Has Your Employed Physician Network Outgrown Its Leadership?

About HSG

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

Your Presenter

M. Davis Creech, Senior Manager, heads up HSG's Interim Management and Search services for employed physician networks. Davis has over twenty years of experience in hospital/physician relations, network/practice management, and consulting. Davis is knowledgeable and skilled in strategy-focused manpower planning; physician recruitment and retention strategies; physician employment; pro forma projection and analysis; physician management, education, and development; and marketing strategies for physician networks. Before joining the firm, Davis provided leadership for the physician network of a hospital system in Louisville, Kentucky.

Davis holds a Master's Degree in Business Administration / Hospital and Health Administration from Xavier University, Cincinnati, Ohio, and a Bachelor's of Arts Degree in Economics and Management from Centre College, Danville, Kentucky.

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Objectives

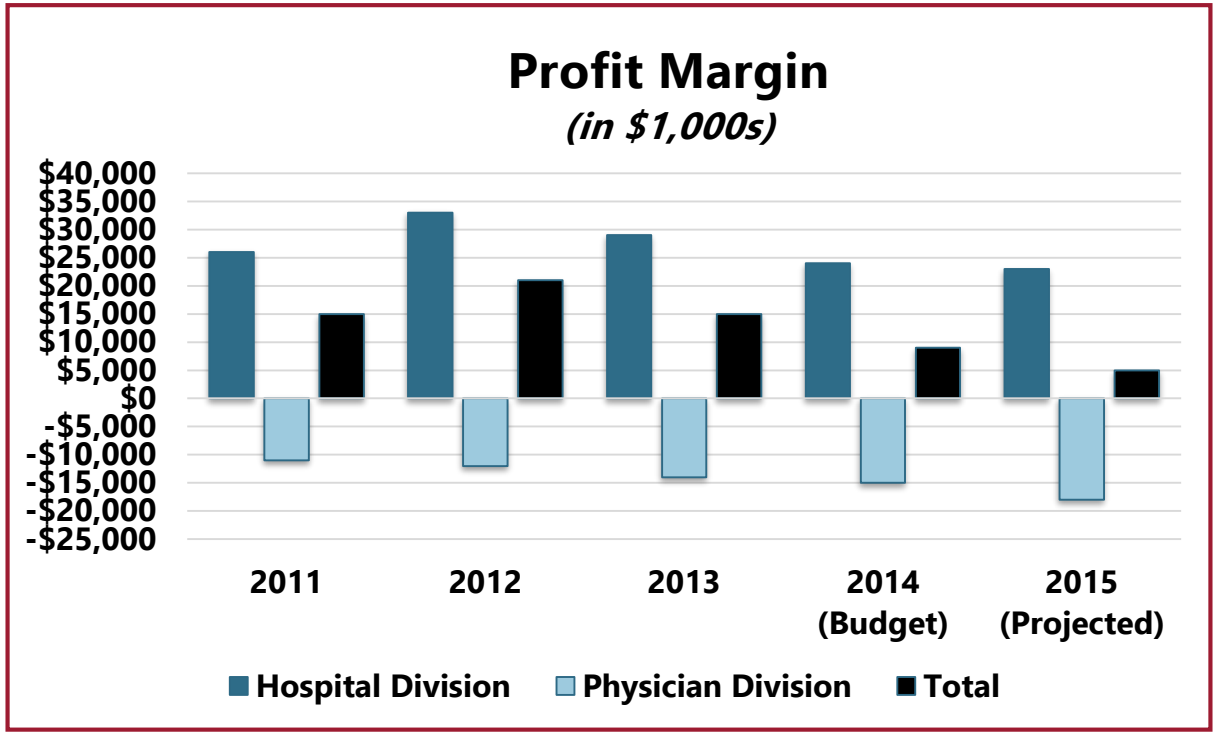
- Identify signs of why different leadership is needed for employed physician networks.
- Summarize the best practice for what network leaders should be providing senior management.
- Define what to look for in network leadership positions.
- Considerations of Interim Executive Leadership Options.

Why the need for more sophisticated leadership?

- Rising number of employed physicians
- Advent of 100+ employed physician networks
  - Market consolidation
- Multimillion dollar budgets
  - Financial drain on the overall organization
- Reform pushing more collaboration between hospitals and networks
- New model and leadership needed
  - Just spewing information no longer works
  - Promoting good “hospital” people
- Base level of experience/education to lead these networks is rising
- …and so are compensation levels

Impact of Rising Costs

Employed Physician-Hospital relationship reaching an inflection point*



*National data

What network leaders should be providing you…

- Monthly dashboards
  - Production
  - Quality metrics
  - Revenue Cycle KPIs
    - Charge Capture
    - Days A/R
  - Onboarding checklists
  - Outstanding Leakage
  - P & L

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What network leaders should be doing…

- Standardizing operations across the network
- Maximizing revenue cycle functions
- Standardizing provider compensation
- Creating Provider Leadership Councils
- Developing physician/provider leadership
- Developing overall physician alignment strategy for network
  - Primary Care Base
  - Specialty capabilities
- Monitoring and measuring leakage and referral patterns

Developing Physician Leaders - Engagement

Improvements in care management and population health can only be lead by **physicians**.

Developing Physician Leaders / Provider Council Vision

- Define the roles physicians must fill.
  - A key focus must be defining the culture and behavioral norms for the physician enterprise.
- Assess leadership potential of physicians, just as you would with lay staff.
- Engage physician leaders in practical education, including mentoring and real case studies.
- Provide classroom education for industry knowledge, management knowledge, and leadership theory.
- Emphasize how the **physician enterprise meshes with the organization strategy**.

Primary Care Development

- Define the number of PCPs you need to serve your patients, and the number you need to drive volume required.
- May need to augment with advanced practitioners, given the shortage of PCPs.
- Manage their productivity through defined templates and aggressive scheduling.
- Define your catchment area so you are addressing the needs of an adequately sized market.
- **Manage** the flow of patients and minimize leakage.

Build Specialty Capabilities

- To keep patients in your system, you must have **robust specialty services**.
- Look at what the market needs, but also what you can develop if you draw from a wider area.
- Recruit **quality physicians**.
- Begin to incent them to align their objectives with yours.

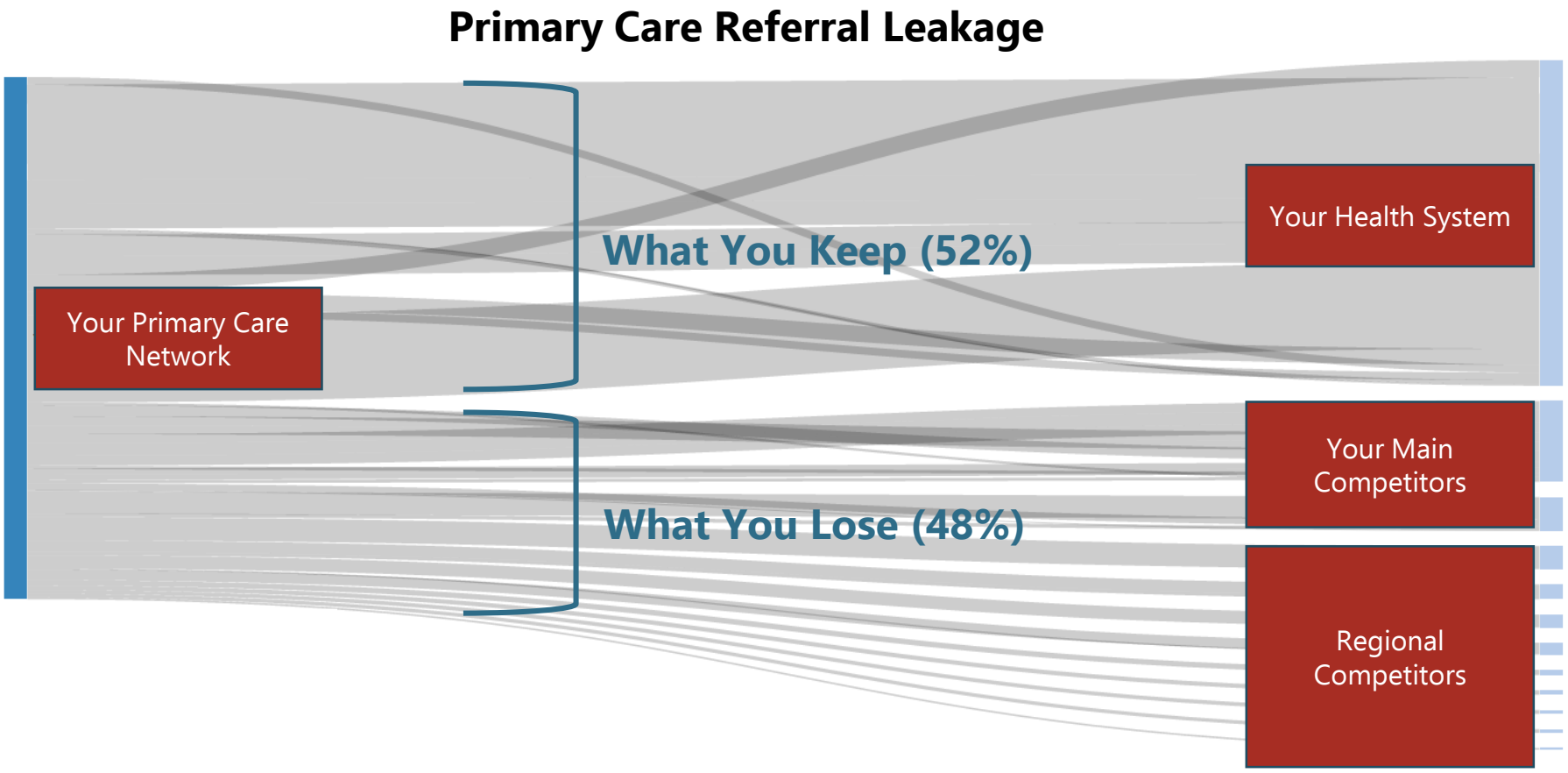
Build and Secure Your Referral Network

- Investments in **Physician Alignment and Growth Strategy** only work if you are able to keep the business in your network.
- Hospitals must monitor **referral relationships** and understand what drives those relationships. You must have the right data to drive success across your network.

HSG | Physician Network Intelligence

All examples on subsequent slides are from HSG's Physician Network Intelligence: http://ads.healthcarestrategygroup.com/pni/

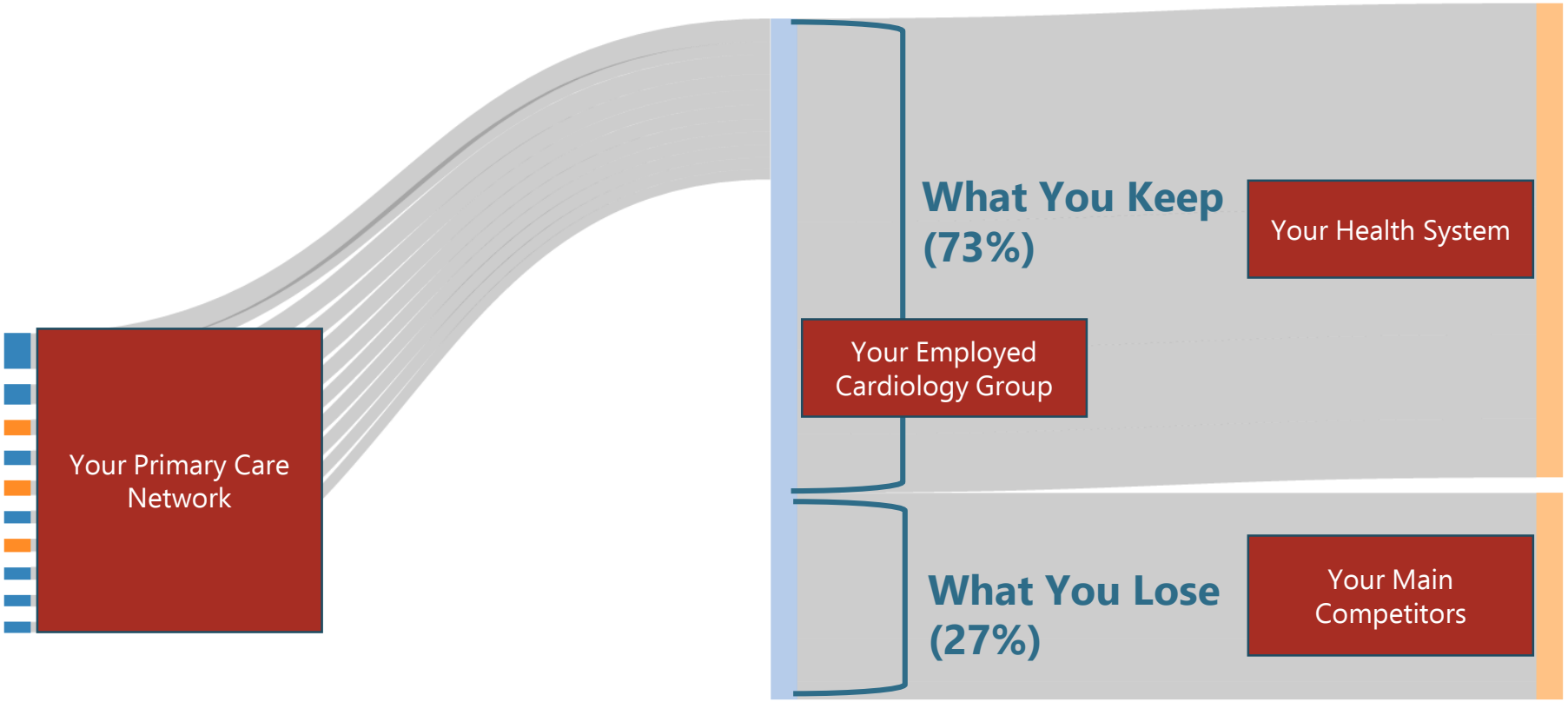
Build and Secure Your Referral Network



- On average, an Adult PCP produces ~$1.6m in downstream revenue per year – are you losing half of that to competitors?

Build and Secure Your Referral Network

Employed Specialist Referral Leakage



- On average, a Medical Cardiologist produces ~$1.2m in downstream revenue per year – are you losing volume to your competitors while subsidizing the group?

Best Practice – Leadership Candidates

- Talent pool is narrow and in demand
  - 10-15 years of multi-site, multi-specialty, employed physician network leadership
  - Strong revenue cycle understanding – if not skills
  - Bachelors or Masters Degree
  - Proven track record of consensus building with physicians
  - Consider Interim Management
    - Not just a stop gap between leaders
    - Use as a mentoring/coaching tool

Interim Executive – Options to Consider

- 3 - 6 Month Average Tenure
- Can run parallel to an Executive Search or Independently
  - Examine Case Study for Both
- Used as a "Coach" or Stand Alone
- Allows transition time to address prioritized issues
- Often makes permanent search more attractive

Questions