

HEALTH-CARE



Turning it around **CEO Michael**

Young lays out plan for **Grady Memorial** Hospital.

6D

Section **D**

INDUSTRY FOCUS

October 17-23, 2008

Heart of the matter

Challenge to heart center raises questions about need and quality of service

By Katie Fincher · STAFF WRITER

he way to metro Atlanta's heart is through its baby boomers. Hospitals want to provide cardiac services for this demographic to save lives and tap into a growing market.

Gwinnett Medical Center (GMC) — serving the second-largest county in Georgia — was approved in June to start a \$33 million open heart surgery program by the Georgia Department of **Community Health** (DCH). Its competitors have appealed, and a debate centers around whether the market can support it, and whether more open heart programs in a metro area actually means better care for its citizens.

"Health care is a very, very emotional and political issue," said Michael Rovinsky, president of the health-care consulting firm **Integrity Consulting Group Inc.** "It's difficult to separate

sound health-care planning from local politics amid public clamor."

Eight metro Atlanta hospitals perform open heart surgery. In metro Atlanta, there were more than 4,800 open heart surgeries in 2006, out of 9,300 statewide, according to DCH data. Adjusted gross revenue for open heart services in Georgia hospitals totaled more than \$584 million.

Leading metro Atlanta in open heart patient volume is Saint Joseph's Hospital of Atlanta, with 1,317 open heart surgeries in 2006, according to the DCH. Emory Crawford Long Hospital was second, with 915, followed by Piedmont Hospital at 831, and Emory University Hospital at 697. WellStar Kennestone Hospital, Grady Memorial Hospital, Atlanta Medical Center and Children's programs, each with fewer than 600 adult open





Cutting edge

Doctor inventors like Tom Morrison face a long road to market.

9D



Empowering youth

Rebecca Mullis and Rodney Lyn take obesity battle into classrooms.

11D



Charity care

Not-for-profit hospitals leave lion's share of indigent care to Grady.



State of emergency

Leaders push for solution to state's trauma network nightmare.

3D

Heart center growth raises questions

Continued from 1D

bypasses and heart transplants are all open heart, according to the **American Heart Association**.

Gwinnett Medical filed a certificateof-need application in January to add the program. What would have been its nearest and biggest competitor, Saint Joseph's, formed a partnership with GMC to give the new program training and support.

"The proposed project will improve the quality, access and overall efficiency of adult open heart surgery services available within the local health care delivery system," read an excerpt from the Georgia Department of Community Health's approval letter posted on the GMC advocacy Web site.

Piedmont Hospital, Emory University Hospital and Emory Crawford Long Hospital appealed the DCH's decision in July. The appeals are pending and a hearing had not been set as of Oct. 5.

Emory Healthcare and Gwinnett Medical declined to comment, citing the ongoing appeals process.

Hospitals appeal for various reasons, including quality concerns and threats to their bottom lines.

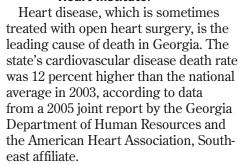
"No matter what service [a competitor] is asking for, the first impulse is to throw an appeal ... to delay the process," said David Smith, president of Alpharetta-based managed-care firm **Kearny Street Consulting Inc.**

The impact would have been felt most by Saint Joseph's, if it hadn't entered into partnership with GMC, with 23 percent of its patients coming from Gwinnett, according to data collected by the DCH. Emory is next, with its volume close to 9 percent Gwinnett residents.

Emory — the only academic medical center in metro Atlanta — and Saint Joseph's have been regional leaders in

open heart surgery since the 1950s.

Piedmont has been making gains. The hospital's 2006 procedure numbers were greater than Emory University's, and in late 2007 a large group of Saint Joseph's-affiliated cardiologists, Atlanta Cardiology Group P.C., jumped ship to help form the **Piedmont Heart Institute**.



"There are a lot of underlying conditions, contributed to by our traditional culinary habits, that make our general population at risk," said Michele Molden, president and CEO of the Piedmont Heart Institute.

Age is a clear risk factor. The three



Metro Atlanta's open heart providers

Annual adult open heart surgeriesSaint Joseph's Hospital
of Atlanta — **1,317**

 $\label{eq:emory_crawford_long} \mbox{Emory Crawford Long Hospital} - \textbf{915} \\ \mbox{Piedmont Hospital} - \textbf{831} \\$

Emory University Hospital — **697**WellStar Kennestone Hospital — **323**

Grady Memorial Hospital — **101**Atlanta Medical Center — **62**

Children's Healthcare of Atlanta at Egleston* - **34**

* Children's Healthcare of Atlanta at Egleston performed 567 pediatric open heart surgeries in 2006.

Source: Georgia Department of Community Health, 2006 data

demographic groups in metro Atlanta with the highest percentage of growth are all groups aged 50 or older, according to the Metro Atlanta Chamber of Commerce. This boomer crowd accounted for more than three-quarters of Georgia's cardiovascular disease deaths in 2003, according to the joint DHR/AHA report.

Hospitals want to enter this competitive service line because it saves lives, but also because it pays off.

Profit margins on open heart surgery can be up to 40 percent, as opposed to about 10 percent for general surgery, Smith said.

Gwinnett County, with the second-largest number of residents having open heart surgery, is a natural place to consider starting another program.

"Obstetrics and hearts really describe Gwinnett," said Kearny Street Consulting's Smith. "Gwinnett is growth, but it's one quadrant growing while the rest of the county is getting old."

With a median household income about \$16,000 higher than Georgia's, and \$10,000 higher than Fulton County's, according to 2005 census esti-

mates, Gwinnett is a lucrative market. Projections estimate Gwinnett will see 17 percent growth in population from 2004-2009, according to data cited by the Atlanta chamber.

Fulton and DeKalb counties, however — home to cardiac top guns Saint Joseph's, Piedmont, Emory University and Crawford Long hospitals — will see less than 1 percent and just 2 percent growth, respectively.

One of the objections to the expansion of heart centers is the lack of qualified medical personnel needed to perform and assist with the procedures.

Dr. Marc Unterman, an interventional cardiologist with Cardiovascular Group P.C. who has privileges at both GMC and Saint Joseph's, said that in the case of GMC's new program, the partnership with Saint Joseph's assuages dilution fears.

"There won't be any dilution of staff because we're already there," Unterman said, referring to cardiac surgeons and cardiologists who already see patients admitted at GMC and then perform their open heart surgeries at Saint Joseph's.

Efficiency of hospital systems already under financial strain is a concern. Molden said that existing programs can accommodate growth in patient volume at a lower cost than new programs can, due to economies of scale.

Consultant Rovinsky agreed that creating a new program and decreasing the volumes of the rest doesn't make good business sense.

"I don't have any real problem with [GMC] getting [an open heart pro-

gram], but in the next breath, you can't be talking about the high cost of health care."

He added, "There's a lot of benefits to trying to develop it. But is it needed? No."

Dr. Spencer King, president of the Saint Joseph's Heart and Vascular Institute, emphasized the importance of procedure volume and physician experience.

"Experience still counts, even though technology has improved. Some patients may say, 'It's inconvenient; I don't want to drive that far.' Do you want it done by someone who does it a lot, or doesn't do it a lot?

"The most important thing to do is to start out with trained people that do this all the time."



Smith

Kearny Street Consulting Inc.



Medical Real Estate Information, Resources, Properties & Services

- Lease Renewal Services
- New Office Lease Locations
- Office Acquisition Services

Call 404-876-1640

A division of Bull Realty, Incorporated

ADVERTISE ON THE HEALTH-CARE REAL ESTATE SERVICES!

Contact Lisa Werneck at Ihwerneck@bizjournals.com 404.249.1747



SCREENING SAVES LIVES

This year, more than 112,000 people in the United States will be diagnosed with colon cancer. And more than 52,000 are expected to die from the disease.* Research has shown that through early detection and removal of colon polyps during a colonoscopy, colon cancer can actually be prevented.

If you're over 50, or have a family history of colon cancer, take charge of your health now and get a screening colonoscopy.

To find out if you're at risk, call toll-free to schedule a consultation, or talk to your primary care physician. Early diagnosis really does save lives.



King

Saint Joseph's Heart and Vascular

1-866-GO-TO-AGA [468-6242] Locations throughout metro Atlanta

AGA is a participating provider for Medicare, Medicaid and most healthcare plans offered in Georgia.