

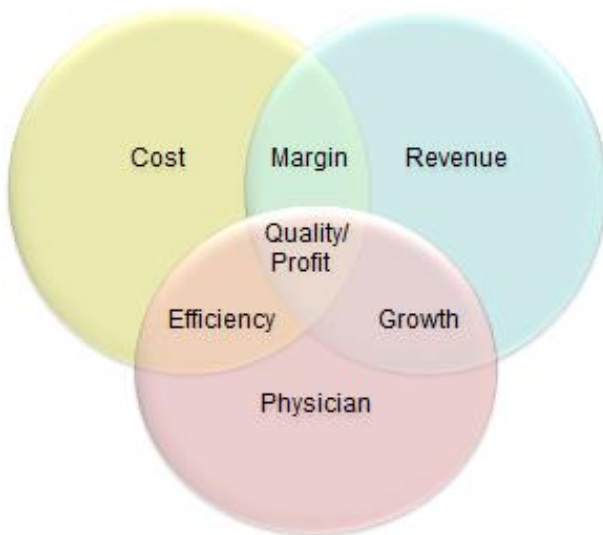
Physician-Hospital Alignment & Communications: Strategies to Ensure Collaboration

By Stacey Lang

The ability to collaborate with medical staff within a mutually beneficial alignment model is more important now than during any time in recent memory. The rapidly-changing reimbursement landscape with respect to Accountable Care Organizations and Bundled Payment Strategies, as well as the evolving trend in CMS reimbursements, now recognizes quality outcomes with enhanced reimbursement, while also reducing available payments when quality lags.

Corazon believes these additional considerations and the financial pressures being placed on both hospitals and physician practices should shift some strategic programmatic focus to partnerships that could bring mutual benefit. Furthermore, the ability to remain competitive within a market could be enhanced by integrating a well-thought-out alignment strategy to optimize clinical, operational, and financial performance. And while no strategy can be successfully implemented without the involvement and commitment of all involved, there is perhaps no more important partnership for achieving success in healthcare today than that of physician and hospital.

Figure 1. Continual challenges faced by today's Hospitals, Health Systems, and Physician Practices of all sizes.



Challenge: Restructuring healthcare delivery in response to reimbursement changes, global billing (P4P), ACO, and other healthcare reform initiatives. ✓

Challenge: Creating physician alignment to achieve mutual quality, financial and operational goals in a competitive environment. ✓

Figure 2. Alignment Trends by Specialty. Source: MGMA

Specialist	Physician Interest	Current Alignment	Plans to Align next 1 to 3 years
Cardiology	63%	37%	35%
Emergency Medicine	48%	41%	21%
General Surgery	53%	44%	51%
OB/GYN	50%	38%	38%
Otolaryngology	50%	23%	11%
Internal Medicine	49%	63%	71%
Family Medicine	46%	63%	71%
Neurology	31%	32%	23%
Orthopedics	25%	35%	39%

Recent studies by MGMA and others show that the interest in alignment is not only seen within hospital leadership, but also across the gambit of medical and surgical specialties. The interest in or importance of formal physician-hospital alignment strategies typically ebbs and flows in keeping with an evolving healthcare landscape. While this is a trend that many with long tenure in healthcare leadership are familiar with, the options for and complexity of alignment models have never been greater.

Understanding Organizational Alignment Needs

In order to be successful, organizations must be sure to accurately assess both the need for alignment as well as the role that a successful alignment strategy will play in advancing the Service Line overall. Corazon identifies eight key components that are necessary to ensure success within cardiovascular services. In advance of the development of a formal physician alignment strategy, we encourage hospital leaders to conduct a thorough and frank assessment of the existing state of the service line that addresses each of the questions below as seen through the eyes of potential physician partners.

- **Strong Marketing & Branding**
Is my organization's marketing and branding reflective of a collaborative message that showcases physician and organizational commitment and involvement?
- **Organizational Structure**
Is my organizational operational and reporting structure one that fosters collaboration between

those involved and allows a degree of autonomy in decision-making and strategy development?

- **Physician Behavior that Demonstrates Support**
Are my organization's physician partners engaged and invested in mutual success and supportive of service line growth and expansion? Do clear lines of communication exist and is the environment one of mutual respect and a collaborative spirit?
- **Quality Outcomes**
Are my physicians champions of quality and actively involved in quality monitoring and reporting as well as in the integration of performance improvement initiatives? Is the publicly-reported quality for physicians being considered for alignment exceptional?
- **Measures to Maintain/Grow Volume**
Has my organization developed a comprehensive strategic plan for the cardiovascular service line inclusive of specific measures intended to expand services and grow market share for which physician collaboration will be essential?
- **Integrated Facility**
Is my facility configuration conducive to seamless patient flow and collaboration in care delivery among providers? Does the current structure serve to facilitate the achievement of care transitions within the required timeframes?
- **Appropriate Manpower (Staff & Physicians)**
Are the necessary physician and staff resources in place or planned that will support the development of the agreed upon service line strategy? Is the medical staff at large supportive of expansion efforts. Do the specialists involved possess the necessary clinical training and skills to successfully execute the plan?
- **Financial Viability (Mainly Reporting!)**
Is the financial performance of the cardiovascular service line readily available, accurately reported, and freely shared between administrative leadership and the involved/engaged physicians? Do the physicians trust the information provided and is there an adequate understanding of hospital financials to allow thoughtful review and deliberation of financial reports?

Now What?

Based on answers to these important questions, an organization can accurately gauge the need for alignment. Once that has been determined, and the goals for the service line have been identified through a comprehensive strategic planning process, establishing a mutually-beneficial alignment structure is the next step.

Effective communication is essential in the successful implementation of a physician co-management or alignment structure. Follow-through on mutually agreed upon actions and strategies during a comprehensive onboarding process and beyond is necessary for long-term success. Understanding that physicians and administrators are often accustomed to be on opposite sides of a given issue means that care must be taken to hear the intended message free of any pre-existing bias.

In Corazon's extensive experience with alignment models, we know that any structure – no matter how simple or complex – must be built on a foundation of mutual trust and respect. **Only through open communication and a willingness to share both information and decision-making responsibilities can a true physician/hospital collaboration be achieved.** Likewise, the vision for the service line and for the desired results of the considered alignment strategy must be in sync so that the goals of all parties are aligned and realistically-achievable.

Once trust is established, there must be a shift in both accountability and in approach to decisions within the service line. Only through shared accountability, **and authority**, can even the most well-thought-out alignment model be successful. Because while planning and structuring the model is a complex and difficult process, it's in the successful IMPLEMENTATION of such arrangements where organizations typically fall short.

Historically, in many organizations, there is a hesitation by administrators to openly share information, particularly financial information, with involved physicians. Corazon often finds that hospital leaders fear that providing information related to reimbursement for the service line can be "arming" physicians with information to be used during the next negotiation. But this thinking only serves as a hindrance to shared achievement.

In order to be successful in any alignment arrangement, a significant shift in thought process must occur – a daunting prospect indeed! But, the result of this change leads to a true alignment of goals and eventually in a sharing of mutual successes – clinical, operational, financial, and in terms of satisfaction of all parties.

As has been the case for many years, physician alignment and co-management arrangements can serve as the cornerstone for both Service Line expansion and operational improvement. To do so, however, requires the commitment and investment of all involved.



Stacey is a Senior Vice President at Corazon, Inc., a national leader in program development for the heart, vascular, neuroscience, spine, and orthopedic specialties. Corazon offers a full continuum of consulting, software solution, recruitment, and interim management services for hospitals, health systems, and practices of all sizes across the country and in Canada. To learn more, visit www.corazoninc.com or call 412-364-8200. To reach the author, email slang@corazoninc.com.