jennifer Weaver of Covidien for supporting this venture. There was no CME or registration fee nor was I paid or compensated for this talk. I provided my own educational topic and content.

On February 1, in the California Cafe restaurant in Palo Alto, Dr. Lynn Cintron, MD, MS, Director of the Pain Service at Santa Clara Valley Medical Center, gave a talk on "Persistent Postsurgical Pain." This was an excellent talk from someone who both provides anesthesia and works in the Pain Service. Hence she has observed former surgical patients with persistent surgical pain. Most commonly these types of pain are ongoing inflammation and/or neuropathic. The talk concentrated on why some patients continue to have pain long after they supposedly have recovered from their surgery. This dinner was kindly supported by I-Flow LLC.

I asked District 4 Delegate Dr. Suma Ramzan to poll District 4 members as to how the CSA could better work with the ASA, the AMA, the CMA, and other subspecialty societies to promote mutual interests important to our specialty. Many felt that creating change and protecting interests would be more effective with a larger group. A few barriers were identified, including cost and time commitment. There was some thought to creating a lower membership fee when purchased for a combination of societies.

It didn't appear that many District 4 CSA members are also members of the CMA. The main problem was appreciation of the importance of joining the CMA. Suggestions for increasing CMA membership included a focus on local activities, creating an online community to help facilitate participation with members who are quite busy and may not be able to physically attend many events, and holding joint CSA/CMA events to promote both societies and allow for more introductions between the two groups. This would increase our network of colleagues and perhaps encourage more involvement in the individual societies.

Clifton O. Van Putten, MD— District 5

(Kern, Tulare, Kings, Fresno, Madera, Merced, Mariposa, Stanislaus and Tuolumne counties)

Anesthesia personnel recruitment continues at a steady pace in the district. This attests to the continuing demand for anesthesia support for surgical services, even in this economically depressed region.

Premier Anesthesia Medical Group in Bakersfield is hoping to incorporate four new CRNAs into their current all-MD practice of 19 anesthesiologists. The staffing model will include 100 percent physician supervision of the CRNAs, according to the job posting. In the nearby practice at Delano Regional Medical Center, one additional CRNA is being sought to join that group's combined MD/CRNA practice. And an independent CRNA group in Fresno is seeking one full-time and one half-time CRNA to assist in that all-ASC (ambulatory surgery center) "bread and butter" CRNA-owned practice.

Further health care consolidation may be in the offing for the Bakersfield area because Dignity Health, formerly known as Catholic Healthcare West, is evaluating the proposed purchase of a controlling interest in the Bakersfield Heart Hospital (BHH). BHH is a partially physician-owned hospital that has been on the market for about two years. If Dignity Health approves the purchase, this will be the third hospital, along with one ASC, they control or own in Bakersfield.

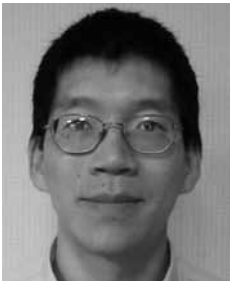
Farther north in the San Joaquin Valley in Visalia, Somnia is now several months into its contract to provide exclusive anesthesia services at Kaweah Delta Hospital. This contract is currently being staffed by 10 physicians, a number of whom were amongst the 20 physicians associated with the former group at the hospital (VAMA), as well as 11 new CRNAs. It has been reported that a number of the CRNAs are locum tenens providers.

The $16.8 million completion of the sixth-floor addition at Saint Agnes Medical Center in Fresno adds 28 new private rooms and eight new ICU beds. In Madera, Children's Hospital of Central California saw the sudden departure of its CEO, Gordon Alexander, MD, this past November. The board of trustees has appointed an interim CEO, Todd A. Suntrapak, while a national executive recruitment firm conducts a search for a permanent replacement.

In Merced, the five inaugural medical students in the University of California, Merced–PRIME program are now well into their second year of medical school, and the university is currently selecting six new medical students to begin the program in the summer of 2012. The stated purpose of the PRIME program is "to strengthen the recruitment and retention of new physicians in the Valley — one of California's most medically underserved areas. Statistics show that physicians tend to practice in the area near where they received their training." After the students complete their basic science studies, they will receive their clinical training at sites in the San Joaquin Valley. The medical education program at the University of California, San Francisco–Fresno (Community Regional Medical Center in downtown Fresno) will be a key training site for the students.

In summary, anesthesia practices in this district continue their growth and diversification of work styles and venues. The suggestion that the entry of national anesthesia management companies into this market may exert some downward pressure on incomes for anesthesia providers is counterbalanced by current and projected future shortages of providers in the Valley in our specialty.

Lee-Lynn Chen, MD— District 6
(Northern San Mateo and San Francisco counties)



To meet seismic standards, two hospitals in San Francisco will be relocating and are currently under construction. The University of California, San Francisco (UCSF) Mission Bay Campus and San Francisco General Hospital are set to be completed in 2014 and 2015 respectively.

UCSF Mission Bay Campus is well underway. It will not only allow for full obstetrics and pediatric services, but will also absorb all of these services from Mount Zion Hospital.

The 878,000-gross-square-foot complex will include:

1. A 183-bed children's hospital with urgent, emergency and pediatric primary care and specialty outpatient facilities
2. A 70-bed adult hospital for cancer surgery patients, a women's hospital, select outpatient services, and a 36-bed birth center
3. 20 operating rooms (serving both pediatric and adult patients)
4. An energy center, helipad, parking and support services

San Francisco General Hospital is the only trauma center in San Francisco. The new hospital is planned to have 284 beds (32 more than the current hospital). Operating rooms will increase from 10 to 14. The cost of $887 million will be paid through general bonds.

Details for a new California Pacific Medical Center hospital will be forthcoming.

On another note, free CME credits are available through the UCSF Saturday Anesthesia Grand Rounds series. The next meeting is Nov. 3, 2012; the topic is OB anesthesia. You can go to the website (http://anesthesia.ucsf.edu/extranet/cme_events/index.php) and sign up for free notifications.

Jeffrey A. Poage, MD—District 7
(Alameda and Contra Costa counties)

CSA District 7 consists of Alameda and Contra Costa counties in the East Bay region of northern California.

A CSA District 7 dinner meeting was held last October at Ruth's Chris Steakhouse in Walnut Creek, featuring educational lecture by Dr. Harold Minkowitz from Memorial Hermann-Medical City Medical Center in Houston.

Kaiser Permanente is the largest health care provider in the East Bay. Major *not-for-profit* organizations include Sutter Health (Oakland, Berkeley, Castro Valley, Antioch) and John Muir Health (Walnut Creek, Concord, Brentwood). Other major facilities include Valley Care Medical Center (Pleasanton, Livermore), Washington Hospital (Fremont) and San Ramon Regional Medical Center (a Tenent hospital). St. Rose is an independent hospital in Hayward. County facilities include Alameda County Medical Center (Highland Hospital) in Oakland and Contra Costa Medical Center in Martinez. The Palo Alto Medical Foundation has clinics in Fremont and Dublin.

Doctors Medical Center is a financially struggling district health care facility in west Contra Costa County. In November, voters approved a parcel tax to keep the hospital, which has the area's only full-service emergency room, operational. Had the tax failed, the hospital would have almost certainly closed, leaving no full-service emergency rooms between Berkeley and Vallejo.

Children's Hospital Oakland is a key provider of pediatric services and a major teaching institution in the East Bay.

Finally, I wish to make a pitch to all District 7 members to support GASPAC. Political advocacy has never been more important to our specialty. Every contribution counts!

Jeffrey Uppington, MBBS—District 8

(Alpine, Calaveras, Amador, Sacramento, San Joaquin, Placer, Yuba, El Dorado, Yolo, Sutter, Nevada, Sierra and eastern Solano counties)

While many of the new hospital buildings in Sacramento have opened, the Mercy Cancer Center as an example, many more continue to be built. The Sutter Women's and Children's Center; University of California, Davis (UCD), Cancer Center extension; and UCD Telemedicine building are still in progress but soon to be completed.

Catholic Healthcare West has changed its name to Dignity Health and is separating itself from the Catholic Church. Likely the changes will mean little to Dignity's patients and employees in the Sacramento region since Mercy General, Mercy San Juan and Mercy Folsom hospitals will remain Catholic. The system also operates Methodist Hospital in Sacramento, and Woodland Healthcare hospital in Woodland and Sierra Nevada Memorial Hospital in Grass Valley, which are not affiliated with the church.

This change is also likely to allow for an expansion of their network. There have been reports that some secular hospitals have been reluctant to partner with a Catholic network, so this change will allow for a more businesslike approach to partnering with other entities. However, some hospitals will remain with their Catholic mission, and little is expected to change there.

The fierce competition in Sacramento and the region will likely continue and escalate. Kaiser continues to expand across the region; Sutter, Dignity and UCD Medical Center are all actively seeking and achieving ties with hospitals in the

larger region, as far afield as Chico, Lodi, even Bakersfield for some subspecialties. It is likely that ultimately the types of cases seen in the operating rooms will more and more be influenced by these increasing links.

Keith J. Chamberlin, MD, MBA—District 9

(Del Norte, Humboldt, Lake, Marin, Mendocino, Napa, Siskiyou, western Solano, Sonoma, Trinity, Colusa, Glenn, Butte, Plumas, Tehema, Shasta, Lassen and Modoc counties)

Independent practice for CRNAs? Really? REALLY!! There are negotiations going on now in several places where the CEOs believe the CRNAs can run an anesthesia practice by themselves, by hiring a doctor to act as their medical director (who on earth would do that job?). Apparently this is happening already in a number of surgi-centers, and now it is happening in some hospitals.

Don't know the outcome yet, but stay tuned. My point here is that all the warnings about someone taking your anesthesia practice actually matter. There are aggressive people out there who have not gone to medical school who think they can do everything you can do, and there are CEOs under the gun for budget constraints looking for any way to cut costs. Aggressive, well-organized individuals can make an impact. Be aware.

I had the opportunity to travel to Chico last fall and meet with a number of anesthesiologists from that area. They told me the story of a local hospital CEO changing all the anesthesiologists several years ago because the compensation-for-services agreement was too high. Needless to say, one year and one very bad outcome later, the hospital was suffering a terrible decrease in surgical volume, some surgical practices almost had to close, and it took six to seven years for this facility to recover to previous levels. What is going on in general?

We, and our value, are targets for budget cutting. The technical aspect of what we do is thought to be worth less than we currently receive and we have not done a great job of informing the various stakeholders how much our "physician" part is worth. Unfortunately they don't understand until something bad happens.

The care team model is being pushed on California by a variety of national companies — this is not in general my idea of how I like to practice, but above

all, to paraphrase Dr. Warner, all anesthetics should involve an anesthesiologist, somehow. Do what you can to make sure that happens, please.

This report may seem a little non-specific in terms of hospital names, groups, etc. — intentionally so, since again, there are a lot of negotiations going on and I do not want to negatively influence anything happening at the moment.

I did attend the ASA Practice Management Meeting, and here are a few thoughts from that meeting:

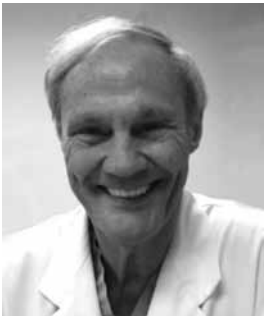
1. Find a way to make yourself indispensable to your facility.
2. Collect DATA-DATA-DATA.
3. Use that data to show you are better, more organized, more efficient, and more productive.
4. *Align your incentives with those of the hospital* (this one you will hear everywhere, and are already hearing it — align incentives). Believe (because it is true) that you and the hospital are business partners, and your business will only thrive if you both get it right — quality, cost, efficiency and productivity.

Samuel H. Wald, MD— District 11
(Western Los Angeles County)

Kaiser Sunset reports construction of an additional tower, which will be completed by June 2014. Overall, operating room volumes have increased and "out of operating room" volumes have also increased. Surgical cases transferred to Kaiser Sunset have also risen. The Surgical Care Improvement Project measures have been fully implemented. Additional anesthesiologists have been added to this group this year.

At the University of California, Los Angeles (UCLA), the UCLA Medical Center, Santa Monica, and Orthopaedic Hospital opened its new wings on Jan. 8, 2011. Some of its key features include six new, state-of-the-art operating rooms, a critical care unit with state-of-the-art medical equipment and 360-degree access to patients, an expanded inpatient pediatrics unit, all-digital imaging technology, leading-edge medical equipment and communications technology, and patient rooms featuring abundant natural light and family space. The Santa Monica Surgery Center opened in May and everything has been progressing extremely well with the new site.

John S. McDonald, MD— District 12
(Southeastern Los Angeles County)



Construction at Torrance Memorial and Harbor–UCLA (University of California, Los Angeles) Medical Center is progressing well. Harbor-UCLA Medical Center is building a new ER/OR/trauma area adjacent to the hospital. Torrance Memorial seems on track to complete its new seven-story patient care tower sometime in 2015.

A successful meeting of District 12 was hosted by On-Q and held at a local restaurant in El Segundo on Nov. 8, 2011. We had a good discussion led by Dr. Jack Berger, who discussed upper and lower extremity blocks currently used for major surgery.

Physicians in the area report frustration with the upcoming Obamacare implementation, and are also concerned with anticipated cuts in the Medicare program.

Little Company of Mary has experienced a little organizational shuffle, welcoming a new CEO (Liz Dunne), new COO (Mary Kingston), and new CMO (Dr. Richard Glimp). They have also reported their robotic surgery program now includes thoracic surgeries, and have started using a 3D TEE this past year in cardiac anesthesia cases.

Harbor–UCLA Medical Center received good news for its residency program. The Accreditation Council for Graduate Medical Education (ACGME) reviewed the program in the spring of 2011, and in October the program was informed that they had been accredited for a five-year period. The ACGME also approved the program for 15 residency positions (up from the current 13 positions).

Rima Matevosian, MD— District 14
(Northwestern Los Angeles County)

With individuals and families having lost employer-based health care coverage, the number of patients presenting to the emergency room at Olive View–UCLA (University of California, Los Angeles) Medical Center grew by almost 11 percent to 59,150 patients in 2011. This has translated to an increase in OR

utilization and especially to an increase in the number of "outside the OR" cases utilizing the anesthesiology department. The Delivery System Reform Incentive Pool of the California Section 1115 Waiver represents a challenge for the LA County Department of Health Services to invest, expand, and attempt health care solutions now.

Many anesthesia groups in our district have reported shortages of medications. At times there are just a few days' supplies of key medications. Anesthesiologists have had to incorporate innovative ideas to continue to provide safe administration of anesthesia.

The topic of physician re-entry into provision of care has become increasingly important. " There are many reasons why an anesthesiologist may have "left" the active practice of medicine, such as a temporary career change or family reasons. When the anesthesiologist decides to return to clinical practice after a significant amount of time has passed (typically greater than two years), a re-entry program is prudent. This serves to protect the anesthesiologist and the patient, as well as the credentials committee granting privileges. Conferences and position statements from a number of organizations have begun to address this topic. The procedure at Olive View for re-entry is currently being formulated.

Nicholas Tsu, MD— District 15
(CSA Residents)

Last autumn District 15 focused on ASA awareness as well as participation in the ASAPAC. This winter several of the residency programs continued to focus on ASAPAC contributions and a concerted effort was made to inform the District 15 members of the difference between the CSA and the ASA.

Many residents were unaware that there was a difference between our state and national organizations. Residency representatives were encouraged to send emails informing their residents of important CSA issues like defending MICRA and the opt-out battle. Benefits of being resident members of the CSA such as the free online CME courses in pain management and end-of-life care, which are required for resident license renewal, were also highlighted. Residents have been encouraged to contribute to GASPAC. As of January 1, only one member had contributed to GASPAC. As of this report we have already increased that number to about 50. We will continue to encourage District 15 members to contribute to GASPAC throughout the year and continue to raise CSA awareness among residents.