As medical care prices continue to surpass inflation in the current economic environment, every sector of the economy is impacted. The Health Care Cost Institute in their 2012 Health Care Cost and Utilization Report stated that, between 2011 and 2012, expenditures on children rose by nearly $100 (4.2 percent) to $2,437, while expenditures on young adults rose by $130 (5.3 percent) to $2,548. The growth rate for these populations was about three times greater than the average rate of inflation of 1.6 percent.

While several alignment models emerged during the previous decades, none struck the appropriate balance between private practice engagement and hospital administration—until now.

Achieving better outcomes and improved coordination at a lower cost is the crux of The Children’s Care Network, which was formed to create a clinically integrated network. Unlike physician-hospital organizations or accountable care organizations, The Children’s Care Network is built on several tenets:

- **Legal framework**—The network must enforce the guidelines within the participation criteria, including treatment outcomes and additional practice improvements, such as participation in a population health management tool.
- **Physician leadership**—Physicians have the dominant voice in the development of protocols and establishing benchmarks for the network. This leadership structure helps maintain and strengthen the delicate balance between hospital and private practice needs.
- **Participation criteria**—The network maintains codified guidelines that are applicable to every practice member—large or small.
- **Performance improvement**—Outcome standards include improving operational efficiencies and reducing duplicative clinical actions.
• **Information technology**—Population health management tools and other technology that can work for a variety of practices to analyze the efficacy of the network’s quality and outcomes benchmarks.

• **Contracting options**—Once clinically integrated, the network will enable members to jointly negotiate payer incentives for improved outcomes and reduced cost.

“The most important component will be our ability to work with private practice physicians as we create the governance structure of the network,” said Karen DeGood, Director of Medical Staff Services at Children’s Healthcare of Atlanta, “bringing together an organization that addresses the business needs as well as clinical vision of everyone in the network.”

**Physicians at the heart**

Creating a clinically integrated network in Georgia, with its diverse and disparate populations, is not a simple task. During the previous two years, Emory Healthcare Network (previously Emory Clinically Integrated Network) brought together a number of hospitals and more than 2,000 physicians. The time has come to provide that same level of coordination and responsiveness to pediatric patients.

“I think the American public is concerned about cost increases, which have grown considerably during the past several decades. They also want quality and they want access,” said Norman “Chip” Harbaugh, M.D., an Atlanta-based pediatrician.

A movement toward improved outcomes and coordinated care begins with relationships. The introduction of the Pediatric Healthcare Improvement Coalition (PHIC), which began in 2010, brought together specialists and generalists, in addition to hospital systems from across Georgia. Driven by physician leadership, this organization is helping to define and build pediatric standards that eventually could be applied throughout the state.

“Physicians’ efforts are coordinated. I think we do a pretty good job of coordinating primary, subspecialty, hospital and imaging services,” Harbaugh said, “but to take it to the next level, we need a clinically integrated network where information systems talk to each other to prevent duplication of unnecessary care.”

**Incentivizing better outcomes**

One of the strengths of The Children’s Care Network is the benefits delivered to patients. Sharing select health records alone will allow greater analysis of epidemiological trends and treatment patterns.

As efficiencies develop in the system, physicians will begin to see additional benefit, especially to their bottom lines. Managed care organizations provide monetary incentives to improve care. In a system of complex motivations, it may be these incentives act as the tie that binds for the network.

“At the beginning of The Children’s Care Network, we won’t be able to negotiate base fee contracts for services, but we will first focus on pay-for-performance contracts,” DeGood said. “These pay-for-performance contracts will be directed toward shared savings the network can provide as it makes improvements in quality of care for specific diseases or aspects of care.”

**Cutting through the clutter**

An important part of the process is demonstrating to primary care providers that Children’s is interested in furthering their shared interests as a community.

Physicians already are inundated with communications about continuing medical education, professional conferences, and pharmaceutical and medical equipment advertisements. With the implementation of the Affordable Care Act, they now also have a new set of regulations to consider.

Making a compelling case as to how the network fits into a practice’s larger business strategy has been an important focus area for The Children’s Care Network Board.

“We know we have a historic opportunity to face the unknowns of the future together as equal, but independent partners within the greater pediatric community in Georgia,” said DeGood. “We know the network is worth physicians’ attention because it was created by their peers, who are dealing with similar challenges. We are excited to venture into this new business world stronger because we are united in purpose and mission.”