



ACCELERATING PROGRESS IN
YOUR PHYSICIAN NETWORK

HOW HSG CAN SUPPORT
YOUR GROWTH

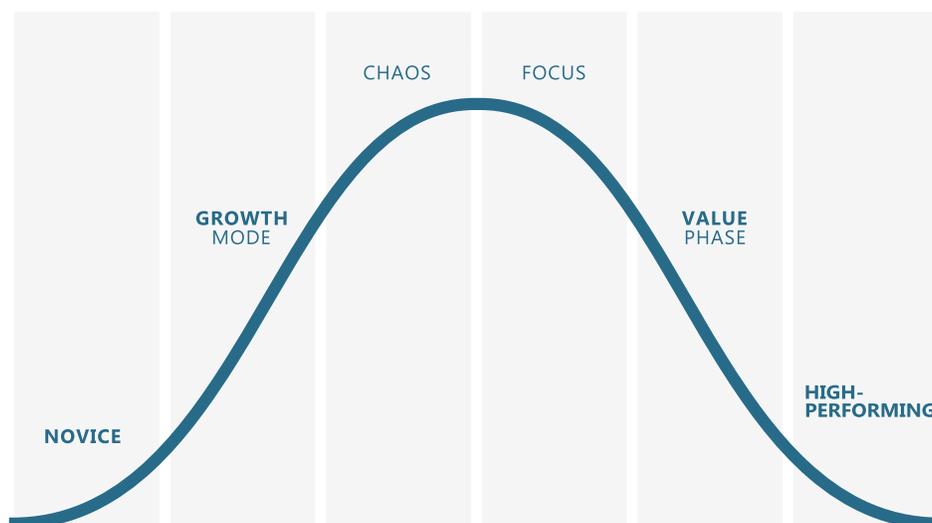


INTRODUCTION

Spurred by the need for better integration and the need to protect volumes, billions have been invested by hospitals and health systems in physician practices. In many cases, the result has been massive losses for the system with few of the benefits promised by integration. Rather than creating effective, multi-specialty groups, health systems are saddled with loose amalgamations of practices that operate as they did before employment.

HSG's focus is on changing that reality for hospitals and health systems. Our goal is to evolve your physician network to ensure it can deliver great care to your community and create a positive legacy as a high-performing network. How it must evolve to be a strategic asset to your health system. How it must change to preserve your organization's financial stability. How it must progress to reliably produce predictable outcomes and costs based on best practices.

NETWORK DEVELOPMENT PHASES

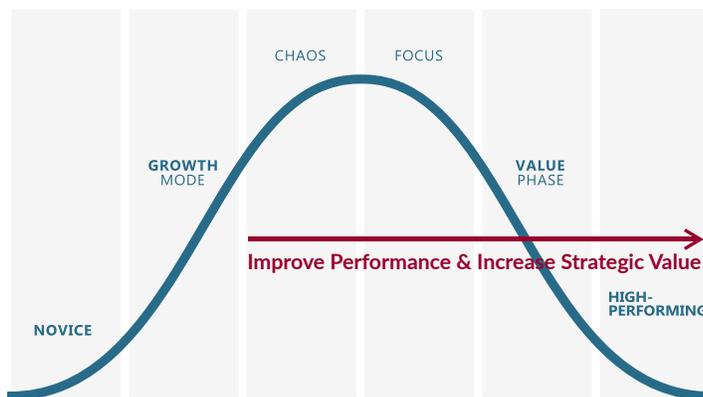


HSG's Physician Network Growth Phases Curve defines the stages of your network's evolutionary progress. As your network transitions from novice all the way to high-performing, there are many complex challenges that must be addressed. Between those phases, networks progress through:

- A growth phase where physicians are added, outstripping the network's management capabilities - leading to the third phase - operational chaos.
- Operational chaos: Many organizations find themselves at this stage, with a major focus on improving and gaining control of the network's operations.
- Eventually, executives and physicians agree the network must be strategically focused to produce long-term value. Building and implementing a focused plan that supports the organization's strategy becomes a priority.
- Inevitably, the strategic focus phase leads to discussions about how the group will support value-based care initiatives, the fifth phase.

Long term, networks must reliably manage costs and quality. If your group can do that, you have a high-performing network.

At HSG, we work to improve network performance and increase the network's strategic value by driving toward high performance.





HOW HSG ENGAGES WITH CLIENTS

HSG works with clients to accelerate improvements in their physician networks under three types of engagement:

- *Management Contract:* We provide the executive leadership and collaborate to prioritize which of our capabilities to bear to accelerate network development.
- *Network Performance Retainer:* We have the same approach but work collaboratively with your existing executive and leadership team.
- *Project Engagement:* We work on an a la carte basis to address specific challenges and barriers

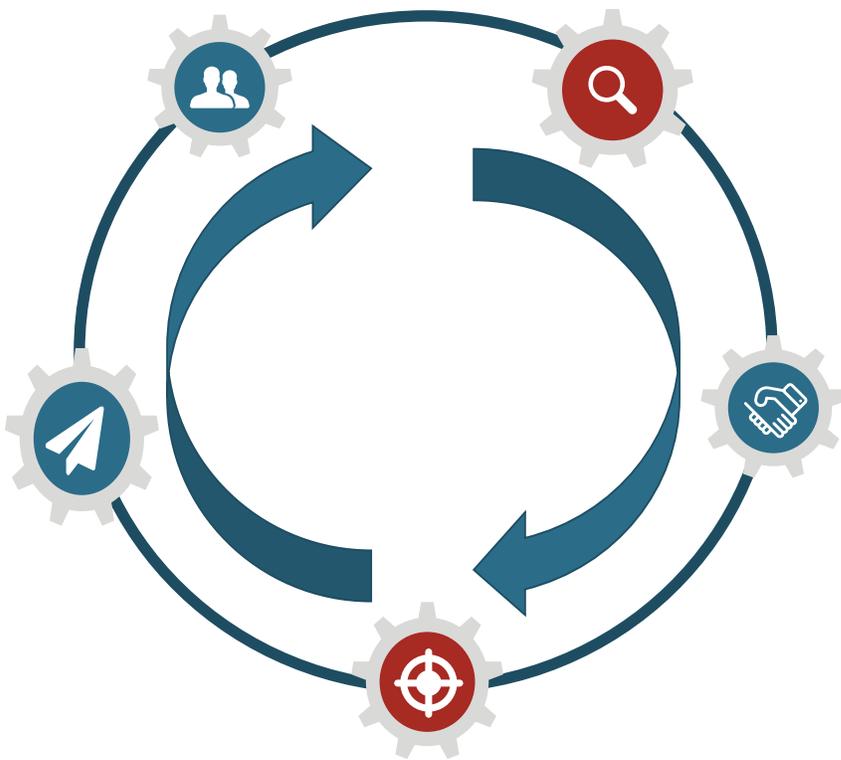
Management Contract	Network Performance Retainer	Project Engagement
Agree to collaborate to build network into a strategic asset	Agree to collaborate to build network into a strategic asset	Diagnose the real problem
Network assessment	Network assessment	Work to address specific challenge
Agree new executive leadership required	Agree current executive can succeed	Address barriers and client concerns
Focus all HSG's capabilities and insights	Focus all HSG's capabilities and insights	Planning and implementation
Implement plan together, one team.	Implement plan together, one team.	A la carte

LONG-TERM RELATIONSHIP

The advantage of the Management Contract or Network Performance Retainer is that HSG works as an integral part of your team.

In these long-term relationships, we:

- Agree to collaborate to improve the performance of your network.
- Start with an assessment of the network. Using our proprietary assessment tool, we measure your network's performance on key leverage points, and define gaps in performance.
- Agree to a relationship, either a *Management Contract* or *Network Performance Retainer*.
- Together, create a plan of action based on the assessment and challenges your network faces, and methodically implement that plan. We also define the metrics we must manage to monitor progress.
- Execute the plan, collaborating as one team to implement and adjust the plan.
- Do it all again.



COLLABORATE

Agree to work together to evolve your network.



ASSESSMENT

Examine the network to assess your needs and define gaps in performance.



ENGAGE

Implement Network Performance Retainer or Management Contract.



FOCUS

Focus HSG's capabilities and insights to develop an implementation plan.



EXECUTE

Implement plan together, one team.



HSG'S CAPABILITIES

We bring expertise and experience in three major areas that will help you build a high-performing network: physician strategy, physician network optimization, and value-based care.

The foundation of your network is strategy. HSG will work with your team to define the network's strategic vision and priorities, and systematically address them. Those priorities could include building physician leadership, development of a long-term plan to align physicians, geographic growth, changing care models, improving data analytics, or any number of initiatives that will position the network to produce value and align with the system's strategy.

The second strength we provide is network optimization, with a focus on operations. Issues such as recruitment and development of a management team, revenue cycle, patient access, patient experience, staff development or other initiatives to improve operations are generally the focus of these efforts.

The third capability we offer relates to value-based purchasing. Our focus is on building the capabilities needed to manage risk and reimbursement incentives. This includes initiatives such as bundled pricing, managing MACRA/MIPS criteria, building ACOs or direct contracting with employers.



Physician Strategy

- Physician Alignment Strategy
- Strategic Plans with Physician Focus
- Employed Physician Network Strategy
- Creating Shared Vision
- Service Line Strategy & Co-Management
- Provider Manpower Planning
- Referral Capture/ Network Integrity



Physician Network Optimization

- Network Leadership Acquisition
- Interim Management
- Executive Search
- Network Performance Improvement
- Network Revenue Cycle
- Aligned Physician Compensation
- Practice Acquisitions
- Fair Market Value Opinions



Value-Based Care

- MACRA Assessments, Planning and Implementation
- Practice Transformation
- Care Coordination
- Population Health
- Direct Contracting
- Bundled Payments
- ACO Development and Optimization
- Hospital Efficiency Improvement Program (HEIP)

WHERE TO BEGIN?

For novice organizations, we recommend starting with a focus on physician alignment strategy and putting the right executives in place.

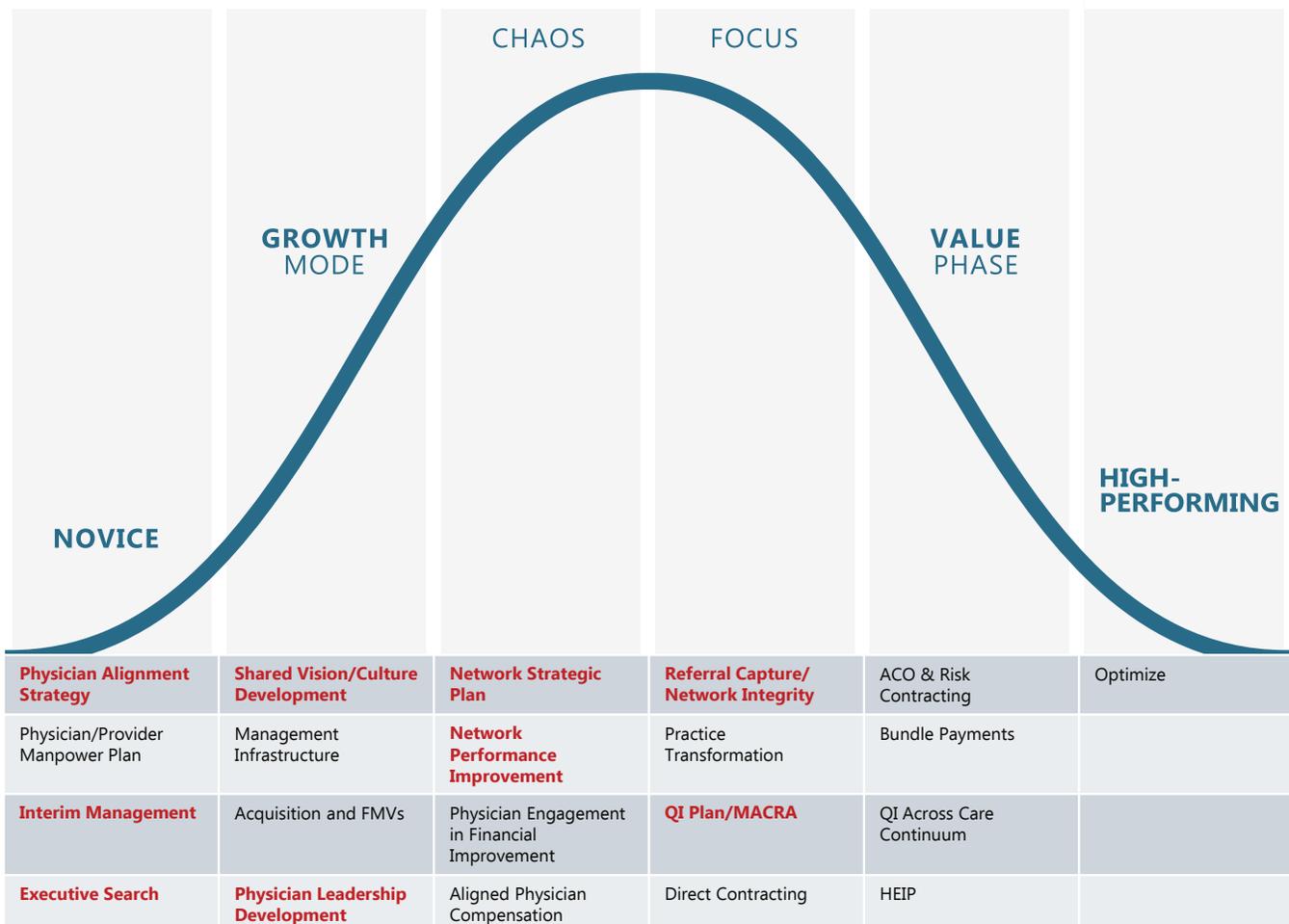
As you move to the growth mode, it's critical to bring leadership and physicians together to define your shared vision and then work with physicians to develop culture. Implicit in this process is the awareness that physician leadership development becomes a key issue.

As organizations grow, they generally find themselves in operational chaos, although building the management infrastructure will help tamp down the level of chaos. At this point, focusing on performance improvement is critical, with a secondary focus on the strategic plan of the group.

As you focus strategically, the obvious priority is the implementation of strategic initiatives. We often see networks focus on referral capture/network integrity, quality improvement across the continuum of care, and other issues like MACRA.

In the value phase, HSG recommends organizations put their toe in the water and begin to take financial risk. Stepping up efforts on clinical quality improvement are also important.

A high-performing group can reliably produce predictable outcomes and costs. **There will always be work in this phase to optimize and fine-tune performance.**



MEASUREMENT

While it must be introduced early in the evolution, a key element of success is a dashboard for the network. **Executives must be able to review the dashboard and quickly see metrics that help them understand if the network is:**

- Operationally sound
- Strategically focused on the right issues
- Making progress on value-based care initiatives

The dashboard provides executives with the confidence that the network is in control, performing at a high-level and headed in the right strategic direction.

Our current dashboard is weighted toward operations issues and is designed to be used as a starting point. As the network progresses, the dashboard will change, as well.

Category	Metric	Current Period	YTD (Rolling Avg)	Goal
Quality & Patient Satisfaction	Patient Satisfaction (Client Choice)			
	MACRA Score			
Finance	Net Income or (Loss)			
	Net Income or (Loss) per Provider			
	Provider Costs as % of Revenue			
	Other Costs as % of Revenue			
	Days in AR			
	Adjusted Collection Rate			
Productivity	wRVU Total			
	wRVU Per Provider (Personally Performed)			
Operations	% of Practices Meeting Access Standards			
	Specialty Capture Rate			
	Provider Comp vs. Productivity			



CONCLUSION

We hope this helps you understand how HSG works with clients to give them confidence that their physician network is evolving to meet the market's requirement.

To discuss how we can help your physician network improve its performance and produce strategic value, **contact at 502-814-1180 or info@HSGadvisors.com**

HSG builds high-performing physician networks so health systems can address complex changes with confidence.



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