Top 10 Effective Physician-Hospital Alignment Strategies

With emerging physician shortages, pay for performance reimbursement, and a general need to engage physicians in improving patient care efficiency, quality, and safety, implementing effective ways to align hospital-physician relationships are ever-more important. Here are some of the strategies we have helped our clients implement to respond to current and anticipated trends.

1. **Employment or Medical Foundation Development.** Yes, it's back, but hospitals and physicians are wiser and more prepared for entering into this dangerous territory. Due to emerging physician shortages in some markets, physician practice economics, and just the preferences of recently trained physicians, hospitals are increasingly required to assure that there is a structure in place to employ physicians and/or create an effective medical group model to employ physicians.

2. **Implementing innovative health delivery models/demonstration projects.** As Medicare, Medicaid, and other payers seek new ways of financing and reimbursing care, many hospitals and physician groups are working together to participate in demonstration projects, develop their own health plans, and at the very least, coordinating efforts to excel in pay for performance incentive structures.

3. **Utilizing information technology to reach patients and coordinate clinical care.** Beyond "just" implementing electronic medical records or computerized physician order-entry systems are strategies to assure that hospital, physician, and other outpatient services are linked electronically. Further, cooperating on the development of patient web portals to enhance communication with patients and provide improved access to services and clinical information can enhance patient loyalty and health status. Participation in RHIOs can also be part of this strategy.

4. **Physician leadership development.** Too often, physicians are placed in leadership positions with unclear expectations and inadequate training or mentoring. This frustrates hospitals, when service line or administrative objectives aren’t met and wastes the time and talent of the appointed physician. The most effective medical directors or clinical leaders are those that are provided a clear focus of responsibilities and objectives and given the resources (education, coaching, data, or mentoring) to assure their success.

5. **Utilizing hospitalists and intensivists effectively.** Hospitals that achieve the best outcomes in both quality and cost effectiveness often have well-functioning hospitalist and intensivist programs. These programs go way beyond just providing patient care coverage; they have well-defined patient care objectives and care management support structures to facilitate the success of these programs. This includes the structure of compensation arrangements, the selection and leadership of the hospitalist/intensivist groups, reports and data available to monitor patient care outcomes, and integration with nursing, discharge planning, and other patient care departments.

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6. **Taking a global look at all physician-hospital arrangements.** As ED on-call payments escalate, and the need for physician leadership in clinical departments grows, many hospitals find the expense of “professional services” getting out of hand. An organization-wide view of the needs for emergency coverage, clinical leadership and graduate medical education can assist in “rationalizing” the compensation paid to physicians filling these roles. Developing organization-wide policies and strategies for structuring medical directorships, on-call coverage, hospital-owned practices and other physician roles in the hospital can avoid duplication, clarify roles, and minimize cost.

7. **Moving beyond the traditional Medical Staff structure to enhance patient quality and safety.** While physicians are often engaged in quality improvement initiatives as a part of the Medical Staff process, truly moving the bar in quality outcomes often requires even more concerted efforts. Hospitals that collaborate with physicians who will consistently identify and follow appropriate clinical protocols find that significant clinical and cost improvements can be made. This sometimes means, however, that not all physicians are treated equally. Those that are active participants in quality and safety initiatives are more likely to be the physicians the hospital will turn to collaborate on business ventures or growth strategies.

8. **Collaborating on new models for patient care delivery – in and out-patient.** Many hospitals’ focus still is predominately on streamlining inpatient care – which is important. But as we face physician shortages in some key specialties, including primary care, hospitals can be working more collaboratively with physicians and physician groups to design new models for delivering care in the outpatient and practice settings. This would include utilizing technology and allied health professionals in new and innovative ways to enhance patient access and health outcomes.

9. **Participating in clinical research.** Even community-based hospitals and physician groups can play a leading role in advancing clinical innovation by looking for ways to participate in clinical research. This can be accomplished through partnerships with other research entities, academic medical centers, or other biotechnical firms. The results can include new revenue streams, positioning as a clinical leader, and professional satisfaction among the clinicians involved.

10. **Joint ventures.** No list of physician-hospital alignment strategies can be complete without mentioning joint ventures. They are the ultimate partnership. Our caution, however, is to assure that the ventures are pursued with a full awareness of the mutual goals and specific short- and long-term objectives, reimbursement and technology changes that could impact the success of the venture, capabilities necessary to manage the venture, and having the “stomach” and the capital to weather short- or long-term losses.

For more information on our services to develop effective physician-hospital alignment strategies, please contact Laura Jacobs at (310) 320-3990 or by e-mail at ljacobs@thecamdengroup.com.