



EIGHT BEST PRACTICES IN SERVICE LINE GROWTH

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INTRODUCTION

Given that best practices around service line strategy has evolved significantly in a short period, growing accountability has increased the focus on outcomes. Employment of physicians has driven integration of the physician strategy with the service line strategy, creating the need for new sources of data, which have provided insights into the market and patterns of patient flow that were previously not understood.

Your process to build service lines must change with these issues. This article addresses the best practices around eight elements of service line planning.

1 Understand the Market Size

Understanding the potential market size is a critical step in quantifying opportunities for service line growth. Fortunately, all-payer claims data is becoming increasingly accessible in most markets and can be analyzed both by procedure and service line. Value is produced by determining the size of the market and level of opportunity which helps frame the level of aggressiveness with which the market should be pursued.

2 Understand Quality Performance

Quality of outcomes, whether clinical or service oriented, will impact your success with service line growth. The number and usefulness of publicly available measures continues to grow, providing better opportunities to measure and understand performance. Additionally, the use of all-payer claims data also allows greater analysis of variation in treatment patterns, which will inform physicians as they define clinical best practices.

3 Define Service Offerings

Inventorying your service and support offerings, and contrasting those to superior performers, is an important part of building a great service line. In many situations, hospitals ranked in the top 50 hospitals for a particular service are good benchmarks. In some service lines such as oncology, national accrediting bodies have defined standards. And unless you are a quaternary service provider, it is important to look at high end gaps in services and select a preferred provider you will work with to better coordinate care.

4 Define the Physician Strategy

Physicians are at the core of any service line strategy. The following questions need to be addressed to be successful:

- What physician manpower is needed to serve the market?
- What manpower is needed to reach your revenue targets?
- What physician capabilities are required for success?
- How should physician compensation plan be adjusted to support the service line development?
- How do you create tighter alignment with independent specialists who will be key to service line growth?
- What referral patterns need to be enhanced or changed to facilitate success of the service line?

5 Define The Access Points And Accessibility Standards

Patient access is a key to growth. Planning the distribution of those access points is an essential first step. More important is defining the speed of that intake, setting expectations for performance. These expectations will guide resource planning going forward.

6 Identify Changes In Technology and Practice Approaches That Will Ultimately Impact The Service Line

Technology changes can disrupt a service line and various scenarios must be considered. In cardiology for example, the advent of stents greatly reduced the need to cardiac surgery. Likewise, the advent of improved imaging technology has accelerated the growth in neurosurgery. Working with your physicians, and completing a good old fashioned literature review, will provide insights into the risks and opportunities created by these changes.

7 Understand Your Financial Performance

Where and how you make money on the service line and where you do not is critical. This can help you prioritize growth opportunities initially, provide insights into potential challenges as the service line grows, and help physicians prioritize their clinical improvement efforts.

8 Build a Promotion Plan

This is generally recognized as core to any growth plan. We advise clients to understand the market, and complete consumer research that may help build a better plan. Ultimately, the plan should also include outreach and marketing to referring physicians and their front office staff.

CONCLUSION

Application of these eight elements will result in a successful service line strategy and allow organizations to differentiate themselves in the marketplace. We have observed clients grow revenue and improve quality by applying this framework to evaluate and enhance the total service line package. If you are interested in more detail on how you can plan for both near and long-term success within your core service lines, contact us.



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