

Practice Management System Association

Good morning. My name is Brad Lund. I am the CEO of the International Society & Association Management (ISAM), a company that manages not-for-profit associations. All our clients are in the healthcare industry. We can talk more about ISAM later but I would like this call to focus on the future of the PMS industry.

- Last summer I was in Washington D.C. and had an opportunity to meet with
 - WEDI
 - CMS
 - ONC (Dr. Mostashari)
 - MGMA
 - CAQH/CORE

I spoke to each of these groups about the idea of an industry trade association representing practice management systems and all were very supportive of such an effort. Since that time I have had dozens of conversations with leaders of PMS companies, indicating a strong interest in participating.

- Just as an example of the importance of an organized representative group of the PMS industry is the current movement, led by WEDI, to create a certification program for the PMS industry, with the initial focus on ICD-10 readiness. Not having a seat at that table is not only dangerous, but makes no sense. Why and how can other healthcare industry members determine if such certification is necessary and what are the components to such a certification program? Again, this is just an example of the need to come together as an industry, to be heard and to lead.
- With me today is Tim McMillian. Tim is the Executive Director of the Cooperative Exchange, the association representing the clearinghouse industry. Tim has spoken to the Executive Committee of the CE and they also see great value in the formation of a PMS association. They would be supportive and would look forward to a very close working relationship. Should we determine this is a viable effort, Tim would serve the PMS association as its Executive Director, creating a high level connection between the two groups.
- Also with us is Sherri Dumford, who comes out of the third party medical billing industry and is the Director of Operations for ISAM.
- These two individuals would be extremely important to the PMS association in that Sherri is very well connected to the commercial insurance industry and serves on a CMS work group for PECOS. Tim has developed high level and meaningful relationships with CMS and other governmental agencies as well as a number of contacts on the legislative side. I mention this in that one of the core elements of the PMS association will be to create and maintain quality relationships throughout the governmental and commercial payor groups. This is in addition to the core competencies each of these people have in association management.
- I hope you have had a chance to review our initial thoughts on the values and opportunities a PMS Association would bring to the industry. Partnering with the clearinghouse industry would create, in my mind, the most powerful voice in the industry. Think about it this way. The financial aspects of the healthcare industry start with the procedure codes, supported by the

diagnostic codes, flowing out of the EHR systems employed by the physician, through the PMS systems, through the clearinghouse to the provider, with payments flowing back in the opposite direction. I know this is a simple statement of a very complex process. My point here is these two associations represent the essence of the revenue cycle process. Now, that process is under a great deal of pressure and alternative models are emerging. Does pay for performance, shared risks/rewards, episodic care...threaten the PMS/clearinghouse industries? Moving from transactional reimbursement to some other methods could well threaten these industries. Again, navigating these significant changes and advocating a position relative to these changes is the role of the association representing members of the industries that will be impacted. Can the PMS industry play a role in new payment models? Tim and I met with a major payor at the HIMSS meeting in Orlando and in listening to them, the role of PMS and clearinghouse industries change significantly. If we as an industry are not at the table, we cannot expect to influence the direction of healthcare reimbursement. It will never be good enough to simply react; we must be part of the conversation and decisions.