

Cardiovascular Service Line Plan Leads to 20% Increase in Contribution Margin

BACKGROUND

A Midwestern Community Health System was suffering from stagnant volumes in cardiology, driven by competitor encroachment on their market. Differentiation of the service line was a key focus as HSG helped the System define the parameters of their strategy and build the necessary tactics.

OUTCOMES

The key goal and outcomes desired was financial, although the client had quality and access goals as well. Volume has grown significantly and the organization has solidified relationships with referring physicians. The result was a 20% improvement in contribution margin for the service, and a similar improvement in operating margin. This is one of HSG's many examples of strategic planning in healthcare at the service line level resulting in positive financial outcomes.

ASSESSMENT APPROACH

HSG's consulting approach, working with the steering committee, focused intensely on understanding the market and opportunities it created. Key elements analyzed increased patient flow and leakage, market share, drive times, and demographic trends.

The providers in the market were scrutinized as well, which included an assessment of physician need, referral relationships among physicians, and physician engagement with the service line leaders in the System. Operations of the System and employed practices were the final focus. That assessment looked at clinical quality and patient experience. Since the objective was to grow volume, it also evaluated throughput in the entire operation.

KEYS TO SUCCESS

The assessment led to five core tactics around which the plan was built.

- **Referring Provider Relationships.** Interviews were conducted with referring physicians and systems were built to better serve them based on the feedback. Those included an increase in face to face interactions with the cardiologists and enhanced reporting on shared patients.
- **Partnerships with Rural Hospital.** The organization made a commitment to better serve rural hospitals. This included great consultation services, but also the placement of full time nurse practitioners onsite at partner facilities to smooth patient transitions and care planning.
- **Reducing Leakage from Employed PCPs.** Greater attention was given to leakage using [HSG's Physician Network Integrity Analytics®](#); deficiencies were addressed with these providers just as it was addressed with other referring physicians.
- **Improved Scheduling in Practices.** Access in the cardiology practices and hospital services was improved by changing the scheduling practices and staff in the provider offices. Staff was dedicated to the scheduling function as roles and responsibilities were adjusted.
- **Revenue Cycle Improvements.** Tweaks to the billing and collection processes, and how those were staffed and managed, was the final element leading to the financial turnaround.

Contact [Eric Andreoli](#) to learn more about HSG's Approach to building a winning cardiovascular service line development strategy.



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ABOUT HSG

HSG is a national healthcare consulting firm that focuses on building high-performing employed physician networks and physician integration so health systems can address complex changes with confidence. We work as a part of your team to build an operationally efficient, strategically valuable provider network. If physician employment is not an option, we define the best model for integration of private groups, the model that best aligns strategy and incentives.

SERVICES



Physician Strategy



Physician Leadership



Performance Improvement



Network Integrity



Physician Compensation

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