

Primary Care Growth Leads to 75% Increase in Hospital Net Revenue

BACKGROUND

A Midwestern Community Health System committed to an aggressive primary care growth strategy, driven by their goal of stemming outmigration from the market. HSG partnered with the System to define the parameters of that strategy and build the necessary tactics.

OUTCOMES

The key financial outcomes were **a 75% growth in net revenue from 2013 to 2018, a growth of \$161 million**, and dramatically improved operating margins. In 2012 the organization was a breakeven operation. In later years, operating margins were routinely in the 3-6% range.

The number of employed primary care providers grew by more than 200% over the same time period. Noteworthy is that the quality of specialists in the community was upgraded significantly over this time period, allowing the organization to “earn” more specialty referrals.

KEYS TO SUCCESS

HSG’s consulting approach was combined with an insightful steering committee, and an executive team that was willing to invest in primary care despite the subsidies required to acquire top talent. Six elements of the analysis stand out as influential.

- **Provider Manpower Analysis:** The traditional manpower plan, defining need based on models that project need per 100,000 population, plus survey and interview opinions from doctors and executives, pointed to a massive primary care need.

- **Geographic Assessment:** A key element to success was defining new practice locations. HSG analyzed:
 - Supply deficits by zip code and aggregations of zip codes
 - Demographic attractiveness of zip codes/aggregations
 - Drive times to primary care practices, with the goal of increasing the population with 10-minute access
- **Referral Leakage:** Using [HSG's Physician Network Integrity Analytics®](#) suite of services, cases leaving the System were analyzed with two purposes. First, to understand PCP loyalty. Second, to better understand gaps in the System's service capabilities. This analysis focused on private PCPs as well as those employed.
- **Employed PCP Throughput:** An assessment of volume growth opportunities in existing practices was key, along with scheduling, template, and other recommended adjustments to improve access.
- **Resident Retention:** Another key tactic was to focus on family medicine residents the System wished to retain and get early commitments to stay in the community long-term.
- **Usage of Advanced Practice Provider (APPs):** Improving access, and therefore patient capture, by expanding the usage of advanced practice providers was the final key element. While this varied by practice based on the acceptance of the physician, it has facilitated the building of a culture where APPs are accepted and appropriately utilized.

Contact [DJ Sullivan](#) to learn more about HSG's Approach to building a winning primary care strategy.



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The organization experienced a 75% growth in net revenue from 2013 to 2018, a **growth of \$161 million**

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.

CORE SERVICES



Physician Strategy



Physician Leadership



Performance Improvement



Network Integrity



Physician Compensation

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