Physician Retention—Planning, Strategy and Execution in a Changing Environment
(The Role of the “Setup Man”)

Craig Hunter
Senior Vice President
Coker Group
Session Agenda

• The importance of physician retention
• The evolution of the physician liaison role
• Building a Game Plan
• Understanding the “New World Order” models
• Where do you go from here?
What is a Setup Man?

In baseball, a setup man is a relief pitcher who regularly pitches before the closer. They commonly pitch the eighth inning, with the closer pitching the ninth inning.

Wikipedia.org

(Does this make the Physician Recruiter the Starter?)
The Importance of Physician Retention

Sell me on it...Why is your role important?

• ______________________________________

• ______________________________________

• ______________________________________

• ______________________________________
What Impact Can You Have?

- Revenue
- Communication
- Relationships
- Stability
- Transitions
- Group sustainability
- Services offering
- Quality
- Cost
The Big Questions...

• How do you see yourself?

• How do others see you (internally and externally)?

• How are you creating value?

• How is it defined and by whom?
The Evolution of the Physician Liaison Role

• Originally perceived by some as “Candy Queens”
• Thought of as a Cost Center (expense) by Finance
• Evolved into a true Sales role
• Recognized as a revenue generating department
• Expanded to include employed network physicians instead of just focusing on private practice
• Administration reshapes as “Physician Integration Services”
Understanding Your Role

• Clearly defined expectations (by the General Manager, Skipper, coach, boss, etc.)
• Different teammates have different roles
• How often do you really talk about expectations with your boss and do they really tie to your job evaluation at the end of the year?
• How does your true role get communicated to others in the organization?
• By the way, where do you really want to be in 5 years?
You have to play “Small Ball”

No matter how your role is defined or what the expectations are, you have to do the basics:

• Make Face-to-Face sales calls (# may vary)
• Clearly defined goals for each meeting
• Have to document your activity
• Follow-up is still what sets you apart
• Have to think more strategic with your doctors rather than problems with the cafeteria menu
Building Your Game Plan

Harder to stay in the “Show” than it is to just make it there

• How do you get better?
  – “It just takes some guys longer to ‘get it’”—Jordan Schafer, Atlanta Braves
• Confidence/Mental
• Physical/Work ethic matters
• Have to work at your craft (watch video—or participate in webinars, READ, conferences, meetings with senior leaders, find a mentor, etc.)
• Your teammates are there for a reason...use them
Understand the New World Order

• Accountable Care/Clinically Integrated Networks
• Patient Centered Medical Homes (PCMHs)
• Hospital Employed Physician Networks
• Employment Lite (PSAs)
• Quality based metrics
• Bundled reimbursement
• Physician Compensation ramifications
• Fair Market Value Opinions (FMV)
• Impact on Physician Demand/Need
• IT/EHR/Analytics
INTEGRATION & ALIGNMENT TRENDS
Healthcare is undergoing a seismic change
Paradigm shift in managing care and cost

**Disruption**
- Healthcare cost is a global crisis
- Healthcare quality is inconsistent across care delivery and does not correlate with cost

**Value Migration**
- Revenue model (FFS) threatened
- Reimbursement model (Payers) threatened
- ACOs ... risk management & cost containment
- Information & Analytics a must
  - Patient engagement
  - Population vs. Episodic Care

**Market response**
- Market consolidation
- Vendor consolidation
- Maturing product markets
- EMR vs Community solutions
- Monolithic vs Modular
- Proprietary vs Open
Overview of Integration & Alignment Trends

*Changing Healthcare Landscape Necessitates Change*

With increasing costs and decreasing reimbursement rates, the healthcare services delivery model must be responsive to the changing healthcare environment.

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### Reimbursement Paradigm is Changing

<table>
<thead>
<tr>
<th>Less focus on productivity</th>
<th>Sharing of savings</th>
<th>Risk sharing</th>
<th>Quality collaboratives</th>
<th>Bundled payments (OBs under global payments for years)</th>
<th>Blended payments</th>
<th>Capitation (CMS Pioneer Model, Year 3 and commercial ACOs)</th>
</tr>
</thead>
</table>
Overview of Integration & Alignment Trends (cont’d)

Delivery Model will no Longer be Primarily Singular Entities

- **Current** models rely on separate independent provider groups and facilities
- **Emerging** models are shifting to integrated systems of interdependent provider groups and facilities and coordinated care
  - Emerging healthcare service delivery models must focus on efficiency and the consistent delivery of high-quality and cost effective care
- Integration offers providers and healthcare facilities with a viable option for achieving cost savings and improving patient care
  - Allows them to remain competitive in the market
## Overview of Integration & Alignment Trends (cont’d)

### Alignment Models & Compensation Frameworks

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Level</th>
<th>Basic Concept</th>
<th>Compensation Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed Care Networks</td>
<td>Limited</td>
<td>Loosely formed alliances</td>
<td>No true impact on pay unless in improved contracts</td>
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<tr>
<td><em>(i.e., IPAs, PHOs)</em></td>
<td></td>
<td>Primarily for contracting purposes</td>
<td>Could result in distribution of incentives</td>
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<tr>
<td></td>
<td></td>
<td>Limited in ability unless clinically integrated</td>
<td>Shared savings programs within ACO/CIN framework</td>
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<tr>
<td></td>
<td></td>
<td>Being used as platform for ACO/CIN development</td>
<td></td>
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<tr>
<td>Call Coverage Stipends</td>
<td>Limited</td>
<td>Comp for personal, financial &amp; risk of ED coverage</td>
<td>Payment can be daily stipend, FFS or hybrid</td>
</tr>
<tr>
<td>Medical Directorships</td>
<td>Limited</td>
<td>Payment for defined administrative services</td>
<td>Typically paid via FMV hourly rate</td>
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<tr>
<td></td>
<td></td>
<td>Must be a true need for services</td>
<td></td>
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<tr>
<td>Recruitment/Incubation Model</td>
<td>Limited</td>
<td>Hospital financially supporting new recruit</td>
<td>Allows existing MDs to prevent comp decrease with addition of new MD</td>
</tr>
</tbody>
</table>
## Overview of Integration & Alignment Trends (cont’d)

### Alignment Models & Compensation Frameworks

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<tr>
<td><strong>Equity Model Assimilation</strong></td>
<td>Moderate</td>
<td>Ties all entities via legal entity</td>
<td>Can result in increased profitability through better contracts</td>
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<tr>
<td></td>
<td></td>
<td>Can jointly contract with payers</td>
<td>Possible additional value through operational efficiencies</td>
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<td></td>
<td></td>
<td>May be with hospital and/or private group</td>
<td></td>
</tr>
<tr>
<td><strong>Provider Equity (i.e., JVs)</strong></td>
<td>Moderate</td>
<td>JVs on specialty hospitals, ASCs, OP, etc</td>
<td>Can provide additional revenue stream to private physicians</td>
</tr>
<tr>
<td><strong>Targeted Cost Objectives</strong></td>
<td>Moderate</td>
<td>Focus to ensure delivery of cost-effective care</td>
<td>Savings shared with providers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quality maintained at consistent levels</td>
<td>Based on hourly fee, percentage, fixed fee, etc</td>
</tr>
<tr>
<td><strong>Management Services Organization</strong></td>
<td>Moderate</td>
<td>Services provided to manage aligned entity</td>
<td>Can provide additional revenue strength</td>
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<tr>
<td></td>
<td></td>
<td>Revenue cycle, HR, IT, etc.</td>
<td>Charged FMV rates for services rendered</td>
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<tr>
<td></td>
<td></td>
<td>Can be hospital-owned, JV or practice-owned</td>
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<tr>
<td><strong>Clinical Co-Management</strong></td>
<td>Moderate</td>
<td>Provision of admin services</td>
<td>Involves payment based on hourly rate</td>
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<td></td>
<td></td>
<td>Works towards certain strategic initiatives</td>
<td>Admin &amp; incentive payments allowed for achieving metrics</td>
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<td></td>
<td></td>
<td>May include pay-for-call, directorships, etc</td>
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<td></td>
<td></td>
<td>a/k/a Service line management</td>
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<tr>
<td><strong>Professional Services Agreement</strong></td>
<td>High</td>
<td>Allows practice to remain private, hedge payer risk</td>
<td>Hospital pays practice on wRVU basis</td>
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<tr>
<td></td>
<td></td>
<td>Hospital owns receivables</td>
<td>wRVU payment rates must be FMV</td>
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<td><strong>Employment</strong></td>
<td>High</td>
<td>Hospital owns payer contracts</td>
<td>Overhead costs covered by practice from PSA payment</td>
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<tr>
<td></td>
<td></td>
<td>Contract with practice for professional services</td>
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<tr>
<td></td>
<td></td>
<td>A/k/a &quot;Employment Lite&quot;</td>
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<tr>
<td></td>
<td></td>
<td>Traditional employment arrangement with hospital</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Overhead costs covered by practice from PSA payment</td>
<td></td>
</tr>
<tr>
<td>Group Practice Subsidiary</td>
<td>High</td>
<td>Single/Multispecialty practice functions as subsidiary</td>
<td>Entails a group income distribution plan</td>
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<tr>
<td></td>
<td></td>
<td>Wholly-owned by hospital</td>
<td>Standard entity dynamics remain at play</td>
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<tr>
<td></td>
<td></td>
<td>Physicians employed by subsidiary</td>
<td></td>
</tr>
<tr>
<td>Quality Collaboratives</td>
<td>High</td>
<td>Consortium of providers in group under hospital</td>
<td>Internal or external funding sources determine scope and structure</td>
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<tr>
<td></td>
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<td>Various degrees of integration within hospital</td>
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<tr>
<td></td>
<td></td>
<td>Focused on furthering quality outcomes</td>
<td></td>
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<td></td>
<td></td>
<td>Usually focused on defined population</td>
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<tr>
<td>Clinically Integrated Networks</td>
<td>High</td>
<td>Interdependent healthcare facilities form network</td>
<td>Incentive (at risk) compensation</td>
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<tr>
<td></td>
<td></td>
<td>Providers collaboratively develop clinical initiatives</td>
<td>Based on achievement of pre-determined measures</td>
</tr>
<tr>
<td>Accountable Care Organizations</td>
<td>High</td>
<td>Participating hospitals, providers and others</td>
<td>Incentive (and punitive) financial impacts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collaboration on quality &amp; efficient care</td>
<td>Based on cost savings and quality</td>
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<td></td>
<td></td>
<td>Focused on Medicare and other patients</td>
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Population Health Mgmt & Managed Care for Communities
Integration and Alignment Trends

Clinically Integrated Networks (CINs)

- Primary focus of a CIN is to create a high degree of interdependence among participating providers
- Network of interdependent healthcare facilities and providers that collaboratively develop and sustain clinical initiatives on an ongoing basis through a centralized, coordinated strategy
  - CIN structures may vary from provider to provider
  - Patient-centric
  - Heavily reliant on robust IT infrastructure
- Physician involvement necessary ...
  - Governance
  - Quality improvement initiatives
  - Establishing reliable metrics
  - Personnel mgmt & training
  - Overseeing compliance across network
  - Centralized contracting

Typical CIN Structure

Integration and Alignment Trends (cont’d)

Effective CINs meet the goals of the Institute for Healthcare Improvement’s Triple Aim:

- Enhance the patient experience of care (including quality, access and reliability)
- Improve the health of the population
- Reduce (or control) the per capita cost of care
Integration and Alignment Trends (cont’d)

CINs and Technology

- Heavily reliant on strong IT infrastructure for efficient and equal information sharing
- Requires integrated patient records with interoperability among many different providers, specialties and geographies
- Often involves robust disease registry and disease management information systems
- Compliance with regulatory and legal standards for IS/IT management critical, as well as requirement for solutions to meet Meaningful Use (MU) standards
- Communications capabilities & protocols critical in maximizing productivity of IS/IT solutions

Source: Physician Executive, American College of Physician Executives, 2012
Structures for CIN Development

Patient Centered Medical Home (PCMH):
Focused primary care continuum that supports comprehensive, team-based care; improved patient access and coordination serves as center of care coordination; heavy emphasis on chronic disease management

Quality Collaborative (QC)/ Clinically Integrated Network (CIN):
Full continuum of providers committed to quality and cost improvement; entails jointly negotiated commercial contracts via the CIN/QC

CMS/Medicare Accountable Care Organization (ACO):
Model to promote accountability for patient population by improving care coordination, encouraging investment in infrastructure and redesigning the care continuum around quality; focuses upon the CMS product and its regulatory requirements

Source: The Advisory Board | Dixon Hughes Goodman
Population Health Management

Source: WellCentive
Since joining the firm in 1989, Mr. Hunter has worked extensively with health systems, hospital-based networks, multispecialty and single specialty groups, and independent private practices to achieve performance improvement. He has facilitated many phases of integration and practice development for Coker clients. Working in the area of practice mergers, strategic planning, management reviews, and negotiations are among his major strengths.

Mr. Hunter’s focus includes physician network development, Community Needs Assessment, medical staff alignment, physician compensation plans, and medical staff surveys. Hunter provides integrated network services to hospitals and independent practices.

Craig Hunter is a frequent and well-received program speaker at conferences and workshops across the country sponsored by hospital associations, medical societies, and health care organizations. His dynamic presentations are popular and in high demand. His audiences are comprised of health system executives, physician executives, senior administrators, and other health care personnel. Mr. Hunter is known for his dedication to quality. His extensive knowledge, years of experience, and commitment to providing top-notch service are evidenced by the glowing testimonials he has received, as well as numerous repeat clients.
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