

Tar Heel Footprints in Health Care

A periodic feature that recognizes individuals whose efforts—often unsung—enhance the health of North Carolinians

Grace Emerson Terrell, MD, MMM



As a physician and the president and chief executive officer of Cornerstone Health Care, Grace Terrell is acutely aware of the problems plaguing the US health care system—high costs, low quality, and poor outcomes. Although Cornerstone operated successfully under a fee-for-service model for many years, the system left much to be desired; rather than being free to care for patients, Terrell felt that she and other health care providers were being undermined by a broken system. By 2010, she and the other physician-leaders of Cornerstone recognized that a crisis point had been reached, and they resolved to transform Cornerstone into an accountable care organization (ACO).

With Terrell at the helm, Cornerstone charted a course to transition from a fee-for-service payment model to a value-based system; as an ACO, Cornerstone's reimbursement would be based not on the number of treatments performed but on both the quality and the cost of the services provided. While most would agree that this goal is laudable, navigating such a transition is an upstream struggle against the currents of health care markets that are resistant to change.

Successfully undertaking this transition required getting everyone at Cornerstone rowing in the same direction—no easy task for a practice with more than 370 providers. As Terrell noted, "Everyone knows this is where we need to go, but you have substantial execution risk: How do you survive and thrive during the transition period? You have to change quickly to get to the other side with a sustainable model." To win the support of the practice's physicians, Terrell employed a strategy of focusing on the patient. "When you focus on what is good for patients and make it about the patients," Terrell explained, "then you are also getting at what is best

for doctors." [Editor's note: For more details about how Cornerstone transformed itself into an ACO, see the commentary by Terrell on pages 334-337.]

Today, 100% of Cornerstone's commercial and governmental contracts have value-based reimbursement. With Cornerstone's low costs per patient, the practice is outperforming benchmarks and its peers in the Medicare Shared Savings program, and in 2012 Cornerstone won the *Success Story Award* from Press Ganey for its outstanding levels of patient satisfaction. Cornerstone was also named a *2013 Best Employer in North Carolina* by Business North Carolina, the Society for Human Resource Management (SHRM) - NC State Council and Best Companies Group.

Members of the state's medical community have taken notice of Terrell's efforts. Melanie Phelps of the North Carolina Medical Society explains that throughout Cornerstone's transformation, Terrell "motivated, challenged, and inspired her fellow physicians and other health care professionals within and outside of her practice to see the benefits of working together to be the agents of positive change, to eliminate waste from the system, and to improve the health and health care experience of patients everywhere."

While transitioning from a fee-for-service model to a value-based system remains an uncertain and risky challenge, Terrell and Cornerstone Health Care have mapped a course that others in North Carolina can follow. Thanks to her leadership, North Carolinians are already beginning to reap the rewards of better health outcomes from low-cost, high-quality care. **NCMJ**

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