



Physicians for Quality  
Healthcare:

Quality Healthcare Associates

Introduction and Business Plan

© Michael F. Mascia, MD, MPH

November 21, 2004



Physicians for Quality Healthcare:  
Quality Healthcare Associates  
Physicians for Quality Patient Care

Take it back for the sake of the  
patients we serve.

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# Physicians for Quality Healthcare: Mission Statement

- ✓ Improving Healthcare by Helping Physicians to Help Patients and
- ✓ Promotion of the Doctor Patient Relationship



# Physicians for Quality Healthcare: Mission Statement

- ✓ Physicians for Quality Healthcare is an organization of physicians designed to promote optimal patient care through integrated support of physicians in their efforts to provide quality healthcare services and support of patients in their efforts to obtain quality healthcare.



# Physicians for Quality Healthcare: Goal and Fundamental Operating Principle

- ✓ Optimal Healthcare: The best possible healthcare can be encouraged by providing qualified physicians with optimal support and working conditions in an environment that supports proper patient care, optimal physician performance, and the doctor patient relationship.



# PQH: Objectives

- ✔ Universal Physician Credentialing
- ✔ Storage, Update and Availability of Credentials for Member Physicians
- ✔ Supply Credentials to Healthcare Institutions (by request of individual Member Physicians)
- ✔ Define Minimum Performance Standards for Physicians, Health Care Facilities, and Recruiters
- ✔ Verification of Physician Credentials and Performance
- ✔ Evaluate Drugs and Devices According to Minimum Performance Standards
- ✔ Set Performance Standards for Evaluation of Drugs and Devices
- ✔ Evaluate Hospitals, Clinics, Recruiters, and others who seek physician services according to minimum performance standards defined above
- ✔ Define Optimal Physician Working Conditions
- ✔ Establish System to Evaluate Hospital Performance Regarding Physician Working Conditions and Quality Patient Care
- ✔ Establish Brokerage System for Physician Members Whereby Individuals and Institutions Can Seek and Find Qualified Physicians
- ✔ Other Member Services



## Objectives 2:

# What PQH does for members

- ✔ Store and Maintain Member Credentials
- ✔ Provide Physician Members with easy access to hard copy and electronic copy of their credentials
- ✔ Verify Physician Performance (optional for members who wish to be credentialed)
- ✔ Design Optimal Working Conditions and Environment for Physicians and Other Healthcare Workers
- ✔ Evaluate Quality of Working Environment in Hospitals and Other Healthcare Facilities
- ✔ Evaluate Healthcare Facility Performance with regard to Quality Improvement



# The Team: Physician Only?

- ✔ Owner Directors: 2 @ 35% Each
- ✔ Part Owners: 2 @ 10% Each
- ✔ Founding Members: 100 @ 0.10% Each
- ✔ First 10,000 Additional Members: Referral fee of (?\$) for each new member signed up under their guidance. Return on Membership?
- ✔ Non certified members vs.
- ✔ Certified Members additional charges and additional services





# Quality Healthcare Associates: Key Words

- Quality<>Verification<>Performance
- Responsibility<>Reliability<>Respect
- Facilitate
- Advocate
- Physician<>Patient<>Partnership
- Designed Criteria<>Defined Criteria
- Data Management by Design
- Optimal<>Environment<>Working conditions
- Partnership<>Physician<>Patient
- Individual<>Institution<>Locum Groups

- Basic System:

Owners (4) (35%, 35%, 10%, 10%)

Managers (2)

Founding Members (first 100) (5%)

General Members (first 10,000) (5%)

Credentials Committee: (3)



# Market Summary

✓ Market: past, present, & future

Total Physicians 2000: 814,000 and growing @  
approximately 10%/yr

- General Primary Care: 275,000
- Subspecialty Primary Care 52,000
- All other specialties: 487,000

A 10% market share = 81,400 @\$300 per person  
\$24,420,000



# Opportunities

- ✓ Problems and opportunities:
  - State consumer problems, and define nature of product/service opportunities created by those problems.



# Problems >>>> Accumulate and Create Crisis: Crisis = Opportunity

- Problems and Definitions:
  - Beancounters define medical practice
  - Beancounters look for return on investment
  - Beancounters do not understand the complexities of quality healthcare
  - Beancounters see health care provision as product lines that can generate \$\$\$
  - Those “product lines” that do not generate \$\$\$ are not supported
  - Physicians = Generic Product Line Providers
  - All patients are seen as equal (factory hamburger production model) and special needs are ignored
  - \$\$\$ go to Corporate Executive Pockets and Shareholders
  - Deaths and bad outcomes are seen as unavoidable production blips and may actually increase quarterly profits despite adverse impact on patient, family and community at large
  - Short sighted and narrow view of patients as a source of revenue
- Nature of Product/service opportunities created by those problems.

TO DO



# Business Concept

- ▼ Summarize key technology, concept or strategy on which your business is based



# Business Concept on which business is based

- ✔ Key Technology: Website and WWW with personalized data management systems (CD, Smart Cards, Jump Drives, etc.)
- ✔ Key Concept: Common Ground and need for support among physician healers (Oath)
- ✔ Key Strategy: Support Physicians and Develop Cooperatives With Patients for the Provision of Quality Healthcare Services
- ✔ Reduce administrative costs by elimination of Middle Men (Insurers, Hospitals, etc.)



# Competition

- ✓ Competition from non physician companies
- ✓ PQH Competitive Advantage: Eliminate average 30% management cost (sometimes significantly higher) and use money saved to improve physician working conditions and to improve quality of healthcare delivered



# Goals & Objectives

## ✓ Five-year goals

### – Measurable objectives:

- Physician Owners and Members
- Patient Members
- Patient Physician Cooperatives

### – Market share objectives:

- 5-10% of Physician Population
- 5-10% of Patient Population

### – Revenue/profitability objectives

- Cover cost of work done @ reasonable professional fees
- Allow for expansion, partnerships and new ventures inside the goals of the organization based upon Physician Member and Patient needs.





# Financial Plan

- ✓ High-level financial plan that defines financial model, pricing assumptions, and reviews yearly expected sales and profits for the next three years.
- ✓ Use several slides to cover this material appropriately.
  - *WE HAVE TO WORK ON THIS...any volunteers?*



# Resource Requirements

## *MORE WORK HERE*

- ✓ Technology requirements
- ✓ Personnel requirements
- ✓ Resource requirements
  - Financial, distribution, promotion, etc.
- ✓ External requirements
  - Products/services/technology required to be purchased outside company



# Risks & Rewards

## ✓ Risks

- Malpractice??

## ✓ Addressing risk

- Insurance and LLC

## ✓ Rewards

- Expectation is that all owner members will be reimbursed for the time spent in the formation of the company and for their continued work based upon revenue, profits and “reasonable professional compensation”



# Key Issues

- ✓ Near term
  - Isolate key decisions and issues that need immediate or near-term resolution
- ✓ Long term
  - Isolate issues needing long-term resolution
  - State consequences of decision postponement
- ✓ If you are seeking funding, state specifics



# Key Issues

## ▼ Near term

- Key decisions and issues that need immediate or near-term resolution:
- Form LLC
- Set up Bank Account
- Hire Secretary
- Hire Technical Experts (consider partnership)
- Set up Professional Interactive Website
- Recruit Owners
- Recruit Physician Members
- Recruit Patient Members



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# Objectives 2:

## What PQH does for members

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- ✔ Verify Physician Performance (optional)
- ✔ Design Optimal Working Conditions and Environment
- ✔ Evaluate Quality of Working Environment in Hospitals and Other Healthcare Facilities



# The Team

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- Owners and Founding Members will define credentialing standards for the organization.
- ▼ First 10,000 Additional Members: Referral fee of (?\$) for each new member signed up under their guidance.
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