Evaluating Your Hospitalist Program: Key Questions and Considerations
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Introduction

Hospitalist Medicine as a specialty has grown from a relatively unknown field 30 years ago to being a central player in today’s healthcare environment. At present, over 80 percent of hospitals with over 200 beds utilize a hospitalist program, and the number of hospitalists has grown from less than 1,000 in 1996 to more than 25,000 today, making it the fastest growing physician specialty. Because of the value that hospitalists can provide in treating unassigned patients, managing the inpatient care continuum, and leading quality improvement and patient throughput efforts, hospitals have been quick to embrace the specialty, and the demand for hospitalists continues to grow at a rapid pace.

Fig.1: Key Roles and Responsibilities of Hospitalists

At present, over 80 percent of hospitals with over 200 beds utilize a hospitalist program, and the number of hospitalists has grown from less than 1,000 in 1996 to more than 25,000 today, making it the fastest growing physician specialty.

1Today’s Hospitalist, “Hospitalists extend their reach in nation’s hospitals”, February 2009.
There is consensus among healthcare leaders that a well-managed hospitalist program can help a hospital improve patient safety and quality, maximize throughput and patient flow, and reduce unnecessary bed-days and resource utilization. At the same time, the vast majority of hospitalist programs require ongoing financial support from the affiliate hospital or another sponsoring organization (e.g., a large medical group or healthcare network). This has many hospital chief executive officers and chief financial officers wondering if they are deriving the maximum value from their hospitalist program, especially as hospital financial performance is under pressure and the move to value-based care accelerates.

**Diagnostic Assessment Approach**

Hospitals and health systems can conduct a high-level assessment of their hospitalist programs by evaluating the organizational, financial, and operational components of the program. The program’s current performance in each category should be measured against industry best practices and metrics to identify improvement opportunities. However, in conducting these comparative analyses, it is critical to select the appropriate benchmarks from similar programs. For example, a hospitalist program at a large academic medical center with residents may have very different organizational, financial, and operational aspects than a program at a mid-size community hospital.

![Hospitalist Program Assessment Approach](image)

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Key Considerations

When evaluating the performance of the hospitalist programs in each of the three components described above, organizations should consider the following key questions.

Organizational Structure

The organization and leadership of the group plays a crucial role in determining the success of the hospitalist program. High-performing programs work in close collaboration with the hospital leadership to develop a shared vision and goals for the program. Additionally, the goals for the program should be objective, data-driven, and measurable. The leader(s) of the group take ownership of executing these goals and ensuring that the program has adequate support and resources and processes in place to provide a consistent and high level of performance.

Key Questions

- Strategic and economic alignment: Has the hospital discussed its goals for the hospitalist program (e.g., caring for unassigned patients, quality improvement, efficient resource utilization, improving referring physician and patient satisfaction), and are those goals currently being met by the program?
- Program leadership: Does the program have a strong and effective leader who can partner with the key stakeholders (e.g., hospital administration, medical staff, nursing, case/care management) to drive performance of the hospitalist program?
- Management: Does the group have the capability to effectively manage the program? Is there an adequate support structure in place that allows the hospitalists to focus on patient care and not be burdened by administrative issues?

Strong leadership and alignment with the hospital are two of the most important predictors of a hospitalist program’s success. Therefore, any assessment should begin with an evaluation of these areas.

Operational Processes

A high-performing group requires efficient operational processes. The group should have the appropriate number of clinical providers available to meet the clinical demands of the hospital, with special consideration for evening and night staffing. The productivity of the hospitalists should be monitored and compared to industry benchmarks, keeping in mind that the majority of the benchmarks are more applicable to the day-time hospitalists (e.g., encounters per shift or wRVUs per year). Additionally, it is important to select the appropriate benchmark, based on the type of the organization and goals of the program.
Additionally, the program should have adequate support staff and processes in place to allow the hospitalists to practice at the top of their license, and have adequate time and resources to focus on patient care and quality.

**Fig. 3: Patient Encounters per Shift**

![Bar Chart]

**Key Questions:**

- **Provider staffing:** Is the program staffed appropriately with clinical providers? Are there any recruitment or retention challenges? Is the current staffing model (e.g., block scheduling, seven on/seven off) the most appropriate model for the organization's needs? What is the rate of turnover in the hospitalist team?

- **Productivity:** Does the program monitor the productivity of each provider, and is it in-line with benchmarks from similar programs?

- **Support:** Does the program utilize appropriate level of non-clinical and clinical support?

- **Focus on quality and performance:** Are the hospitalists engaged in quality improvement and performance improvement initiatives? Is performance against goals routinely shared with the hospitalist team to identify areas of improvement?

- **Communication:** Do the hospitalists communicate effectively with other physicians, staff, and patients/families? Are there organized “huddles” with care management staff to assure care transitions are coordinated? Is there a system for timely communication with primary care physicians?

- **Ownership of the care continuum:** Do the hospitalists demonstrate ownership of the inpatient care continuum? Given the shift to population health, how does the group plan to add value in the pre-admission and post-discharge areas? Do the hospitalists collaborate with case management, discharge planning, and post-acute providers (e.g., skilled nursing facilities, long term acute care providers, inpatient rehabilitation providers, hospice)?

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²Today’s Hospitalist 2013 Provider Compensation and Production Survey. University/Medical School data not adjusted for shift duration or patient caps which may be in place due to resident workload restrictions.
The operational structure of the program (e.g., number of physician and support staff, provider productivity, focus on quality, care team communication) drives the efficiency and effectiveness of the program, and thus should be evaluated on an ongoing basis.

Financial Performance

The financial performance of the hospitalist program is based on a combination of the provider production and the payer mix (the revenue side), and the provider and operating expenses (the expense side)\(^3\). While most hospitalist programs require ongoing financial support, there is a wide variation in the amount of support required. Therefore, the program should monitor the financial performance on a regular basis, and be able to explain the rationale for the amount of program support required, and how it compares to industry benchmarks.

Fig. 4: Annual Financial Support per Hospitalist FTE\(^4\)

![Fig. 4: Annual Financial Support per Hospitalist FTE](image)

Additionally, the compensation plan utilized by the hospitalist group cannot only have a direct impact on the program expense, it can also indirectly impact the program performance by incentivizing specific behavior, such as focus on production, patient satisfaction and/or quality. Therefore, high-performing programs implement compensation models that include a reasonable base compensation, a production based incentive, as well as performance-based incentives that align with the goals of the hospital (e.g., patient satisfaction, core measures, reduced readmits, etc.).

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\(^3\)Based on programs in the fee-for-service model. Programs in value-based and managed care models also require ongoing financial support, but the program economic model includes consideration for resource management and outcomes.

By analyzing the program revenue and expenses, the organization can determine an appropriate level of support required for a sustainable program. While programs requiring a high-level of support are considered a drain on the organization, those with too little support are often unable to recruit and retain high quality providers and staff.

Key Questions:

• Compensation model: Does the compensation model incentivize behaviors that are aligned with the organization’s goals (i.e., efficiency, resource use, quality, productivity)? Is the overall compensation per provider in line with the appropriate industry benchmarks, adjusting for regional variances, type of organization, and workload?

• Program support: How does the program’s financial support compare to benchmarks, and is it in line with the organizational expectations?

• Management support system: Does the group utilize an effective management system to assist with billing and collections, documentation, and reporting? Can the program provide meaningful and timely reports or a dashboard that can effectively and efficiently communicate the key metrics to the program, as well as the hospital administration? Are there processes in place to provide metric-based feedback to each hospitalist regarding their performance compared to goals?

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Conclusion

A well-performing hospitalist program can benefit the hospital system by delivering high quality care in the most efficient manner. Further, the program should be able to demonstrate the value through tracking of key performance indicators, including quality and efficiency metrics. Organizations can utilize the assessment approach outlined in this document to identify opportunities to enhance their hospitalist programs and maximize the benefit to the organization.
About the Author

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