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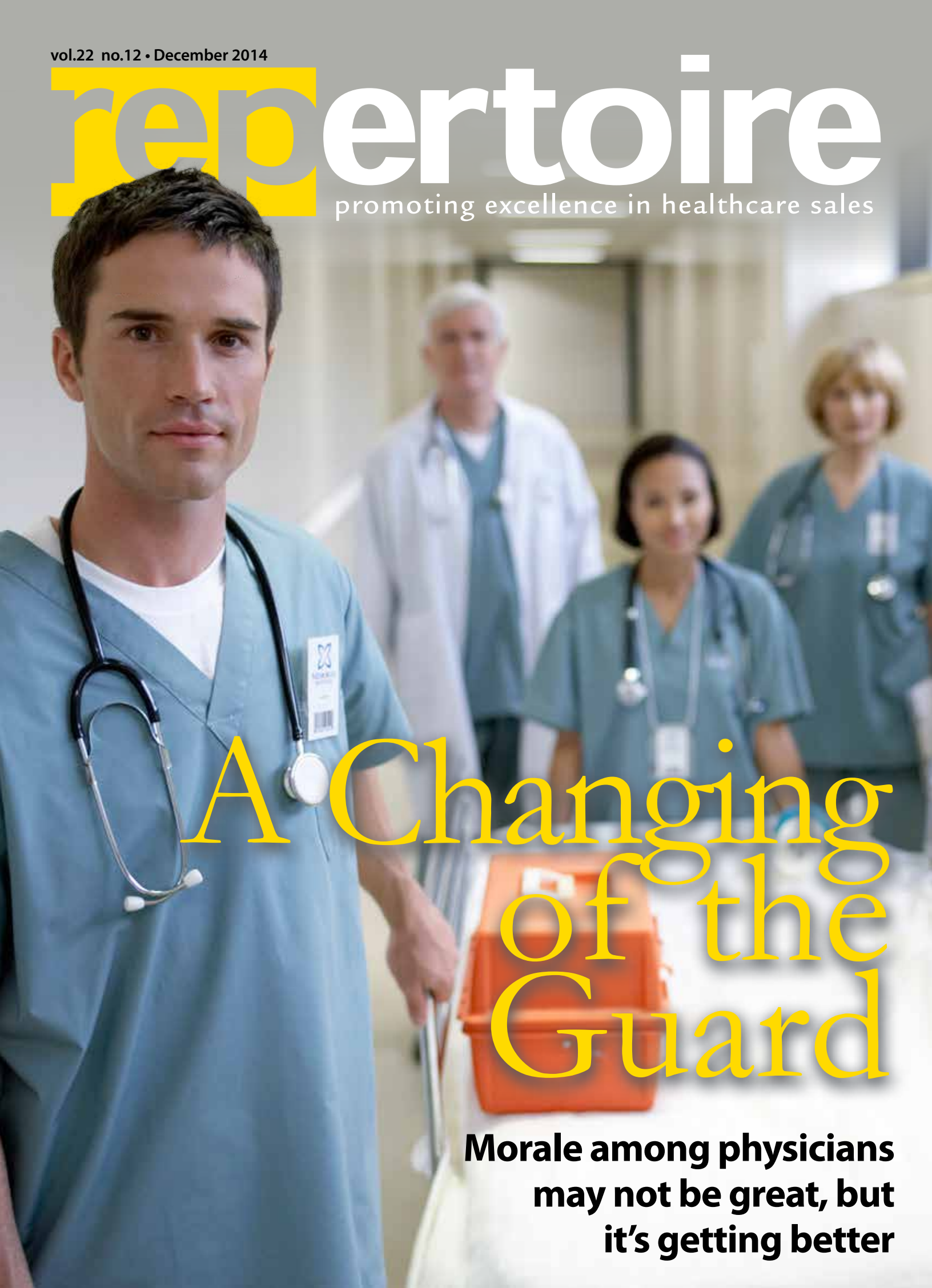
# repertoire

promoting excellence in healthcare sales



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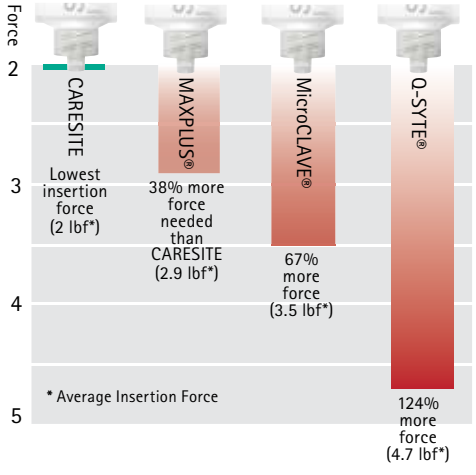


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# The Reason for REP


Scott Adams

Twenty years ago, *REPertoire* debuted in support of distributors, and specifically the reps that build and own the relationships with the mutual clinical customers shared by distributors and suppliers.

Today, the emphasis on reps remains. We understand the value and services that distributors provide, from picking, packing, shipping and collecting, to providing access for suppliers to their physicians and clinicians who use those products and influence the decision process in purchasing them.

A lot has changed in the last twenty years. I spent time discussing those changes recently with *Repertoire* Founder Brian Taylor. But what was most interesting about that conversation wasn't how the market has shifted. Rather, how the most integral part of medical distribution remains the rep, and "the inherent value that the field rep continues to bring to the process," Brian said. "While formularies may be in vogue and some buying decisions have shifted to different venues, it would be pretty risky to lose sight of the reps. They remain major influencers of products with their customers, and many of those customers are getting larger. Unfortunately that value sometimes gets overlooked."

Not here. MDSI is fortunate to publish two magazines that serve two converging markets. *Repertoire* serves the 6,500 distribution reps and *Journal of Healthcare Contracting* (JHC) serves IDN, Hospital, and GPO executives. Through *JHC* we get an inside look at what these caregivers are doing and how they are morphing their systems.

All indications and survey results say IDNs will continue to buy practices and work to improve outcomes. What we are surprisingly not seeing is a change in the buying patterns of their owned ambulatory care practices. Less than 10 percent of those IDNs tell us their practices are on a formulary driven by the system.

This is critical information for every stakeholder in the supply channel. For distribution reps it means your roles and ability to move market share for manufacturers will be as important as ever. For manufacturers, it means that aligning yourself and your sales teams with the right distribution partner will continue to be critical as we go in to 2015.

Reps matter, and will continue to matter. We'll continue to cover the industry in unique ways that highlight the role you play. We've created a channel called REP Days for distributor reps and supplier reps to share their stories about life in the field. Look for announcements regarding fresh content on the Dail-E News, or go straight to the YouTube Channel (*Repertoire*).

Dedicated to distribution
R. Scott Adams

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1 First quarter 2014 data, total dollar volume and share of producted distributor unit sales of Coagulation Reagents/Kits, POC (91994) by GHX Market Intelligence Data. Data on file at Roche Diagnostics.

2 CoaguChek XS PT Test package insert, 2013.

3 Roche CoaguChek XS System and the Alere INRatio 2 System Method Comparison Study, 2011. Study conducted independently by NB Consulting, Indianapolis, IN. Protocol written by Roche Diagnostics employees M. Leuther and M. Payette. Data on file.

4 GHX Market Intelligence. Data on file at Roche Diagnostics.

# Providers face new payment methods

## Fee-for-value, ICD-10 will change the rules for reimbursement

*Supplier success in a post-reform healthcare market depends on many factors, including a fundamental and thorough understanding of the foundation of healthcare reform. This is part of an ongoing series designed to help* Repertoire *readers understand the implications of reform.*

When Medicare was instituted in 1965, it reimbursed hospitals and physicians based on bills submitted after treatment – or retrospectively. Today, charges for physicians and outpatient services continue to be reimbursed retrospectively.

But that's changing, as payers phase in prospective pay and fee-for-value (as opposed to fee-for-service).

Prospective pay isn't new. In 1983, the federal government introduced the Prospective Payment System for inpatient stays, which allowed hospital administrators to know before treatment how much their facility would be reimbursed for a particular illness, or diagnosis. Payments are based on rates determined by geographic region, diagnosis and procedure.

The Patient Protection and Affordable Care Act introduced significant changes to payment systems. Accountable care organizations and patient-centered care models – that is, patient-centered medical homes and patient-centered specialty practices – are becoming more popular across the country. Providers in these organizations are reimbursed based on how well they coordinate care and manage outcomes for their population of patients. Under an outcomes-based approach, providers receive incentives for keeping patients healthy and out of the hospital setting. Their focus shifts from the fee-for-service model to a fee-for-value model. It's an effort to increase the quality of care while reducing overall costs.


### Coding system

The five codes most relevant for suppliers to know are CPTs or Current Procedural Terminology codes; ICD, or International Class of Disease codes; the "Hikpiks" codes, or Healthcare Common Procedure Coding System; DRGs or Diagnosis Related Group codes; and APC, or Ambulatory Payment Classification codes. Two of the most common codes associated with reimbursement are CPT and ICD.

The CPT code is a five-digit number describing the medical, surgical or diagnostic service provided. The physician provides a CPT code after making a diagnosis and determining the treatment. The American Medical Association owns the copyright on CPT codes and publishes annual updates. Annual revisions take effect on or after January 1 of each year. (The AMA publishes a book of codes each year, which can be purchased through the organization's website.)

Coding can get complicated when one considers that products support treatment for more than one condition. This is especially true in the lab. Identical lab tests can carry different CPT codes, depending on whether they are quantitative, qualitative or immunoassay-based (measuring a specific biological substance, such as an antigen).

The ICD-9 code is a four-digit number, which indicates the medical necessity for the procedure performed. It describes the symptom, injury, disease or condition. ICD-9s

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With the Affordable Care Act adding newly insured patients to the system, and ICD-10 being implemented concurrently, providers may be confused. Will they be ready for these new code sets?

are maintained jointly by the National Centers for Health Statistics and the Centers for Medicare and Medicaid Services, and are modified annually. (A complete list of ICD-9 codes can be found on the CMS website.)

For a provider to get paid, the CPT and ICD-9 codes must be related on a claim. The diagnosis must support the medical necessity of the procedure. In other words, payers would reject a claim for a spirometry test – indicated by the CPT code – if it was prompted by a patient complaint of back pain – indicated by the ICD-9.

In 2011, the top five ICD-9s in the United States were the following:

| Code | Description | Total |
|---|---|---|
| 99.04 | Packed Cell Transfusion | 1,276,743 |
| 38.93 | Venous Cath Nec. | 796,314 |
| 39.95 | Hemodialysis | 613,003 |
| 88.56 | Coronary Arteriogr-2 Cath | 475,048 |
| 37.22 | Left Heart Cardiac Cath | 456,050 |

The next generation of ICD codes – ICD-10 – was originally set to launch on Oct. 1, 2013. After determining that many providers were not ready for this new program, CMS delayed the launch until Oct. 1, 2014. This has once again been pushed back, and the move from the current 14,000 ICD-9 code sets to new 68,000 ICD-10 code sets is scheduled for Oct. 1, 2015.

ICD-10 codes will provide greater detail for medical procedures and describe precisely what was done to the patient. This will expand the number of codes used by caregivers, allowing additional space to add new procedures as needed. ICD-10 will use current standardized medical terminology, which means that each term has the exact same meaning across the code set. The transition to ICD-10 will be required for everyone covered under the Health Insurance Portability and Accountability Act, or HIPAA.

## Expect some confusion

With the Affordable Care Act adding newly insured patients to the system, and ICD-10 being implemented concurrently, providers may be confused. Will they be ready for these new code sets? Many facilities are looking to increase staff to handle this new workload, and they are searching for technology solutions to make this process easier. There is a need for qualified coders.

How can the distributor sales rep help eliminate their customers' confusion, as they make the transition to ICD-10s? Several ways:

- Refer physician practices to the latest version of ICD-10 code books, available for purchase at www.aapc.com.
- Point out that many caregivers have moved to electronic medical records or other forms of health information technology, and these systems are preparing for the ICD-10 transition.
- Do your best to stay out of the coding conversation. Better to allow the coding experts within the facility to navigate this area, rather than provide inaccurate information to your customers.

*MDSI – the parent company of* Repertoire *– has developed the Healthcare Reform Navigation Series, an online program designed to make the task of preparing your organization for 2014 and beyond easier. This series will help you and your team with online courses that explain many of the key elements integral to understanding reform and the transformation from fee-for-service to fee-for-value. The program includes a 12-month schedule of topics and live sessions with industry experts.*

*To learn more about the Healthcare Reform Navigation Series, contact Scott Adams, corporate vice president, at (800) 536-5312 or sadams@mdsi.org.*


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# Reverse expo a first for HIDA

Nearly 30 percent more distributor companies attended HIDA's 2014 Streamlining Healthcare Conference this fall compared to the 2013 event. The annual conference, held in Chicago, attracted more than 1,000 registrants; distributor attendees represented more than 115 organizations.

More than 100 affiliate meeting rooms were reserved for private meetings, and more than 41 distributor companies participated in the conference's first-ever Distributor Expo, which featured a reverse-expo format. HIDA also debuted several other new conference features, including concurrent "market outlook" sessions for the IDN, acute care, physician and post-acute-care markets. The event also featured educational summits in patient experience and value analysis in infection control.

At a half-day session on "Best practices in contract timing and communications" HIDA presented new industry recommendations for reducing contracting inefficiencies and improving pricing accuracy. Topics included:

- Best practices for contract communications and contract notification timeliness.
- Approaches for reducing price mismatches and eliminating rework.
- Strategies and tools for getting company support for the changes necessary to achieve these improvements.

In 2015, HIDA will develop and launch Innovation Pavilions to deliver new product solutions and education to conference attendees surrounding three supply chain issues and markets: skin and wound care, infection control, and home healthcare.

## Brad Connett receives award

At the conference, Brad Connett, vice president and general manager, medical sales, Henry Schein, received the 2014 John F. Sasen Leadership

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*Respiratory Syncytial Virus.

**Reference: 1.** GHX Market Intelligence. Q2 2014.

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Award. The award recognizes exceptional individuals who demonstrate leadership qualities, commitment, and service to the healthcare products distribution industry.

Connett has been a member of HIDA's board of directors since 2005 and served as chairman in 2011. He was instrumental in forming HIDA's Leadership Development Group, which brings together future healthcare industry leaders from both manufacturer and distributor companies to exchange ideas, network and support industry initiatives.

"Brad is universally respected in the industry," said HIDA President & CEO Matthew J. Rowan. "HIDA is proud to recognize his enormous industry contributions with this award."

L t r: Brian Taylor, Bradd Connett and Scott Adams

IDN/Acute/Physician Market Outlook session

Dave Meyers

Brad Connett accepting the John F. Sasen Leadership Award

"Brad truly embodies the strategic focus and passion needed to advance the healthcare distribution industry," added HIDA Board Chairman Dave Myers. "His leadership within his company, HIDA, and the industry makes him an ideal recipient for this award. He is a great example of the many qualities John Sasen brought to all of us."

John Sasen was executive vice president and chief marketing officer of PSS World Medical (now McKesson Medical-Surgical) when he died at age 70 in February 2013. His career in healthcare spanned more than 40 years, beginning with Clay Adams, a division of BD, for whom he eventually became vice president of sales, marketing and distributor relations. He joined PSS founder Pat Kelly at PSS in 1989. He was inducted into the Medical Distribution Hall of Fame in 2009.

The next Streamlining Healthcare Conference will take place in Dallas, Texas, Sept. 9 – 11, 2015. rep

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# HIDA Health Reform Update

By Linda Rouse O'Neill, Vice President, Government Affairs, HIDA

### Midterm elections put supply chain champions in key positions

November's midterm election brought substantial changes – some unexpected – to Congressional leadership. Voters reversed course from the past eight years, handing Republicans control of both the Senate and House for the first time since 2007.

With Republican control over the Senate and an expanded majority in the House, key committees will likely experience leadership shifts that could carry major supply chain implications.

### Medical device tax

Leadership of the Senate Finance Committee is expected to be handed from Sen. Ron Wyden (D-OR) to ranking member Sen. Orrin Hatch (R-UT). Senator Hatch has long championed for the repeal of the 2.3 percent medical device excise tax.

Repealing the tax has also been a top priority among medical device suppliers; past repeal legislation has received bipartisan support, but with little progress. Any future legislation repealing the tax – including a solution for finding roughly $30 billion in revenues to offset the tax – must go through the Senate Finance Committee before approval.

In the House, the Ways & Means Committee would work on similar legislation with the Budget Committee. With his reelection to a ninth term in Congress, Rep. Paul Ryan (R-WI) is seen as a heavy favorite to take control of the Ways & Means Committee Chairmanship. Rep. Ryan has been another vocal supporter of repealing the device tax and a Chairmanship would solidify his direct involvement in finding a permanent repeal solution.

Any future legislation repealing the tax – including a solution for finding roughly **$30 billion in revenues** to offset the tax – must go through the Senate Finance Committee before approval.

### Competitive bidding

Medicare's Competitive Bidding Program for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) is another contentious area that could be addressed in the coming months. Program delays, studies and/or audits on its effectiveness, or even alternate treatment of enteral supplies could all be on the table for potential discussion or action.

If Rep. Ryan moves to the Ways & Means Committee, as expected, Rep. Tom Price (R-GA) would likely assume Chairmanship of the Budget Committee. Rep. Price is a physician by trade and has been a leading supporter for modifying competitive bidding. Chairing the Budget Committee would put him in a unique position to make meaningful progress on program reforms.

### Pharmaceutical traceability

Finally, wholesale distributors across the country are preparing for the implementation of new federal requirements intended to ensure prescription drug supply chain integrity by providing a mechanism for products in the supply chain. Phase I of the Drug Quality and Security Act (DQSA) begins Jan. 1, 2015, and requires pharmaceutical manufacturers, wholesalers, and repackagers to comply with applicable traceability requirements. Dispensers must comply by July 1, 2015.

Sen. Lamar Alexander (R-TN) will likely become the new Chairman of the Health, Education, Labor, and Pensions (HELP) Committee as current ranking Republican. Sen. Alexander was a key HIDA ally during the DQSA's enactment. We expect him to remain closely involved throughout implementation. He is also likely to focus on improving the efficiency of the FDA as well as look for opportunities to reduce regulatory burdens on the industry.

HIDA will continue to closely monitor developments resulting from the November elections. For additional information, please contact us at HIDAGovAffairs@HIDA.org. rep

# Leadership Brand and Presence

By Randy Chittum, Ph.D

What is your leadership brand?

You absolutely have one. It may not be what you think it is. Others decide what your brand really is.

Why does it matter? People want leaders to predict within broad ranges what to expect. In a world increasingly characterized by uncertainty, it becomes crucial to have some core things upon which people can depend. As a leader, your brand provides a sense of order.

Your brand is another way of saying what you stand for. It clarifies what is important to you, what you value, and what others can expect. It is a declaration about ***who you aspire to be as a leader.*** Because it is aspirational, we expect to fall short while also expecting that we will constantly strive to be who we desire to be.

We often focus on the behaviors of leaders and that lens is important to our brand. The stating of the brand is equally important. Being transparent and powerful about my leadership brand gives others the framework for how they should evaluate my leadership. Your brand will probably consist of strategic intent (what matters to you) and a set of descriptors that depict what you value as a leader. A strategic intent might be something like "building a cross-functional team to create a new sales strategy." A set of descriptors might include words like bold, creative, future-oriented, courageous, and heartfelt.

The power is in putting those two things together. So your branding statement becomes something like this ... ***I will be bold****, creative, future-oriented, courageous, and heartfelt* ***so that I can*** *build a cross-functional team to create a new sales strategy.*

Then you have to deliver that statement with powerful presence *and* live it in a bold and authentic way.

Leadership presence is commonly misunderstood. We often conflate it with charisma. Because presence is an authentic reflection of our way of connecting with others, each of us will have a unique presence about us. We cannot learn presence by watching someone else. This is related to brand in the sense that our brand should be aligned with the type of presence we most naturally possess. When I work with leaders in this type of presence I'm more often than not trying to get the interference out of the way, not create something new.


Finally, I have had some leaders tell me that discussions about their brand or legacy feels selfish in some way. It feels like it is about them. I would simply respond that you are part of a system, and as you change, so changes the system. If this work makes you better and stronger, it makes the system the same. rep

# Expanded Membership, Growth in Opportunity

Strong member commitment has helped one coalition expand from a small regional organization to one that serves members nationwide.

When Louisville, Ky.-based Alliant Purchasing formed in 1990, it was with the intention of helping independent community hospitals obtain the same supply chain pricing concessions offered to larger IDNs. It wasn't long, however, before the regional acute-care hospital coalition evolved into an organization that serves both acute and non-acute-care providers across the United States. *Repertoire* recently spoke with Mike Stigler, president, Alliant Purchasing, about the coalition's successful track record and the role it has played for its members.

***Repertoire:*** **How has Alliant Purchasing grown in size since it began?**

**Mike Stigler:** Growth has been achieved through new member participation, affiliations with aggregation groups and through acquisitions of smaller GPOs. Today, Alliant Purchasing serves over 140 hospitals and 7,400 non-acute members across 50 states. Growth in members continues to be a primary focus of the organization and an important component of our contracting strategy.

***Repertoire:*** **Have you found the coalition is providing members with more advantages than originally expected?**

**Stigler:** Alliant's original goal was to leverage volume in a tight geographic region to obtain pricing advantage for its members. Growth in membership and in purchasing volume has allowed Alliant to create aggregation opportunities for its members that have exceeded original expectations. Our membership growth has provided Alliant with the leverage to negotiate agreements for services not offered through our GPO partner and to develop financially beneficial relationships with distributors. In addition to supply chain, we have helped our members develop shared service programs for mobile MRI and mammography services. These opportunities were not envisioned in the original business plan for the organization.

> For acute care members joining Alliant, the first year savings has ranged from 5 to 9 percent, depending on their predecessor GPO and their level of contract compliance.

***Repertoire:*** **What are the top three initiatives your regional purchasing coalition has pursued in the last 12 months?**

**Stigler:** We have:

- Built out a national footprint of personnel to serve our members in the states where we have a concentration of clients.
- Established a business partner program with our major suppliers to help improve communication, resolve issues and drive savings initiatives for members.
- Started a monthly collaborative call with our affiliation partners to develop contracting strategy and improve communications.

***Repertoire:*** **How has being part of a regional purchasing coalition enabled members to leverage their buying power?**

**Stigler:** Alliant utilizes its members' commitment to collaborate for the development of aggregation strategies, group buy opportunities and the development of shared service partnerships. Our field service team has been instrumental in helping our members understand contract

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Alliant has a dedicated service team to serve our member facilities. To ensure that we are meeting member expectations, we have developed an annual member survey to gauge member perceptions of Alliant's service, contracting and value.

utilization and ensure proper vendor pricing. Alliant has included members in workgroups that develop contracting strategy for major agreements, such as distribution. The goal of all these initiatives has been to strengthen collaboration and commitment and better educate our members on the value of the Alliant program.

***Repertoire:*** **How much savings did the coalition achieve in the first year, and how has that increased since?**

**Stigler:** For acute care members joining Alliant, the first year savings has ranged from 5 to 9 percent, depending on their predecessor GPO and their level of contract compliance. For non-acute members, our distribution agreements and contract aggregation pricing has produced savings as high as 22 percent, which is phenomenal for some members. Annually, we establish the contracting strategy calendar for the coming year, which includes targets for contract concessions that we plan to achieve.

***Repertoire:*** **Please explain your process whereby your supply chain executives meet and make their decisions.**

**Stigler:** We have monthly contracting meetings with our affiliation partners to discuss contracting issues and strategy. We have created steering committees for pharmacy, laboratory and distribution to make collaborative decisions regarding contracting strategy. Our staffing model includes personnel dedicated to new member development, field service and support and contract negotiation.

***Repertoire:*** **How do you co-exist with your GPO? For instance, does the purchasing coalition only work off of the GPO's contracts?**

**Stigler:** Alliant has had a strong relationship with Premier, Inc. since its inception. Our members, affiliates and personnel serve on the Premier steering committees for strategic advisory, surgical, food and non-acute to advise Premier on contracting strategy and provide a conduit for communication between our members and Premier. In addition, Alliant has a portfolio of agreements that are structured to provide members access to goods and services that Premier does not contract for.

***Repertoire:*** **How do you ensure that the interests of each of your facilities are considered and that each facility's needs are met?**

**Stigler:** Alliant has a dedicated service team to serve our member facilities. To ensure that we are meeting member expectations, we have developed an annual member survey to gauge member perceptions of Alliant's service, contracting and value. We utilize these tools to assess our performance and make adjustments where necessary to enhance our value to our members.

***Repertoire:*** **Is it difficult to get buy-in to the coalition's contracts from each of your facility's physicians and staff?**

**Stigler:** We suspect that Alliant members have the same resistance to change that most organizations do. We believe that when presented with meaningful data that helps them understand the implications of their behavior, they will take action to improve performance. Alliant developed a hospital scorecard several years ago that we utilize to identify opportunities that a member is not utilizing. The goal of the tool is to improve contract compliance and drive savings opportunities for our clients. We have found this tool to be an effective way to have meaningful dialog that ultimately leads to change.

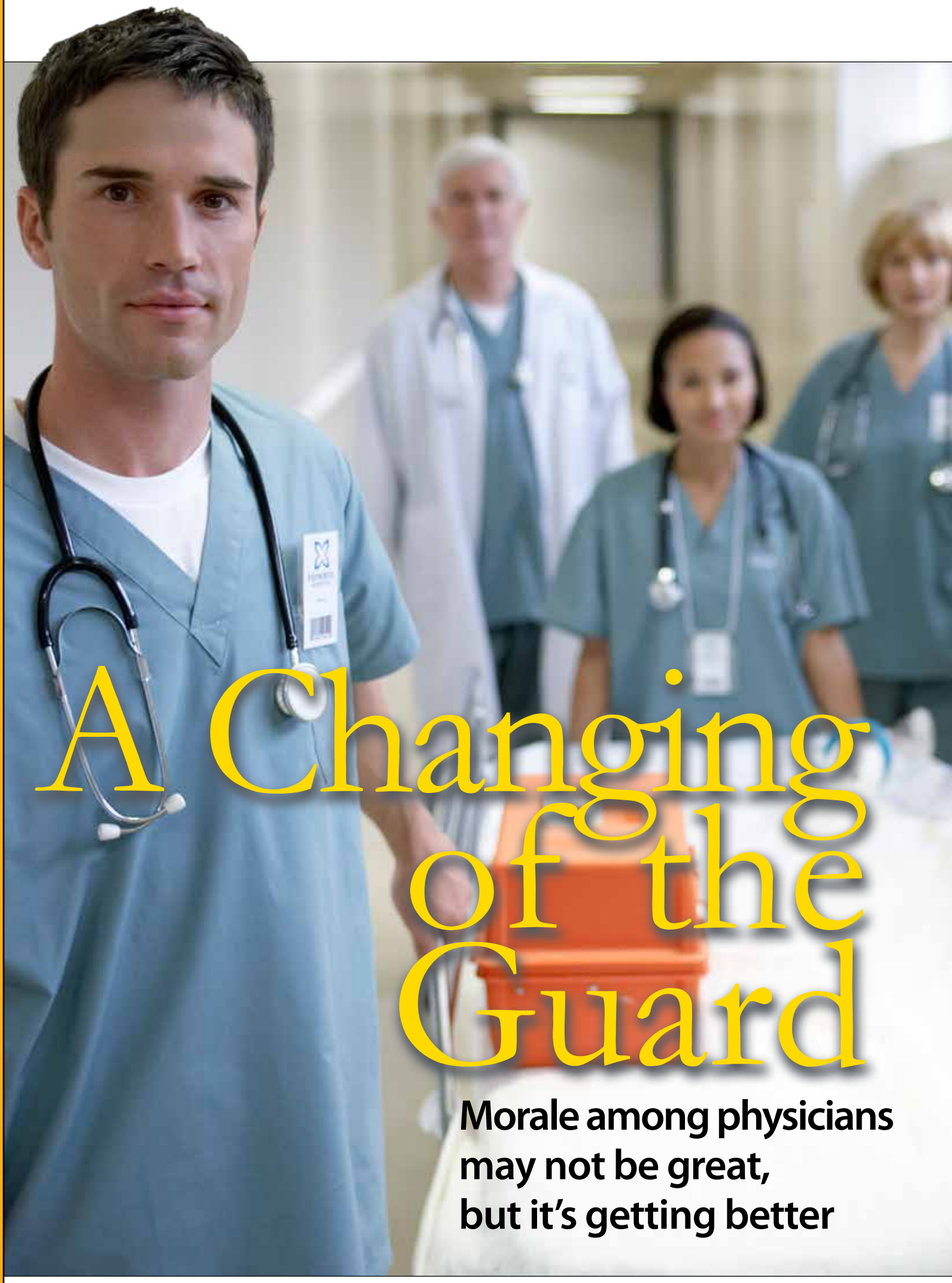
***Repertoire:*** **Other than cost-savings your coalition has achieved through greater volume purchasing, what has been the greatest benefit of the coalition to its members?**

**Stigler:** An advantage of our size has been the ability to get the attention of the appropriate vendor personnel to resolve member issues, such as failure to supply, product substitution, delivery issues and payment disputes. Many times, Alliant is resolving issues that affect multiple member facilities at the same time. This allows our members to focus on the needs of their organization instead of the distraction of dealing with administrative issues.

We will continue to identify GPO acquisitions that enhance our market position and develop collaborations with other organizations that will allow Alliant to create value for its members.

***Repertoire:*** **How do you envision your purchasing coalition in five or so years?**

**Stigler:** Healthcare reform continues to drive the need for programs like Alliant Purchasing, which focus on bending the cost curve of healthcare. We see our contracting focus expanding to focus on opportunities for cost reduction in purchased-service agreements. We are investing in tools that identify member utilization of products and will use this information to benchmark utilization and identify opportunities for volume and cost reduction. We will continue to identify GPO acquisitions that enhance our market position and develop collaborations with other organizations that will allow Alliant to create value for its members. We believe that for organizations to be successful, they must have a culture that embraces the opportunities created by change; adopts technology to do things better, faster and cheaper; and develops relationships that influence behavior. rep



# A Changing of the Guard

## Morale among physicians may not be great, but it's getting better

A changing of the guard is taking place among physicians. Physicians themselves, staff, patients and distributor sales reps will more than likely feel the impact.

"America's physician workforce is undergoing significant changes," Walker Ray, M.D., vice president of The Physicians Foundation and chair of its research committee, was quoted as saying, following the release of "The Physicians Foundation's 2014 Survey of America's Physicians," conducted by Merritt Hawkins. "Physicians are younger, more are working in employed practice settings and more are leaving private practice."

This "new guard" of physicians report having less capacity to take on additional patients, a trend that could have implications for patient access to care, he said. But they are also somewhat optimistic about the future of medicine.

The survey, conducted online from March 2014 through June 2014, is based on responses from 20,088 physicians across the United States.

## Changing attitudes

Relative to the national surveys The Physicians Foundation conducted in 2012 and 2008, doctors are more positive in their outlook as their ranks change demographically and as their status rapidly shifts from that of independent practice owner to employee, according to Merritt Hawkins.

Respondents to the 2014 survey are younger, and more likely to work in employed settings (e.g., hospital systems), compared to those in earlier surveys. Percentage-wise, more are females, and more work in primary care. In 2014, the average age of the respondents is 50, vs. an average age of 54 in 2012. In 2014, 33 percent of the survey respondents are female, vs. 26 percent in 2012. Survey respondents mirror the composition of the current U.S. physician workforce, according to Merritt Hawkins.

Physicians are not uniform in their perspectives. Younger physicians, female physicians, employed physicians and primary care physicians are more positive about the current medical practice environment than are older physicians, male physicians, medical specialists and practice owners. Even so, the majority of almost all groups suffer from low morale and express doubts about the direction of the healthcare system. In addition, more than two-thirds of employed physicians (68 percent) expressed concerns relative to clinical autonomy and their ability to make the best decisions for their patients.

## Practice ownership

- Only 35 percent of physicians describe themselves as independent practice owners, down from 49 percent in 2012 and 62 percent in 2008.
- Fifty-three percent of physicians describe themselves as hospital or medical group employees, up from 44 percent in 2012 and 38 percent in 2008.
- Only 17 percent of physicians indicate they are in solo practice, down from 25 percent in 2012.

## Capacity

- Eighty-one percent of physicians describe themselves as either overextended or at full capacity, up from 75 percent in 2012 and 76 percent in 2008. Only 19 percent say they have time to see more patients.
- Forty-four percent of physicians plan to take one or more steps that would reduce patient access to their services, such as seeing fewer patients, retiring, working part-time, closing their practice to new patients, or seeking a non-clinical job, leading to the potential loss of tens of thousands of full-time-equivalents (FTEs).
- Twenty-four percent of physicians either do not see Medicare patients or limit the number of Medicare patients they see.
- Thirty-eight percent of physicians either do not see Medicaid patients or limit the number of Medicaid patients they see.
- Nevertheless, on average, more than 49 percent of the patients physicians do see are enrolled in Medicare or Medicaid.
- Seventy-two percent of physicians believe there is a physician shortage, that more physicians should be trained, and that the cap on funding for physician graduate medical education should be lifted.

## Morale

- Only 29 percent of responding physicians would not choose medicine if they had their careers to do over, a decrease from 35 percent in 2012.
- Forty-four percent of physicians describe their morale and feelings about the current state of the medical profession as positive, an increase from 32 percent in 2012.
- Fifty percent of physicians would recommend medicine as a career to their children or other young people, an increase from 42 percent in 2012 and 40 percent in 2008.
- Sixty-nine percent of physicians believe that their clinical autonomy is sometimes or often limited and their decisions compromised.

- Physicians work an average of 53 hours a week, virtually the identical number of hours they reported working in 2012, but down from 57 hours in 2008.
- Fifty percent of physicians indicate their belief that implementation of ICD-10 will cause severe administrative problems in their practices.
- Physicians spend 20 percent of their time on non-clinical paperwork.
- Thirty-nine percent of physicians indicate they will accelerate their retirement plans due to changes in the healthcare system.

## Healthcare reform

- Forty-six percent of physicians give the Affordable Care Act a D or F grade, while 25 percent give it an A or B.
- Eighty-five percent of physicians have adopted electronic medical records (EMR), up from 69 percent in 2012. However, 46 percent indicate EMR implementation has detracted from their efficiency, while only 24 percent say it has improved their efficiency.
- Seven percent of physicians now practice some form of direct pay/concierge medicine, while 13 percent indicate they plan to transition in whole or in part to this type of practice. Seventeen percent of physicians 45 or younger indicate they will transition to direct pay/concierge practice.
- Thirty-three percent of physicians currently participate in insurance products offered through their state/federal marketplace exchanges, while 28 percent say they have no plans to.
- Twenty-six percent of physicians now participate in an accountable care organization, though only 13 percent believe ACOs will enhance quality and decrease costs.

Younger physicians, female physicians, employed physicians and primary care physicians are more positive about the current medical practice environment than are older physicians, male physicians, medical specialists and practice owners.

## Physician morale

Although the physicians responding to the 2014 survey are more positive in their perspectives than physicians who responded to the 2012 survey, these positive feelings are relative and not absolute, according to Merritt Hawkins. The 2014 survey shows what may be an incipient change in physician attitudes for the better, many physicians today continue to express a low level of morale and significant misgivings about the state of their profession and the healthcare system.

Responses to the morale question show that the "new guard" of medicine – including younger physicians, female physicians, employed physicians and primary care physicians – expressed considerably higher levels of professional morale than did "old guard" physicians, including those over age 45, male physicians, practice owners and specialists.

This gap is most apparent among employed physicians, 50.6 percent of whom described their morale as very or somewhat positive, compared to only 33.1 percent of practice owners. Similarly, 50.2 percent of primary care physicians described their morale as very or somewhat positive compared to only 40.7 percent of specialists. The majority of physicians 45 or younger (54.3 percent) described their morale as very or somewhat positive, compared to only 38.9 percent of physicians 46 or older.

The relatively positive feelings expressed by younger physicians may be in part a result of the fact that most doctors under the age of 45 entered the profession when changes to physician practice structures and reimbursement already were underway, according to the researchers. Since many have always been employed and have no basis for comparing the employed practice model to the independent model.

## Autonomy in clinical decision-making

Fewer than one-third of physicians say they are free to make the best decisions for their patients, while 69 percent say their medical decisions are sometimes or often compromised. Responses to this question vary only marginally among various physician types, notes the researchers.

What may be most notable about responses to the question about clinical autonomy is that employed physicians indicated their clinical autonomy is slightly less limited than practice owners, by a margin of 68.2 percent to

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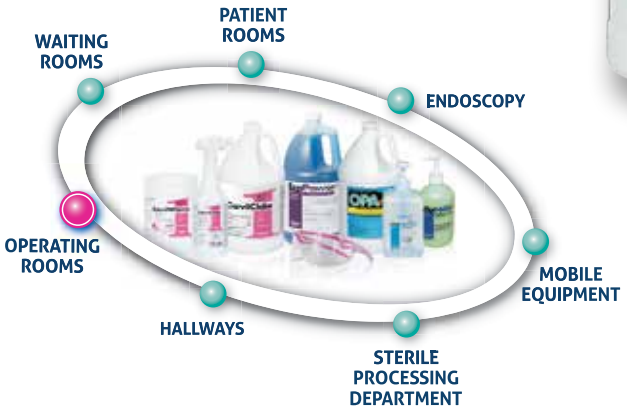


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What may be most notable about responses to the question about clinical autonomy is that employed physicians indicated their clinical autonomy is slightly less limited than practice owners.

70.6 percent. This contradicts the widely held perception that physicians sacrifice their clinical autonomy to become employees in exchange for security, while practice owners sacrifice security to preserve clinical autonomy, Merritt Hawkins researchers note. In fact, the survey suggests that many employed physicians and practice owners feel their clinical autonomy is limited, in close to equal numbers. This may in part be a result of more robust clinical analytics than existed in the past, which, by outlining treatment protocols for various medical conditions, have taken some of the subjectivity out of medicine.

## Physician supply and patient access

The majority of physicians (56.4 percent) indicated they will continue practicing as they are. Over 40 percent, however, said they will take one or more steps likely to reduce patient access to their services. Over 9 percent of physicians indicated they will retire in the next one to three years. Should they do so, approximately 72,000 physicians would be removed from the workforce, note the researchers. Over 10 percent said they will seek non-clinical jobs within healthcare, an occurrence that would remove an additional 80,000 physicians from the workforce. Over 18 percent said they will cut back on hours, while 7.8 percent said they will cut back on the number of patients they see. An additional 29.2 percent said they will adopt a style of practice (concierge, locum tenens, part-time, or hospital employed) likely to reduce their patient load.

That the physician workforce can ill-afford the loss is underscored by physicians themselves, note the researchers. When asked to describe their practices, over 81 percent of physicians said that they are either at full capacity or are overextended and overworked, up from 75.5 percent in 2012. Only 19 percent indicated they have the time to see more patients and assume more duties, down from 24.5 percent in 2012.

Whether or not the growing number of Medicare and Medicaid enrollees will have reasonable access to a physician is an open question, according to Merritt Hawkins. About one quarter of physicians responding to the survey now no longer see Medicare patients or limit the number they see, while 38.1 percent no longer see Medicaid patients or limit the number they see. By contrast, in 2012, only 8.6 percent of physicians said they had closed their practices to Medicare patients while 26.7 percent said they had closed their practices to Medicaid patients.

Given the potential shortage of physicians, it would be advantageous if doctors could devote a minimal amount of time to tasks not directly related to patient care. However, the survey indicates that physicians spend 10.58 hours a week on non-clinical paperwork duties, or 20 percent of their total work hours. However, in a positive development, physician work hours spent on non-clinical duties decreased in 2014 relative to 2008, when physicians reported spending 15.19 hours, or 26 percent of their time, on non-clinical duties; and also decreased relative to 2012, when physicians reported spending 12.01 hours, or 22.6 percent of their time, on non-clinical duties. These numbers suggest administrative efficiency gains have been achieved, possibly through the increased or more strategic use of information technology, including EMR, through enhanced management techniques, or for other reasons, according to Merritt Hawkins.

Notable here is that employed physicians report working more hours per week on non-clinical duties than do practice owners. Employed physicians report spending 10.63 hours per week on non-clinical paperwork, while owners report spending 9.79 hours. One of the presumed benefits of physician employment is that it frees doctors from the non-clinical duties of running a practice with which practice owners must contend, and therefore allows them to spend more time with patients. Both the 2014 and the 2012 surveys suggest this is not the case. rep

**Editor's note:** To receive a copy of the 2014 Survey of America's Physicians, go to www.physiciansfoundation.org

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# **Age** makes a difference

What is your current professional status?

| | 45 or younger | 46 or older |
|---|---|---|
| Practice owner partner/associate | 22.4 percent | 41.5 percent |
| Employed by a hospital | 40.7 percent | 24.7 percent |
| Employed by a medical group | 25.0 percent | 21.0 percent |
| Other | 11.9 percent | 12.8 percent |

Which best describes how you feel about the future of the medical profession?

| | 45 or younger | 46 or older |
|---|---|---|
| Very positive | 10.5 percent | 10.2 percent |
| Somewhat positive | 44.5 percent | 35.6 percent |
| Somewhat negative | 36.8 percent | 40.9 percent |
| Very negative | 8.3 percent | 13.4 percent |

Hospital employment of physicians is a positive trend likely to enhance quality of care and decrease costs.

| | 45 or younger | 46 or older |
|---|---|---|
| Mostly agree | 11.7 percent | 8.1 percent |
| Somewhat agree | 35.7 percent | 23.4 percent |
| Somewhat disagree | 27.7 percent | 29.3 percent |
| Mostly disagree | 24.9 percent | 39.2 percent |

What overall grade would you give the Affordable Care Act as a vehicle for healthcare reform?

| | 45 or younger | 46 or older |
|---|---|---|
| A | 4.1 percent | 3.4 percent |
| B | 25.8 percent | 19.5 percent |
| C | 33.1 percent | 26.3 percent |
| D | 19.0 percent | 22.3 percent |
| F | 18.0 percent | 28.5 percent |

Has your practice implemented electronic medical records?

| | 45 or younger | 46 or older |
|---|---|---|
| Yes | 92.2 percent | 81.4 percent |
| No | 7.8 percent | 18.6 percent |

If yes, how has EMR affected your practice?

| | 45 or younger | 46 or older |
|---|---|---|
| Improved quality of care | 41.7 percent | 26.0 percent |
| Detracted from quality of care | 18.0 percent | 28.0 percent |
| Improved efficiency | 30.9 percent | 20.2 percent |
| Detracted from efficiency | 37.6 percent | 51.1 percent |
| Improved patient interaction | 5.8 percent | 3.8 percent |
| Detracted from patient interaction | 43.4 percent | 49.4 percent |
| Has had little to no impact on above | 7.4 percent | 7.7 percent |

**Source:** 2014 Survey of America's Physicians, ©2014, The Physicians Foundation

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# Owner or employee?

Among physicians who identify themselves as employees, 57.6 percent say they are employed by a hospital, and 42.4 percent say they are employed by a medical group.

Which best describes your morale and your feelings about the current state of the medical profession?

| | Employed | Owner |
|---|---|---|
| Very positive | 9.9 percent | 6.2 percent |
| Somewhat positive | 40.6 percent | 26.9 percent |
| Somewhat negative | 35.2 percent | 40.7 percent |
| Very negative | 14.3 percent | 26.2 percent |

Which best describes how you feel about the future of the medical profession?

| | Employed | Owner |
|---|---|---|
| Very positive | 11.2 percent | 7.0 percent |
| Somewhat positive | 42.0 percent | 33.0 percent |
| Somewhat negative | 38.3 percent | 43.5 percent |
| Very negative | 8.5 percent | 16.5 percent |

Hospital employment of physicians is a positive trend likely to enhance quality of care and decrease costs.

| | Employed | Owner |
|---|---|---|
| Mostly agree | 13.1 percent | 3.2 percent |
| Somewhat agree | 36.3 percent | 13.5 percent |
| Somewhat disagree | 28.7 percent | 27.9 percent |
| Mostly disagree | 21.9 percent | 55.4 percent |

Do you participate in an accountable care organization?

| | Employed | Owner |
|---|---|---|
| Yes | 32.2 percent | 21.7 percent |
| No | 40.7 percent | 67.0 percent |
| Unsure | 27.1 percent | 11.3 percent |

Has your practice implemented electronic medical records?

| | Employed | Owner |
|---|---|---|
| Yes | 92.9 percent | 73.5 percent |
| No | 7.1 percent | 26.5 percent |

If yes, how has EMR affected your practice?

| | Employed | Owner |
|---|---|---|
| Improved quality of care | 36.1 percent | 23.7 percent |
| Detracted from quality of care | 23.1 percent | 26.9 percent |
| Improved efficiency | 25.3 percent | 22.5 percent |
| Detracted from efficiency | 45.0 percent | 48.3 percent |
| Improved patient interaction | 4.9 percent | 4.2 percent |
| Detracted from patient interaction | 46.6 percent | 48.0 percent |
| Has had little to no impact on above | 6.2 percent | 9.8 percent |

**Source:** 2014 Survey of America's Physicians, ©2014, The Physicians Foundation

# **Gender** breakdown/differences

What is your current professional status?

| | Male | Female |
|---|---|---|
| Practice owner/partner/associate | 38.5 percent | 26.7 percent |
| Employed by a hospital | 29.4 percent | 32.5 percent |
| Employed by a medical group | 20.7 percent | 26.0 percent |
| Other | 11.4 percent | 14.8 percent |

Which best describes how you feel about the future of the medical profession?

| | Male | Female |
|---|---|---|
| Very positive | 10.8 percent | 9.5 percent |
| Somewhat positive | 35.0 percent | 45.5 percent |
| Somewhat negative | 40.2 percent | 37.3 percent |
| Very negative | 14.0 percent | 7.7 percent |

Hospital employment of physicians is a positive trend likely to enhance quality of care and decrease costs.

| | Male | Female |
|---|---|---|
| Mostly agree | 8.5 percent | 10.5 percent |
| Somewhat agree | 25.0 percent | 33.4 percent |
| Somewhat disagree | 28.5 percent | 29.8 percent |
| Mostly disagree | 38.0 percent | 26.2 percent |

What overall grade would you give the Affordable Care Act as a vehicle for healthcare reform?

| | Male | Female |
|---|---|---|
| A | 3.5 percent | 4.1 percent |
| B | 19.3 percent | 26.6 percent |
| C | 26.2 percent | 34.2 percent |
| D | 22.8 percent | 17.5 percent |
| F | 28.2 percent | 17.6 percent |

**Source:** 2014 Survey of America's Physicians, ©2014, The Physicians Foundation

# **Primary care** or specialist?

What is your current professional status?

| | Primary care | Specialist |
|---|---|---|
| Practice owner/partner/associate | 29.8 percent | 37.4 percent |
| Employed by a hospital | 31.1 percent | 30.4 percent |
| Employed by a medical group | 27.1 percent | 19.5 percent |
| Other | 12.0 percent | 12.7 percent |

What is your gender?

| | Primary care | Specialist |
|---|---|---|
| Male | 57.7 percent | 72.6 percent |
| Female | 42.3 percent | 27.4 percent |

*(Continued on by 34)*

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1) http://www.diabetes.org/diabetes-basics/statistics. Accessed November12, 2014.
2) Hemoglobin A1C Monitoring A Global Strategic Business Report, page 17. Global Industry Analysts, Inc. February, 2014. Data on file.

Which best describes how you feel about the future of the medical profession?

| | Primary care | Specialist |
|---|---|---|
| Very positive | 10.2 percent | 9.4 percent |
| Somewhat positive | 38.7 percent | 38.0 percent |
| Somewhat negative | 39.5 percent | 39.8 percent |
| Very negative | 11.6 percent | 12.9 percent |

Hospital employment of physicians is a positive trend likely to enhance quality of care and decrease costs.

| | Primary care | Specialist |
|---|---|---|
| Mostly agree | 11.0 percent | 8.4 percent |
| Somewhat agree | 31.2 percent | 25.7 percent |
| Somewhat disagree | 28.6 percent | 28.5 percent |
| Mostly disagree | 29.3 percent | 37.3 percent |

What overall grade would you give the Affordable Care Act as a vehicle for healthcare reform?

| | PC | Specialist |
|---|---|---|
| A | 4.4 percent | 3.1 percent |
| B | 26.5 percent | 19.3 percent |
| C | 29.9 percent | 28.1 percent |
| D | 18.7 percent | 22.5 percent |
| F | 20.5 percent | 26.9 percent |

**Source:** 2014 Survey of America's Physicians, ©2014, The Physicians Foundation

# **Most satisfying aspect** of medical practice

What two factors do you find most satisfying about medical practice? (All respondents)

| | |
|---|---|
| Patient relationships | 78.6 percent |
| Intellectual stimulation | 65.3 percent |
| Interaction with colleagues | 22.0 percent |
| Financial rewards | 15.2 percent |
| Prestige of medicine | 12.2 percent |

**Source:** 2014 Survey of America's Physicians, ©2014, The Physicians Foundation

# **Physician supply** and patient access

In the next one to three years, do you plan to (check all that apply). (All respondents)

| | |
|---|---|
| Continue as I am | 56.4 percent |
| Cut back on hours | 18.2 percent |
| Seek a non-clinical job within healthcare | 10.4 percent |
| Retire | 9.4 percent |
| Work locum tenens | 9.1 percent |
| Cut back on patients seen | 7.8 percent |
| Seek employment with a hospital | 7.3 percent |
| Work part-time | 6.4 percent |
| Switch to a concierge practice | 6.2 percent |
| Close practice to new patients | 2.4 percent |

**Source:** 2014 Survey of America's Physicians, ©2014, The Physicians Foundation

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# Optimism for the Future

## A new generation of doctors finds plenty of reasons to be optimistic about the future of medicine

Your physician customers have plenty to grumble about. Too many people and agencies peering over their shoulders. Too much paperwork. So many patients, so little time.

Many doctors describe themselves as overextended, and more than half describe in negative terms their feeling about the current state of the profession, according to the recently released "2014 Survey of America's Physicians," performed by Merritt Hawkins on behalf of The Physicians Foundation.

If you take a closer look, you will find reasons to be optimistic about the future of medicine, says Kurt Mosley, vice president of strategic alliances, Merritt Hawkins. That's because of the changing attitudes, hopes and expectations on the part of a new generation of doctors, he says.

Today's young doctors are more likely to seek employment than own a practice, according to the survey. Little surprise, given that employment offers security, a predictable paycheck, and more, says Mosley. However, employment does not mean a loss of clinical decision-making power relative to independent practice, the survey shows. Both independent and employed physicians sometimes have their clinical autonomy limited, the survey indicates. Today's doctors have one primary charge – to make sure their patients' health has improved and that patients are happy about their care, he says. "That gives doctors at least some autonomy."

There's more good news, says Mosley: Many doctors are going back into family medicine. "In the past, if you asked, 'Why are people going into family medicine,' the answer was, 'location, location, location,' They wanted to practice medicine in a certain location. But today, the answer is 'lifestyle, lifestyle, lifestyle.'"

Young doctors – a growing percentage of whom are female – want better relationships with their patients. They want to spend more time with each of them. That is a luxury that overworked family physicians have been unable to enjoy. But today, with a growing support system – nurse practitioners, hospitalists, physician assistants, etc. – they can do just that. The Affordable Care Act, with its emphasis on the medical home, will only reinforce the trend.

Family medicine is attractive to a new generation of doctors for a couple other reasons, says Mosley. First, compensation continues to increase (though it will probably never eclipse that of many specialists). Second, primary care physicians can do a lot more today than ever before, given new technology, information systems, etc.

"Doctors tell me that the prejudice against family medicine is fading," he continues. In the past, faculty advisors might have told their interns or residents, "You're too smart for primary care," he says. "No more.

"This whole changing of the guard is good news for everyone. We have to have an optimistic medical group. If you're a patient, you want your doctor to be happy." rep

"In the past, if you asked, 'Why are people going into family medicine,' the answer was, 'location, location, location,' They wanted to practice medicine in a certain location. But today, the answer is 'lifestyle, lifestyle, lifestyle.'"


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# Are medical residents learning the lessons of High Value Care?

Medical residents need more training on how to reduce healthcare costs while improving patient outcomes in the clinical setting, according to a study published by the American College of Physicians.

The study was designed to measure residents' knowledge of how to balance benefits with harms and costs of medical interventions – tests and treatments – using specific case vignettes, explains Dr. Cynthia Smith, senior physician educator at the American College of Physicians.

Achieving that balance is an important part of ACP's "High Value Care" initiative. The initiative includes a curriculum for residents, co-developed with the Alliance for Academic Internal Medicine, to help doctors and patients understand the benefits, harms, and costs of tests and treatment options for common clinical issues, so together they can pursue care that improves health, avoids harms, and eliminates wasteful practices.

> "Residents need easy access to cost information in order to incorporate it into their clinical decision making and discussions with patients."

For the study, the American College of Physicians and the Alliance for Academic Internal Medicine identified 38 of 340 questions on the 2012 Internal Medicine In-Training Examination that correlated with the High Value Care initiative. (The annual examination, given to over 20,000 internal medicine residents throughout the nation, is designed to help residents and their program directors assess residents' knowledge of internal medicine and identify areas for improvement.)

The 2012 examination was comprised of 170 items that had been used on prior examinations and 170 new items written specifically for that year's examination, says Smith. The 38 items selected to make up the High Value Care subscore were identified after the items had been edited and selected to be on the examination based on a set of pre-determined criteria. In other words, they were not questions specifically written to measure high value care, she says.

Average Proportion of Residents Who Somewhat or Strongly Agree With the Survey Questions (among 362 residents)

| | Overall mean |
|---|---|
| I know where to find estimated costs of tests and treatments | 28 percent |
| I incorporate the costs of tests and treatments into clinical decisions | 47 |
| I share estimated costs of tests and treatments with patients | 26 |
| I avoid ordering unnecessary tests and treatments for patients | 72 |
| I incorporate patients' values and concerns into clinical decisions | 88 |
| I know the benefits and harms associated with common tests and treatments | 85 |
| I offer patients alternatives of care; considering benefits, harms and costs | 82 |
| I reduce healthcare waste within my hospital or clinic | 61 |

**Source:** Annals of Internal Medicine, Oct. 14, 2014

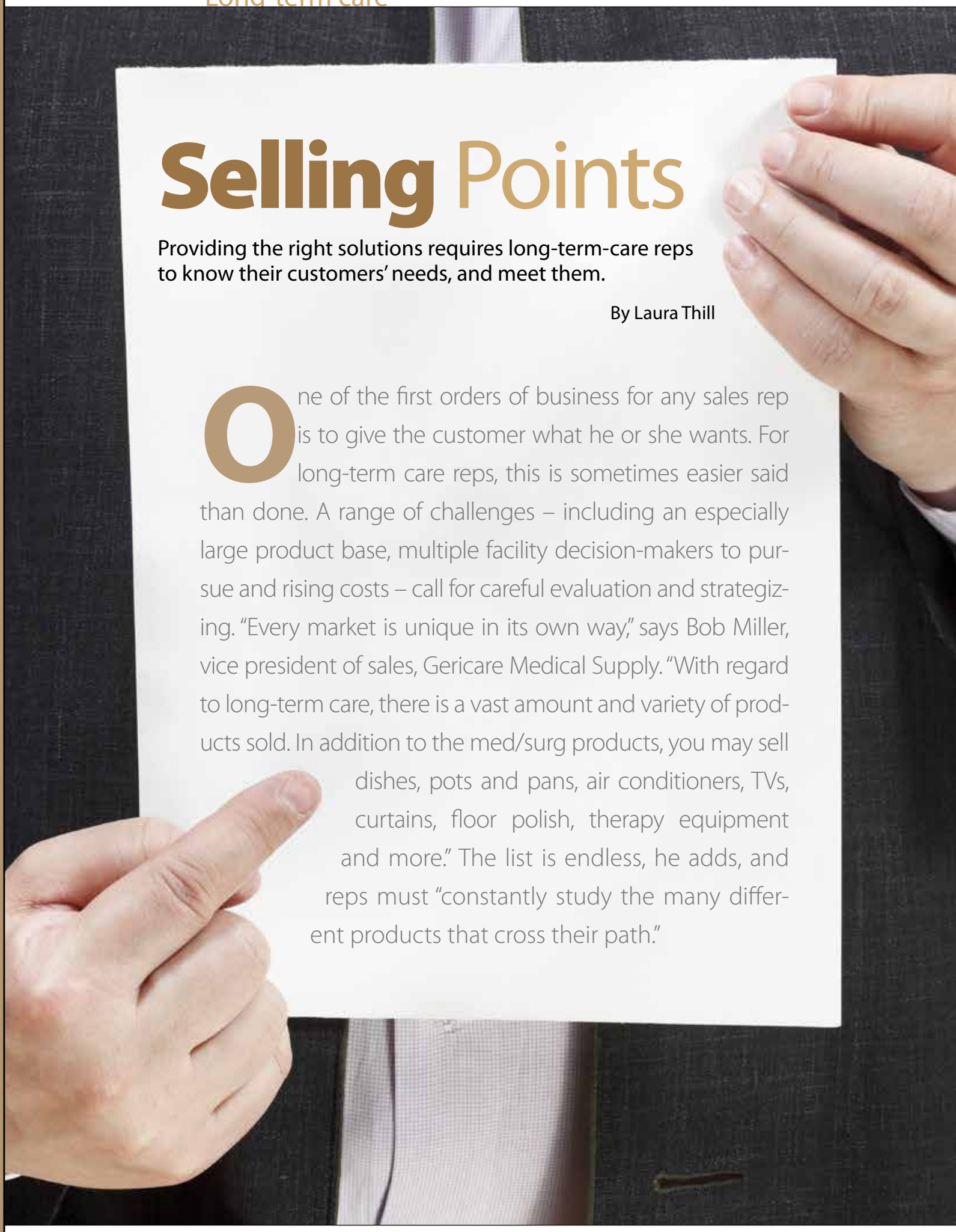
Each reviewer identified items for inclusion in the High Value Care sub-score that concerned one of the following six High Value Care competencies:

- Identifying and avoiding diagnostic tests and therapies that provide no value and have the potential to harm the patient or increase cost.
- Recognizing and treating a condition based on clinical information without further unnecessary diagnostic testing (for example, avoiding diagnostic imaging for mechanical lower back pain.)
- Managing conservatively when appropriate, including allowing adequate time for clinical improvement, observation and monitoring, or comparison to prior studies rather than additional diagnostic testing (for example, obtaining an old chest radiograph to evaluate a "new" pulmonary nodule rather than a chest computed tomography or future radiograph).
- Selecting from among equally efficacious options the diagnostic or therapeutic intervention that offers the best value considering side effects and costs.
- Applying cost-conscious screening and prevention guidelines (considering patient-specific risk and life expectancy in screening recommendations).
- Understanding basic statistical concepts used to evaluate tests or treatments.

"The majority of questions selected to comprise the sub-score were those questions where the answer was 'managing conservatively,'" says Smith. "To avoid examinees from always selecting the conservative option, we made sure to include questions where conservative management was an incorrect option.

"Many residents still are practicing under the belief that more care is better care, and more aggressive testing and treatment is always better," she says. "One of our goals in creating and reporting the High Value Care sub-score was to increase resident and program awareness that this is not always the case, and that appropriate conservative management often improves patient outcomes.

"Residents need easy access to cost information in order to incorporate it into their clinical decision making and discussions with patients," says Smith. "They need to be more actively engaged in identifying opportunities to reduce waste and improve outcomes in the clinical settings where they are training." rep



# Selling Points

**Providing the right solutions requires long-term-care reps to know their customers' needs, and meet them.**

By Laura Thill

One of the first orders of business for any sales rep is to give the customer what he or she wants. For long-term care reps, this is sometimes easier said than done. A range of challenges – including an especially large product base, multiple facility decision-makers to pursue and rising costs – call for careful evaluation and strategizing. "Every market is unique in its own way," says Bob Miller, vice president of sales, Gericare Medical Supply. "With regard to long-term care, there is a vast amount and variety of products sold. In addition to the med/surg products, you may sell dishes, pots and pans, air conditioners, TVs, curtains, floor polish, therapy equipment and more." The list is endless, he adds, and reps must "constantly study the many different products that cross their path."

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Not only that, often there are multiple decision-makers involved in the purchasing process, Miller says. Reps may begin by reaching out to the director of nursing, checking in with the purchasing director and following up with the administrator, a wound care nurse, a risk manager, the custodial staff or an in-service coordinator, he explains. The list can be endless. "On the other hand, there are more buying groups, IDNs and corporate contracts today," he says. "In these cases, sales reps may have to focus on the director of nursing or the administrator." Because fewer people are involved in the purchasing decision, reps really need to stay after these individuals, he adds.

### Customer service

Challenges in the long-term care market are quite similar to those in other aspects of healthcare. Rising costs and expanded product lines can make any rep's head spin, and frustrate customers as well. In his experience, Miller has discovered that, in sales, it's important to go with the flow, while at the same time giving the customer what he or she wants.

**Given the rate at which products and trends come and go, sales reps need to ensure that they – and their customers – stay informed.**

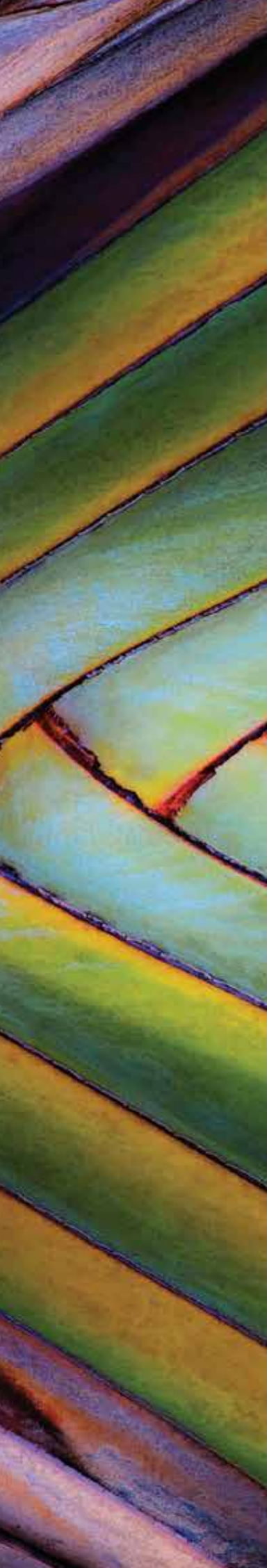
"Show your customers quality, while emphasizing that you get what you pay for," he says. "This approach, along with superior service, might just be what the doctor ordered. Of course, you need to know your customer. For instance, if cost is crucial to a particular customer, then you must give the customer the good, better, best approach, and let him or her select a product based on its efficacy. If all the customer needs in the way of dressings is a 4x4, so be it. If he/she wants a standard wound care product, fine. However, if he/she needs a stronger, more effective product for a sicker patient, he/she can go higher end. The good, better, best strategy hits all phases of care, depending on the residents' severity."

Understanding the customer's need and providing excellent service is more important today than ever before, Miller continues. "Showing that you care and giving people the personal touch stands the test of time," he says. "Who wouldn't want to be paid attention to? Especially today, given there are fewer salespeople in the field and managers often live out of the state, it's very important to communicate as much as possible with customers without being a pest." Email, text, phone calls, and regular face-to-face visits can help strengthen the rep-customer bond, he notes. In-services, as well, are an excellent way to stay in front of the customers. "In my opinion, make it a point to get in front of the customer in person – no excuses."

Given the rate at which products and trends come and go, sales reps need to ensure that they – and their customers – stay informed, says Miller. "For instance, make your customers aware that Triclosan in soaps is coming under tremendous scrutiny," he says. "Provide studies and make them aware of what is being [discussed] so they can make a more informed decision. Make them look forward to seeing you as a valuable resource, not just another salesperson."

And, how do sales reps remain on the cutting edge, and keep their customers there as well? For one, by reading magazines, such as *Repertoire*, he says. In addition, "stay active in HIDA and read their literature. Go to Medtrade and listen to educational seminars. Reps can't be too educated."

There will always be more acquisitions, more IDNs and more buying groups offering greater cost savings and government cutbacks in Medicare/Medicaid, says Miller. "Reps need to look carefully at the mix of patients in the nursing homes they visit and determine whether they should emphasize the good, better or best products to these customers. It's a matter of different strokes for different folks." rep



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# First Flight

## A new ACO agreement between Boeing and an IDN launches a new type of ACO

By Caroline Anschutz

Of the more than 600 ACOs in this country, including more than 300 commercial ACOs and almost 350 ACOs aligned with the Centers for Medicare and Medicaid Services, almost all of them have one thing in common – they include a provider and some kind of payer.

But what would happen if a company skirted the "middle man," so to speak, and signed a contract directly with the provider? Can an ACO agreement exist without a payer? This summer, one employer launched an agreement to attempt just that.

### Boeing makes healthcare history

In June 2014, The Boeing Company became one of the first to reach an ACO agreement with a provider that does not include an insurer.

Boeing, which is headquartered in Chicago, is the world's largest aerospace company and manufacturer of commercial jetliners and military aircraft. In 2013, it saw record revenue of $86.6 billion and boasted more than 168,000 employees. This year, it signed on as the first large group health insurance client of the Providence-Swedish Health Alliance, the ACO formed by Providence Health and Services in Renton, Wash., and Swedish Health Services in Seattle. The agreement also includes an ACO formed by UW Medicine, also located in Seattle.

Under the agreement, about 27,000 Boeing employees and 3,000 retirees in the Puget Sound region of Washington state will be eligible to select Providence-Swedish Health Alliance or the UW Medicine ACO as their health network. The open enrollment period begins in November, and coverage is effective Jan. 1, 2015. Eligible employees will have the option of keeping their current, traditional health plans; or selecting the Providence-Swedish Health Alliance, or UW Medicine's ACO.

### How three providers made the cut

Providence and Swedish Health Services are experienced ACO administrators. They teamed together in 2012 to form Providence-Swedish Health Alliance and have aligned their hospitals along with approximately 50 primary care clinics and independent medical group practices in order to coordinate care, share best practices, and follow the ACO's reimbursement model. Quality metrics for participating providers include clinical outcomes, health status, preventative measures, and patient satisfaction. Providence-Swedish Health Alliance was also approved as a Medicare ACO in December 2013, and offers coordinated care to more than 25,000 Medicare beneficiaries across western Washington. The organization is one of only three Medicare ACOs in the state. On its website, the organization says, "The Providence-Swedish Health Alliance is an innovative new health care program providing easier access to physicians and care teams, more personal support, better coordinated care and an enhanced level of service – all at a lower cost to members and their employers."

UW Medicine's ACO includes 20 hospitals, over 500 clinics, more than 700 primary care providers, and 4,000 specialists. On its website, UW Medicine ACO states, "By creating an accountable care network with other leading healthcare organizations throughout the Puget Sound region, we provide you with increased access to outstanding care and enhance our ability to provide affordable, high-quality care."

### A new type of ACO

Billed as an "employer-driven ACO," Boeing's agreement with Providence-Swedish and UW medicine is believed to be one of the first of its kind. The potential benefit for Boeing is clear – by cutting out the insurer "middle man" between patients and providers, it may be able to reduce costs. The contract sets goals for the employees' medical costs. If costs are higher than anticipated, the provider will foot the bill. If costs are lower, the provider sees the savings. Boeing employees who elect to participate in an ACO will pay higher deductibles and co-pays if they receive treatment from a provider that is not included in the ACO network.

The contract includes quality goals that are important to patients, including the ability to schedule appointments in a timely manner and the maintenance of patient safety and satisfaction. Cost benchmarks such as reducing readmissions to

the hospital after treatment and the management of chronic conditions are also included in the contract.

According to Boeing, there are several enticing benefits to participating in an ACO, including lower paycheck deductions and larger company contributions to Health Savings Accounts. These employees will also not be responsible for a co-payment for many primary care doctor visits, and generic drug prescriptions are 100 percent covered. Not only are there financial incentives, but the providers will coordinate appointments and treatment across their network, relieving the patient of that responsibility.

Boeing did not disclose how much it hopes to save though the contracts or give a time frame for the agreement, but did say that these are "multiyear" contracts.

### Industry reaction

Joe Gifford, M.D., CEO of Providence-Swedish Health Alliance, said that since the contract was announced in June, other employers have expressed interest in joining the ACO.

Joseph Tedino, Senior Managed, Employee Communications at Boeing, stated that Boeing might forge similar agreements in other markets. He said that the company hopes the contract with Providence-Swedish and UW Medicine will allow its employees to better engage in how they use their benefits.

As of publication, there was no indication as to how many Boeing employees are interested in the ACO option. Open enrollment began in November, and Boeing is banking on an "improved patient experience" attracting employees to the new ACO agreement.

Wendell Potter, a senior analyst at The Center for Public Integrity, said in an article published in September that he is certain that other large employers are watching. If Boeing's venture is successful and demonstrates savings, Potter says to expect to see many more of these "employer-driven" ACOs to pop up in the near future. A report from consulting firm Leavitt Partners agrees, predicting a "marked increase" in the number of direct contracts with employers as businesses look for high-quality care at a lower price.

Potter's predictions don't stop at Boeing. Because ACOs can coordinate appointments and treatment across a provider network, relieving patients of responsibility, prior approvals for treatment from an insurance company become unnecessary. In anticipation that this will become a national trend and in response to the Affordable Care Act provisions that decrease profit margins, Potter says, large for-profit insurers are diversifying.

Health insurers are now required to spend at least 80 percent of premium revenue on patient care. As a result, they are seeking higher investment returns elsewhere, increasingly putting money into technology ventures. Potter predicts that "the big for-profits will eventually cede the health insurance marketplace to nonprofit insurers and provider-led organizations like ACOs–and even to hospitals that are looking to operate their own health plans."

### The future of "employer-driven" ACOs

Others may not be as willing as Potter to make such extensive predictions of the future of these new ACO agreements. Boeing's agreements are almost unique in American healthcare. In 2013, Intel, which saw revenue of $52.7 billion last year, signed an agreement with Presbyterian Healthcare Services of Albuquerque, New Mexico. The agreement offers a narrow-network, ACO style benefits plan to its 5,400 Rio Rancho, New Mexico employees. Presbyterian operates a work-site clinic and earns bonuses for meeting quality goals and hitting cost targets.

Employer-driven ACOs may not yet be a trend, and their success is unclear. Unless Boeing's venture fails, however, it's safe to say more employers will likely follow in their footsteps. rep

## Cutting out the middle man

By cutting out the insurer "middle man" between patients and providers, Boeing hopes to be able to reduce costs. The contract sets goals for the employees' medical costs. If costs are higher than anticipated, the provider will foot the bill. If costs are lower, the provider sees the savings. Boeing employees who elect to participate in an ACO will pay higher deductibles and co-pays if they receive treatment from a provider that is not included in the ACO network.

### Incentives

According to Boeing, there are several enticing benefits to participating in an ACO, including lower paycheck deductions and larger company contributions to Health Savings Accounts. These employees will also not be responsible for a co-payment for many primary care doctor visits, and generic drug prescriptions are 100 percent covered. Not only are there financial incentives, but the providers will coordinate appointments and treatment across their network, relieving the patient of that responsibility.

# Happy holidays?

## Don't let stress take the happy out of the holidays.

Could another season of good cheer really be upon us? Whether or not we feel cheery, the holidays indeed are here – along with added stress, both at work and at home. End-of-year deadlines, along with holiday shopping, parties and entertaining, are enough to leave sales reps – and their family, friends and customers – reeling.

This season, when the going gets a little too rough, keep in mind the following stress-relieving tips offered by Mayo Clinic:

- Acknowledge your feelings. You can't force yourself to be happy simply because it's the holiday season.
- Reach out. Participating in community, social or religious events, as well volunteering time to help others, is a good way to lift one's spirits and broaden friendships.
- Be realistic. Some years, the holidays just aren't perfect. Nor do they have to be.
- Set aside differences. Accept others for who they are.
- Stick to a budget.
- Plan ahead, particularly with regard to shopping, baking and entertaining.
- Learn to say no. Saying yes when you should say no can leave you feeling resentful and overwhelmed.
- Don't abandon healthy habits in the face of holiday parties and the abundance of sweets.
- Take a breather. Sometimes even 15 minutes of alone time is enough for one to regain his or her focus.

Holiday and year-end stress have a knack for finding their way into the workplace, and situations that are stressful for you may not affect your colleagues. To begin coping with stress at work, identify your stress triggers.

- Record situations and events that lead you to have negative physical, mental or emotional response.
  - Where were you?
  - Who/what was involved?
  - What was your reaction?
  - How did you feel?
- Evaluate your stress inventory.
  - Are there consistent causes of stress?
  - Is your commute to work or office workspace contributing to your stress?
- Once you have identified your stress triggers, look for ways to resolve them. For instance, sometimes the solution is as simple as restructuring your day by arriving to work early, shortening your lunch hour and leaving earlier at the end of the day.

Efficient time management skills are often key in helping to relieve work-related stress, according to Mayo, which recommends the following:

- Set realistic goals with realistic expectations.
- Make a priority list.
- Protect your time with uninterrupted blocks of time to address difficult projects.

**Holiday and year-end stress have a knack for finding their way into the workplace, and situations that are stressful for you may not affect your colleagues.**

To maintain a healthy perspective, Mayo suggests:

- Talk with friends and colleagues to get their perspective, insight and suggestions.
- Schedule breaks.
- Have an outlet, such as reading or a hobby to offset work demands.
- Attend to your health by following a healthy diet, including physical activity in your daily routine and getting plenty of sleep.

If, in spite of all efforts, year-end stress continues to plague you, remember this: A new year – and a fresh start – is just around the corner. rep

# Quick Bytes

**Editor's note:** Technology is playing an increasing role in the day-to-day business of sales reps. In this department, *Repertoire* will profile the latest developments in software and gadgets that reps can use for work and play.

## Blood sugar tracker

Livongo Health recently won regulatory approval for In Touch, an Internet-connected device designed to provide diabetics with continuous access to updated information about their glucose levels, enabling them to better monitor their blood sugar levels and share important information with their doctor, according to the *Chicago Tribune*. The device, which measures blood sugar from blood drawn from regular finger pricks and includes a pedometer to monitor a user's activity, helps patients determine if they are in a healthy range. Other companies as well – including Google, Apple and Samsung – reportedly are exploring ways to incorporate glucose monitors into wearable sensor devices.

## The center of the Internet of Things

By 2020, the smartphone will be the central component of a personal Internet of Things, connecting with wearables, household objects, utilities and vehicles to quantify, aggregate and automate everyday tasks, according to ReportLinkers.com. Sensors, displays and augmented reality services are expected to blend a digital layer into the physical world, quantifying it for increased efficiency and optimization. The organization's key research findings suggest:

- People will rely on the Web less as apps proliferate across devices and domains, such as medical, connected home, automotive and retail.
- The new breed of apps will be ambient and rely on MEMS sensors to intelligently collect data and provide contextually relevant information.
- No single company will make all of the hardware. Instead, Apple and Google are expected to provide the operating systems and APIs for hardware and applications to plug into.
- Sensors in smartphones and smartwear will reduce inefficiencies in healthcare and enable preventative care, reducing the demand on hospitals and elderly care.
- Low-cost devices will enable healthcare to be delivered cheaply across populations, improving medical care and diagnosis.
- Biometric authorization will take place on the smartphone and will include fingerprint and iris or voice modalities, limiting the need to include biometrics on other hardware.

## Smart watches, smart choice

Not all smart devices are created equal. But, they come close:

| | Apple Watch | Asus ZenWatch | Sony Smart-Watch3 | LG G Watch R | Samsung Galaxy Gear S | Motorola Moto 360 | Samsung Galaxy Gear 2 | Pebble Smartwatch |
|---|---|---|---|---|---|---|---|---|
| Voice Control | Siri | Google Now | Google Now | Google Now | Google Now | Google Now | Google Now | None |
| Body Material | Steel | Steel | Steel Back | Steel | Steel | Steel | Steel | Plastic/Steel |
| Swappable Band | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Weight | Unknown | 2.65 ounces | 1.34 ounces | Unknown | 2.36 ounces | 1.73 ounces | 1.94 ounces | 1.98 ounces |
| Screen Size | Unknown | 1.63 inches | 1.6 inches | 1.3 inches | 2 inches | 1.56 inches | 1.63 inches | 1.26 inches |
| Price | $349 | $199 | $300 | $229 | $300 | $250 | $300 | $150 (Plastic)_____ $249 (Steel) |
| Availability | 2015 | 4Q 2014 | 4Q 2014 | 4Q 2014 | October 2014 | Septem-ber 2014 | April 2014 | January 2013 |

**Source:** *Chicago Tribune*

- A wearable device without a display equipped with biometrics will offer frictionless authentication for transactions.
- Primary use cases will be identification for smart home applications, such as locks and wireless payments.
- Power will be supplied wirelessly in indoor spaces, reducing the need for larger or more efficient batteries.
- Software-based power consumption and fast charging improvements will make mobile devices less power-hungry and reduce battery anxiety.
- A variety of displays will be available and act as a differentiator for original design manufacturers (ODMs). Some will offer pico projectors, others 3D screens, and others bendable screens.
- Virtual reality will be the next gaming platform and will come to dominate training.

## Battery pack/tablet stand

That Innovative Technology's Justin Power Bank offers 6000mAh is pretty typical of battery packs. What's not so typical is the battery's ability to double as a smartphone or tablet stand or its ability to convert a smartphone into an upright, readable clock, reports the *Chicago Tribune*. The $29.99 Power Bank weighs less than half a pound and comes with a USB charging cable, which connects to the unit's micro-USB input, and then to a USB charger or computer. (iPhone and iPad users must use an Apple-compliant cable.) For more information visit www.chicagotribune.com/lifestyles/sc-cons-0911-tech-justin-charger-20140911-story.html.

## Get your head around this

LifeBEAM, a developer of bio-sensing technology, recently launched the LifeBEAM Helmet, a smart cycling helmet. The helmet has been re-engineered to offer aerospace-grade heart rate and calorie consumption measurements, without

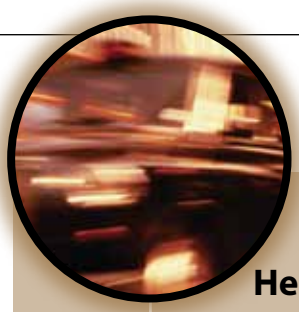
the need for a chest strap. The company has also upgraded the LifeBEAM Helmet's physical design and bio-sensing technology to help provide more accurate monitoring capabilities. The upgraded sensor, which relies on the same algorithm used in LifeBEAM's aerospace systems, reportedly increases measurement speed and accuracy, as well as reduces battery consumption. In addition, a LYCRA® headband and redesigned casing is said to facilitate clearer heart rate readings, regardless of motion, sweat or adverse weather conditions. The LifeBEAM Helmet now broadcasts both Bluetooth® 4.0 and ANT+™ protocols so that users can transfer heart rate and calorie measurements to a smartphone or wearable device, like a smartwatch. For more information, visit life-beam.com.

## For a heart healthy end-of-year

In need of holiday gift ideas? Polar, a provider of heart rate monitoring and wearable sports devices, has announced its Polar M400 GPS training watch with constant activity tracking. The Bluetooth® Smart, water-resistant device combines GPS and activity tracking with advanced sports technology, enabling users to track such training metrics as speed, pace, distance and altitude. The Polar H7 heart rate sensor helps ensure their effort remains at the right intensity, while the device's built-in activity tracker provides a picture of all daily activities, including steps taken, calories burned and how restfully one has slept. Users can receive alerts for inactivity directly on their wrist or through the Polar Flow app, along with suggestions on how to achieve their personalized activity goals. The M400 has a battery life of 9 hours in training time when GPS and sensors are running, and up to 24 days when it is simply keeping time, with activity monitoring. The device retails for $199.95, or $249.95 with the additional H7 heart rate sensor.

## Can't stand the heat?

Honeywell Electronic Materials recently announced that its advanced materials are being integrated into the production of tablets and smartphones, helping them stay cool and perform better. Leading mobile electronics manufacturers reportedly are using Honeywell's thermal interface materials (TIMs) to dissipate the intense heat produced by increasingly powerful chips at the heart of these devices. If not managed properly, excessive heat is known to lead to performance issues or cause devices to stop functioning. TIMs technology from Honeywell transfers thermal energy from the chip to the heat sink or spreader, where it is dissipated into the surrounding environment. This functionality is designed to keep the chip cool, while allowing the heat sink module to perform optimally. This stability has been tested through extended baking at 150 degrees Celsius (more than 300 degrees Fahrenheit); thermal cycling from -55 to 125 degrees Celsius (-67 to 257 degrees Fahrenheit); and the Highly Accelerated Stress Test (HAST).



# Windshieldtime

**Chances are you spend a lot of time in your car. Here's some automotive-related news that might help you appreciate your home-away-from-home a little more.**

## Timely repairs

It turns out your address might determine how quickly your car will be repaired. According to data released by Enterprise Rent-A-Car, residents of North Dakota and several nearby states get the fastest repair service. Enterprise's data is a product of the Automated Rental Management System (ARMS®), which tracks the length of time a replacement vehicle is rented to collision center customers. According to ARMS data, the states with the lowest collision repair times are:

- North Dakota (eight days)
- Minnesota, Nebraska, South Dakota (8.1 days)
- Iowa (8.3 days)
- Utah (8.8 days)
- Idaho, Maine, Vermont (8.9 days)

ARMS data is designed to help collision repair centers increase operating efficiencies and streamline communications with insurance companies and customers, as well as track, measure and forecast labor needs.

## Sharing the road with cyclists

It's simple, according to Los Angeles, Calif.-based attorney Cameron Yadidi Brock, of the Law Offices of Burg & Brock. In California, regulations require drivers to stay at least three feet from cyclists while passing – a step in the right direction, according to some. As a follow-up, Brock has outlined three steps – which may be applied to any city – to ensure responsible and safe driving:

- **Drive reasonably and prudently.** In cases where traffic is too heavy to change lanes, or if conditions make a three-foot buffer impossible, drivers should slow to a reasonable and prudent speed until the cyclist has safely passed. (In California, this is required by law.)
- **Manage uncertainty on the road.** Whenever possible, auto drivers should give more space than necessary to cyclists, who are usually in a far riskier position than traditional drivers.
- **Be aware of rules of the road for cyclists.** Many bicycle collisions occur because drivers focus on other drivers rather than cyclists. By familiarizing themselves with the rules of the road for cyclists, drivers will be keep them in mind when driving through the city.

## What's new?

Looking to get a jump on new cars offered in the coming year? Subaru suggests you look at the 2015 Impreza®, which features style and safety updates. Upgrades include:

- EyeSight® driver assist technology.
- Revised front styling with new headlights, grille and bumper.
- Rear vision camera standard across line.
- Lineartronic® CVT (now standard on 2.0i Premium).
- Quieter cabin.
- Infotainment systems and features.
- Upgraded interior trim.
- Improved mileage (28 mpg city / 37 mpg highway / 31 mpg combined).

Subaru produces a full line of all-wheel drive sedans, crossovers and SUVs, along with the rear-wheel drive BRZ sports car.

## Hyundai makes the list

The North American Car of the Year recently made its short list, and among the 10 vehicles named, Hyundai Motor America was the only brand with two vehicles included. The short list will be narrowed down to three finalists by the end of the year, and the winner of the 2015 Car of the Year will be announced at the North American International Auto Show in Detroit. In recent years, Hyundai won Car of the Year in 2012 (the Elantra) and 2009 (the Genesis). The complete short list in alphabetical order includes:

- Acura TLX
- Audi A3
- Chrysler 200
- Ford Mustang

- Honda Fit
- Hyundai Genesis
- Hyundai Sonata
- Mercedes-Benz C-Class
- Toyota Camry
- Volkswagen Golf/GTI

### Why pay?

TrueCar, Inc., the negotiation-free car buying and selling platform, now has more than 9,000 active dealer partners in the TrueCar certified dealer network, including more than 8,000 new car franchise dealers and nearly 1,000 independent dealers. In fact, over 25 percent of franchise dealers in the U.S. are reportedly TrueCar Certified Dealers. TrueCar selectively partners with committed dealers and requires them to maintain high performance standards, adopt specific customer service criteria and undergo periodic training to maintain their certified status. The company actively monitors the performance of its certified dealers, as well. At press time, 78 dealers had lost their TrueCar certification for not meeting customer service requirements. TrueCar, Inc. enables negotiation-free car buying by giving buyers transparent insight into what others actually paid (price confidence), upfront pricing information (price discovery), and access to a network of TrueCar Certified Dealers said to provide guaranteed savings certificates and seamlessly complete the car purchase.

### Big wheels keep turning – but a little more efficiently

Rice husk waste once headed for landfills is now coveted by The Goodyear Tire & Rubber Company to help produce fuel-efficient tires. Goodyear recently announced it will utilize ash left over from the burning of rice husks to produce electricity as an environmentally friendly source of silica for use in its tires. The company has tested silica derived from rice husk ash over the past two years at its Innovation Center and discovered its impact on tire performance is equal to traditional sources. Since then, the company has been negotiating with potential suppliers to purchase rice husk ash silica for use in its tires. Each year, more than 700 million tons of rice is harvested worldwide, according to the Food and Agricultural Organization of the United Nations. Disposing of the rice husks is an environmental challenge. As a result, husks often are burned to generate electricity and reduce the amount of waste shipped to landfills. Silica is mixed with rubber in tire treads to increase the rubber's strength and help reduce rolling resistance, which improves fuel economy. It also can have a positive impact on a tire's traction on wet surfaces.

### Connected cars

Delphi Automotive PLC, a company that will supply GM with connectivity technology to let cars communicate with one another and provide drivers with critical safety information, is expected to be available to consumers within the next two years, according to Cohda Wireless, which supplies the safety applications software for the vehicles. General Motors has reported that Cadillac will build GM's first V2V-equipped car in the 2017 Cadillac CTS. The global car industry reportedly is embracing both vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) implementations of connected car technology, which are collectively referred to as V2X. A recent U.S. Department of Transportation report notes that V2V safety applications, such as Left Turn Assist (LTA) and Intersection Movement Assist (IMA), could prevent as many as 592,000 crashes and save 1,083 lives per year.

**A recent U.S. Department of Transportation report notes that V2V safety applications, such as Left Turn Assist (LTA) and Intersection Movement Assist (IMA), could prevent as many as 592,000 crashes and save 1,083 lives per year.**

# A Solutions Standpoint

**For Henry Schein's Gary Dennis, a transition in his sales role means thinking outside the box to keep his accounts intrigued.**

By Laura Thill

Making the transition from field sales consultant to strategic account manager, Gary Dennis has one goal in mind: "As a strategic account manager, I believe it's up to me to ensure we remain relevant and continue to grow our non-acute care accounts," he says. It's not that the old customers aren't doing all they can to continue to work with him, he says. For many, consolidation is inevitable. "I can think of four doctors who have called me to say they have done all they can and must now move forward with hospitals," he says. "It's a tough call to get."

For Dennis, however, this in no way signifies the end of his long-standing relationships with these customers. "I tell these doctors, 'We'll be back in four years.'" He looks forward to the challenge, he adds.

## Learning the business

Learning the medical products industry doesn't happen overnight, says Dennis. Still, once he made the transition from his first job with a sports management brokerage firm to Henry Schein, in spite of the learning curve, it's evident he had found his niche. "After graduating from college, I got into sports management," he says. "For five years, I worked in Charlotte, N.C. for a man who had sold a minor league baseball team to start this business." But, after 9/11, the industry struggled, he recalls.

A friend who worked for Kendall Healthcare at the time recommended that Dennis reach out to Henry Schein, so he met with Paul Whitaker in Greenville, S.C. (who, at the time was with the Caligor division of Henry Schein). A native of South Carolina, Dennis saw this as

a perfect opportunity to "get back home to family and friends." As excited as he was to begin a new phase of his career, he admits to being more than surprised at the span of products he needed to take in. "What a transition!" he says. "We had 90,000 products and 900 supplier partners! My first years were about understanding what we did – the types of products we offered, the customers we serviced, the partners we worked with, and how our company worked.

"Today, when I attend our annual sales meeting, I tell my new hires, 'This doesn't happen overnight,'" he continues. New sales reps should expect the learning curve to take as long as three years, he says. "That gives you time to really learn

**"As a strategic account manager, I believe it's up to me to ensure we remain relevant and maintain our non-acute care accounts."**

our products and understand our company. From my standpoint, this is key." The slow-and-steady approach works, he adds. "My first year, I increased my territory from $250,000 to $1 million in gross profit."

### Reaching the customers

As he became better versed in medical products sales, Dennis realized the networking opportunities for sales reps to reach out to customers are limited at best. "In 2009, I sat down with a good friend and decided to develop a medical networking group in Columbia, S.C.," he says. They considered various companies that shared a similar customer base, targeting 14 that covered different segments of healthcare. Among them, he included a relocation

Gary Dennis, strategic account manager, Henry Schein.

company, a billing company, a bank, builders, architecture firms and more. "This group was formed to share leads among one another," he says. "It has enabled us to hone in on a much larger scale of customers, as well as helped us understand one another's businesses.

"We now cover multiple aspects of the healthcare industry," Dennis continues. "When we are talking to an administrator at a medical office, we need to know something about that company." Recently, he brought in healthcare attorneys as well, and today representatives from the 14 companies meet monthly to share leads from their top 10 accounts. "This has really helped open doors for everyone," he says.

His networking group has become so successful, that it has become a central part of Henry Schein's training program and his work with newly hired sales consultants. "At Henry Schein, we have been fortunate in that we have been able to benefit from these leads very quickly," says Dennis. "We have done a good job of reciprocating, but we definitely have benefited as well." This has been especially important in the face of the consolidation taking place, he says. "For sales reps, building relationships can be very challenging today."

Nor does there come a point in sales reps' career when they can sit back and enjoy the benefits of years of hard work. Success in the medical products industry calls for a constant stream of creativity and strategizing, says Dennis.

**"If you have your physician customers' cell phone number, you know they are your friends – people you can reach at home or on weekends."**

"I think the better salespeople always look for ways to reinvent themselves," he says. "They must always go after new opportunities. At Henry Schein, we must always ask ourselves, 'What programs does the company put together – from a solutions standpoint – that we can offer our customers to help them stay excited about their work?' For instance, recently, Henry Schein partnered with a medical waste company. This is something new we can bring to our customers."

The sign of a great customer relationship is having your customers' cell phone numbers on hand, Dennis says. "If you have your physician customers' cell phone numbers, you know they are your friends – people you can reach at home or on weekends. When I look at the solvency of my business, I always ask, 'Do I have all of my customers' cell phone numbers?'"

**"Don't shy away from working with hospitals and larger accounts. You will be surprised at what you can accomplish."**

Moving forward into his new role as strategic account manager will be yet another opportunity to grow and push his limits. On the downside, it means stepping back from some of his close, longstanding relationships with customers. "As a field rep, every day there is an opportunity to meet with your customers," he says. "My new challenge will be to target new customers, who today are more condensed and more focused on contracts and supply chain. I think my goal will be patience. This position involves a longer sales cycle – something I'll have to get used to. And, working with IDNs will require much strategizing."

Scary? Perhaps. But, Dennis's attitude is, "Don't shy away from working with hospitals and larger accounts. You will be surprised at what you can accomplish."

His new position will require some adjustment on the part of his family as well, he says. "As a field rep, it's easier to work during the day, come home and spend time with your family, and then work some more at night." Now, however, his schedule might be more prone to last-minute changes. And, whereas he has been calling on customers in Columbia, moving forward he will be meeting with accounts across South Carolina, North Carolina and Tennessee. "Now that I'm not just driving 30 minutes up the road, I'll have to be strategic with regard to where I travel.

"But, Henry Schein always says it's about family first and foremost," he continues. That said, "How you balance work and family is up to you." rep

# **Year in** pictures 2014



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# news

### Claflin Medical Equipment names Tim Farinholt director of construction solutions

Claflin Medical Equipment (Warwick, RI) hired Tim Farinholt as director of construction solutions. Farinholt served for the previous 14 years as capital resource program manager at UHC (Chicago, Ill.).

### Henry Schein's Think Pink, Practice Pink Program donates more than $173,000 in 2014

Henry Schein Inc (Melville, N.Y.) announced that its "Think Pink, Practice Pink" cause-related marketing program has contributed more than $173,000 to cancer-related causes in 2014. The "Think Pink, Practice Pink" program offers Henry Schein customers an opportunity to purchase pink products ranging from healthcare consumables and practice supplies to apparel. A portion of sales from these products are donated to cancer-related organizations through the Henry Schein Cares Foundation. This year's "Think Pink, Practice Pink" donation recipients included the American Cancer Society (Atlanta, Ga.), Steven and Alexandra Cohen Children's Medical Center of New York (New Hyde Park, N.Y.), Stony Brook Children's Hospital (Stony Brook, N.Y.), and the Global Oral Cancer Forum. Since its inception, the program has raised more than $800,000 and supported myriad initiatives and programs that help improve access to care, prevention, and education for cancer patients.

### Medline signs agreement with Parkview Health

Parkview Health (Fort Wayne, Ind.) selected Medline Industries Inc (Mundelein, Ill.) as its preferred distribution partner for medical and surgical supplies effective January 2015. According to a release, the three-year agreement is expected to deliver an estimated savings of nearly $1 million through distribution efficiencies and product savings across the health system. Medline will provide its broad assortment of Medline and national brand products directly to Parkview Health's distribution center, hospitals, and physician offices. Medline will also deliver cost savings and efficiencies by driving product standardization and utilization solutions, as well as providing enhanced reporting capabilities to help facilities better monitor and control costs.

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