

# Strategic Planning in Healthcare Organizations: Differentiated Service Lines Checklist

By: David Miller

This comprehensive checklist is designed to help you build strong, competitively differentiated service lines. It guides you in deciding which service lines to build and, subsequently, guides vision creation, market analysis of the opportunities, and implementation plans for these priority service lines. Addressing these factors will take time, but it is wise to consider them as you start building your service line plans.

## PRIORITIZING SERVICE LINES

Your organization must first decide where to focus. You should prioritize service lines that can propel the organization forward, from a clinical and financial perspective. In deciding on priorities, have you considered:

- The clinical capabilities in the service, including physician expertise
- Profitability of the service line
- Potential market size
- Strengths of competitors and issues that may create barriers to success

Hospitals can rarely successfully address more than two service lines simultaneously.

## CREATING YOUR VISION

Based on input from various stakeholders, you need to create a vision for the service line. We generally recommend looking ten years into the future. This process will help you identify key leverage points and help create a common understanding of the goals of the endeavor. In developing the vision, at a minimum you must consider these points.

- Clinical and support service scope
- Clinical performance and outcomes
- Incremental physician expertise required
- Revenue, cost and profitability goals
- Referring physician relationships
- Geographic reach
- Patient experience expectations, including access
- Differentiation from competitors
- Consumer perceptions of service line, and marketing plan
- Accreditations to pursue

**ANALYTICS**

Understanding the opportunity requires a significant analytic effort. Key elements are defined below.

**Market**

- Understand from where your service line attracts patients
- Research consumer perceptions of your organization and competitors
- Market share by zip and sub-product
- Inventory providers in the market

**Service Array**

- Gaps in services vs. competitors and national centers of excellence
- Services that are differentiators and developmental priorities
- Services and locations for competitors
- Capacity/throughput assessment of diagnostics and treatment services
- Virtual care capabilities

**Physician / Provider Team**

- Strength of clinical leadership and champions
- Composition and number of providers required to meet market share and growth goals
- Physician Skills (diagnostic and treatment) vs. competitors and national leaders
- Compensation plan and alignment for employed doctors
- Physician performance data
- Assess use of Advanced Practice Providers (APPs)

**Clinical Assessment**

- Publicly available quality metrics
- Critical paths and best practice documentation/order sets
- Assess clinical process variation in treatment patterns
- Resources to optimize EMR to optimize care processes
- Patient education resources and linkage to EMR
- Consumer education and screening resources
- Certification or accreditations for the service

**Patient Experience**

- Patient satisfaction with IP, OP, ED, physician offices
- Access standards

**Infrastructure and Resource Assessment**

- Critical roles and accountabilities defined
- Organizational structure defined
- Gaps in staff capabilities/workforce, talent acquisition plan for various roles
- Resources to manage care across the continuum defined

**Operational Efficiency Assessment**

- Efficiency/throughput assessment in hospital
- Efficiency/throughput assessment in physician practices

## | ANALYTICS CON'T

### **Payer Relationships**

- Direct contracting opportunities
- Bundled payments
- Evaluate capitation opportunities
- Local commercial payers contracting models

### **Marketing Review**

- Review service line marketing materials for you and competitors
- Review online marketing (search terms, SEO, targeting tactics, etc.)

### **Financial Assessment**

- Define size and dollar value of the market
- Review Profitability / Cost
  - Service line
  - By service (from AHD)
  - By physicians
- Capital investment
- Payer mix
- Assess payer rates

## | BUILDING STRATEGIES AND TACTICS

- Define performance metrics
- Work with Steering Committee to define strategies
  - Define plan to achieve clinical excellence
  - Define plan to deliver excellent access and patient experience
  - Define Marketing/Promotion Plan
  - Build other plans
- Distill each to action plans
- Build Financial Plan
- Define key performance indicators and build monitoring plan

Contact **David Miller** to learn more about HSG's Approach to **building a service line specific plan while strategic planning in healthcare organizations.**

.....



## 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

**For more thought leadership from HSG, visit [hsgadvisors.com/thought-leadership](https://hsgadvisors.com/thought-leadership).**

---

## CONTACT THE AUTHOR



**DAVID MILLER**  
Founding Partner

(502) 814-1188

[dmiller@hsgadvisors.com](mailto:dmiller@hsgadvisors.com)



**HSGadvisors.com | [info@HSGadvisors.com](mailto:info@HSGadvisors.com)**

© 2020 HSG. ALL RIGHTS RESERVED.