

## Analytics Behind Physician Integration

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*Analytics, LLC*

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**About Us**  
Analytics, LLC is a healthcare consulting firm whose consultants have a broad background in business consulting, business development, and management. From strategic planning, meeting facilitation, negotiation, physician integration, and physician practice management, to data analytics, the Analytics team is here to help you meet your toughest challenges.

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## ASC's and Hospitals Respond to the Health Reform Environment

1. Managed Care Contracting Strategies
2. ACO Development and/or Participation
3. Payment Bundling/Package Pricing
4. Expense Management and Purchasing
5. Quality Measurement and Reporting (ASCQC)
6. Patient Satisfaction Measurement (PG and CG-CAHPS)
7. Benchmarking (JCAHO, AAAHC, MGMA, AMGA)
8. Revenue Cycle Management
9. Physician Alignment/Integration Strategies




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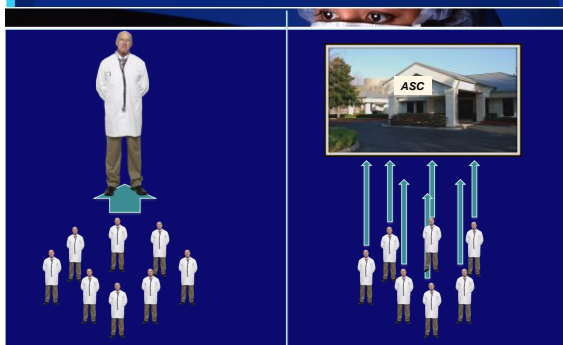
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## Definitions

- Physician Integration
  - A consolidation of solo and small physician group practices into a larger practice for the purpose of improving quality, and gaining efficiencies, economies of scale, and financial strength.
- Physician Alignment
  - A healthcare entity's strategy to gain the support and loyalty of the physician customer in order to get the physician to utilize the services of the healthcare entity in the treatment of their patient populations.

## Physician Integration vs. Physician Alignment



## Why is physician integration becoming more of an important issue to ASC's?

- Medical Practice is quickly consolidating
  - 55% of all physicians are now working in large consolidated practices that are health system based, hospital based, or physician-governed.
  - The forecast is that we will see a continued consolidation at the rate of approx. 5% per annum for the next 5-7 years.

*What impact does the consolidation of the ASC medical staff membership have upon its utilization?*

## Physician Alignment "Ranking" and its associated ASC Objectives

### Physician Customer Classification

- 1.Constant, Loyal User M.D.s
- 2.Intermittent Semi-loyal User M.D.s
- 3.Rare Use of the ASC or never use it

### Objectives

Move the 2's to 1's,  
and the 3's to 2's (or 1's).

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## Physician Alignment Strategies, Hospital and ASC

1. Physician Relations
2. MOB Space Leases
3. IPO/IPAs
4. Open or Closed PHOs
5. MSO/MSBs
6. REITs
7. Joint Ventures: Foundation Models/Equity Models/Staff Models
8. Gain-Sharing Initiatives
9. Professional Services Agreements
10. Physician Employment
11. EMR Hosting w Discounted Roll-out
12. Great Service to the Medical Staff




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## Which of these are most feasible for the ASC?

- Physician Relations
- MOB Space Leases
- IPO/IPAs
- Open or Closed PHOs
- MSO/MSBs
- REITs
- Joint Ventures: Foundation Models/Equity Models/Staff Models
- Gain-Sharing Initiatives
- Professional Services Agreements
- Physician Employment
- EMR Hosting w Discounted Roll-out
- Great Service to the Medical Staff

E.g. Package Pricing,  
Quick Room Turn-over,  
Competitive Pricing for  
Plastics/Cosmetics/Oral&Max

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## Future Winners and Losers in Healthcare

"As the healthcare markets continue to consolidate and health reform rolls forward, the winners will be defined as those who can gather, analyze, and appropriately utilize the data at their disposal."

"U.S. Healthcare providers will now experience dramatic change. The onset of ACO's, VBP, comparative effectiveness, P4P, never events, warranties and guarantees, payment bundling, etc., will naturally limit volumes. This is utilization review on steroids. This IS rationing of care. "

Excerpts from "Am I on the Death Squad?..."  
Recent Post on **Prescient Health** Blog  
Blogger: J. Mason  
Jmason.blog.com

## Data Accessibility

- Data is now much more accessible due to roll-out of EMR's
- Data volume is greater due to automation, providing greater accuracy in identifying trends
- Data is more current, and sometimes real-time.

*Remember that Payors are now starting to pay based on measurable clinical outcomes criteria and health reform calls for more of this in the future.*

## How do ASC's best develop strong alignment and integration strategies with their physician staff's?

- Physician Alignment
  - JV, Equity Model
  - Packaged Pricing/Payment Bundling
    - Large Employer Packages (Elephant Hunting)
    - Competitive Pricing for Plastics/Cosmetics/Oral&Max
  - Great Service
    - Quick room turns, simple forms, delivering charts for signature, collaborative coding efforts, dedicated consistent staffing, etc.
- Physician Integration
  - ASC as the "lightening rod"
  - Funding source for integration of the owners
  - ASC's potential to be part of the "roll-up"
  - Hire and support outside consulting, legal
  - Provide long-term management as appropriate

So we must ask ourselves...

"What data analytics do ASC's need to align/integrate with physicians and to prosper in the future?"

## Data Analytics Behind Physician Integration/Alignment

Ask yourselves "What do I need to know to optimize my"...

### Integration

- Is my market integrated or integrating?
- Can I legally fund the integration process for the owner physicians?
- Can the ASC participate on the integration and be part of the roll-up?
- Does the ASC management have a roll in long-term integrated clinic management?
- Who do we need as an integration consultant? Who should we use for legal advice?

### Alignment

- Physician Relations
  - MOB Space Leases
  - IPO/IPAs
  - Open or Closed PHOs
  - MSO/MSBs
  - REITs
- Joint Ventures: Foundation Models/Equity Models/Staff Models
- Gain-Sharing Initiatives
- Professional Services Agreements
  - Physician Employment
  - EMR Hosting w/ Discounted Roll-out
- Great Service to the Medical Staff

## Physician Market Analysis

1. City/County Populations Statistics and Trends
2. Employer Analysis (EDA, Chamber of Commerce, etc.)
3. Competitive Analysis (Local hospitals, DX Centers, ER's, ASC's, etc.)
4. Hospital or Employer Extended Structures (PHO's, IPA's, MSO, Healthcare Alliances, etc.)
5. Hospital Leadership Team, Management Services Companies
6. Medical Staff Make-up