

INNOVATIONS

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MedEncentive's program helps moderate health care expenditures

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Executives with a local Web-based health information services company say they are on the cutting edge of this country's health care reform debate and the company has been noticed by national experts working to change America's system.

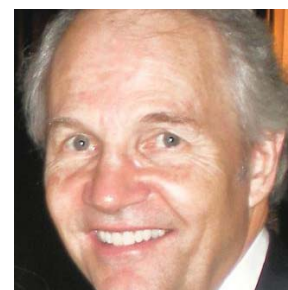
Oklahoma City company MedEncentive, in the Presbyterian Health Foundation Research Park, is working to control health care costs through an Internet program that provides financial incentives for physicians who use MedEncentive's informational system.

The program is based on a combination of financial rewards, proprietary Web-based applications and doctor-patient accountability to educate and train patients to understand their medical issues and develop healthier lifestyles.

Patients, too, are rewarded financially for reading online health information as directed by their doctors, completing a test on that material, and also rating their doctors on the communication process, said Jim Dempster, the company's national director of business development.



Jim Dempster
MedEncentive's national
director of business
development



Jeff Greene
MedEncentive's chief
executive officer

Containing costs

"We are a cost-containment tool," Dempster said, part of MedEncentive's goal to improve doctor-patient relationships and reduce the need for defensive medicine and frivolous medical malpractice lawsuits.

Doctors often are compelled to order extra tests and services to guard against lawsuits, he said. That defensive medicine strategy costs between \$105 billion and \$210 billion a year, some studies have shown, he said, while some estimates put the cost of over-treating, under-treating and missing treatments from medical providers at \$630 billion annually.

To help market its cost-saving concept, MedEncentive is also partnering with Greensboro, N.C.-based Medical Justice, a member-based and physician-run organization that works to protect

physicians from meritless lawsuits. Physicians in MedEncentive will receive Medical Justice coverage at a substantially reduced cost, Dempster said.

"We believe when physicians, patients and payers participate in a truly collaborative system, all parties benefit," said Jeff Segal, the doctor and attorney who founded Medical Justice.

Oklahoma solution

Dempster said MedEncentive Chief Executive Jeff Greene has been contacted by health care experts and has traveled to Washington to talk about the company with President Barack Obama's top health advisers.

"They wanted to know about our program," Greene said, after hearing about it from Oklahoma Sen. Tom Coburn. "You don't think of coming to Oklahoma for a solution, but here we are."

Through five years of testing, the MedEncentive program has demonstrated cost containment in its trial installations with multiple employers, in part, by reducing the need for defensive medicine and encouraging providers to practice evidence-based care, Greene said.

For example, the city of Duncan uses the program and has a 90 percent participation rate, Dempster said. Its health care costs have dropped 2 percent, and employees can receive a \$30 refund on their \$35 medical co-pay costs.

And his program's collaboration with Medical Justice should create a bigger base of physicians, Greene said.

"As our country engages in an important debate over health care, my colleagues and I have been busy communicating what we and many others believe is a true breakthrough in terms of health care cost containment," he said.

"We are very pleased that our program resonated with Medical Justice in a way that led to this partnership. Together, we will offer an important additional benefit to physicians that will also benefit patients and health insurers."

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