

## Co-Management/ Service Line Agreements

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### Co-Management definitions

- ▶ Characteristics
- ▶ Goals
- ▶ Motivation for physician groups
- ▶ Motivation for hospitals



Should not be the primary reason



## Physicians/Surgeons story

- ▶ Physician motivation should be focused on:
  - Quality
  - Efficiency
  - Reward system
- ▶ Hospital motivation should be focused on:
  - Partnering with physicians
  - Removing adversarial relationships
  - Improving the economic viability of the hospital and as an added bonus:
    - Specialty hospital
    - SLA trial balloon to see if you might be able to work together




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## Sniff Test

- ▶ Necessary to be compliant
- ▶ Legal
- ▶ Valuation of service line programs
- ▶ Fee structure
  - Base management fee
  - Establish hourly rates for physician and admin committee work
  - Metrics




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## Compliance is Serious Business




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## Set up

- ▶ Physician champion
  - Needs to be the hammer – keeps physicians on the straight and narrow.
  - Continually informs your docs of the issues e.g. vendor reps compensation more than the docs
- ▶ Administrative teams
  - Practice
  - Hospital
- ▶ Physician teams to work on metrics
- ▶ Build your plan and “protect the dike”
  - Gain all players’ buy-in




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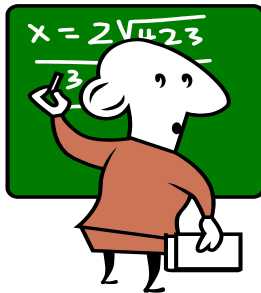
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## Go Figure




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## Sample Metrics

- ▶ Ensure the brass ring is within reach
- ▶ Examples
  - HCAPS (patient satisfaction)
    - This is mandatory (Sniff Test)
  - SCIP (antibiotic prophylaxis)
  - OR Start times
  - ER coverage
  - Demand matching
  - Process improvement




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It can lead to bigger and better things in the future

- ACOs
- GPOs
- Distributorships
- Specialty Hospitals
- MSOs




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## Two-year review, Four-year review

- Physicians
  - Positives
    - Impact on their practice
    - Improvement in turnover times and on-time starts
  - Negatives
    - Still working toward more control of their environment
- Hospital
  - Positives
    - Increased patient volumes
    - Standardized implants and trays leading to a reduction in costs
  - Negatives
    - Adverse reaction of other specialists and primary care physicians




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## Q&A, Contact Information

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