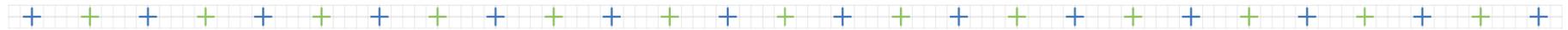




***They Are the Champions***  
**Recruiting Docs for your Value  
Analysis Team**

Dr. Kristin Boehm ▪ October 29, 2015

# Overview



The Value-Driven Era

Value Analysis: People, Process  
& The Paradigm Shift

Engaging Your Physicians

Identifying A Champion

A Winning Framework

# The Value-Driven Era



Overuse of healthcare services most likely costs hundreds of billions of dollars each year, out of the **approximate \$3 trillion** Americans spend on health

## Are we getting our dollars' worth?

According to usual measures of public health, **NO.**

45<sup>th</sup> in life expectancy, behind Bosnia and Jordan

Near last in infant mortality, compared to other developed countries

Last place in healthcare quality, access, and efficiency among major industrialized countries

# The Value-Driven Era



## Hospitals in Danger?

- **87% small and community hospitals** anticipate declining-to-negative profitability through 2015
- **Teaching hospitals** and **hospitals with higher shares of low-income beneficiaries** are more likely to incur penalties
- The average Medicare **payment reduction is 0.61% per patient stay**

## Rural Hospitals at Risk

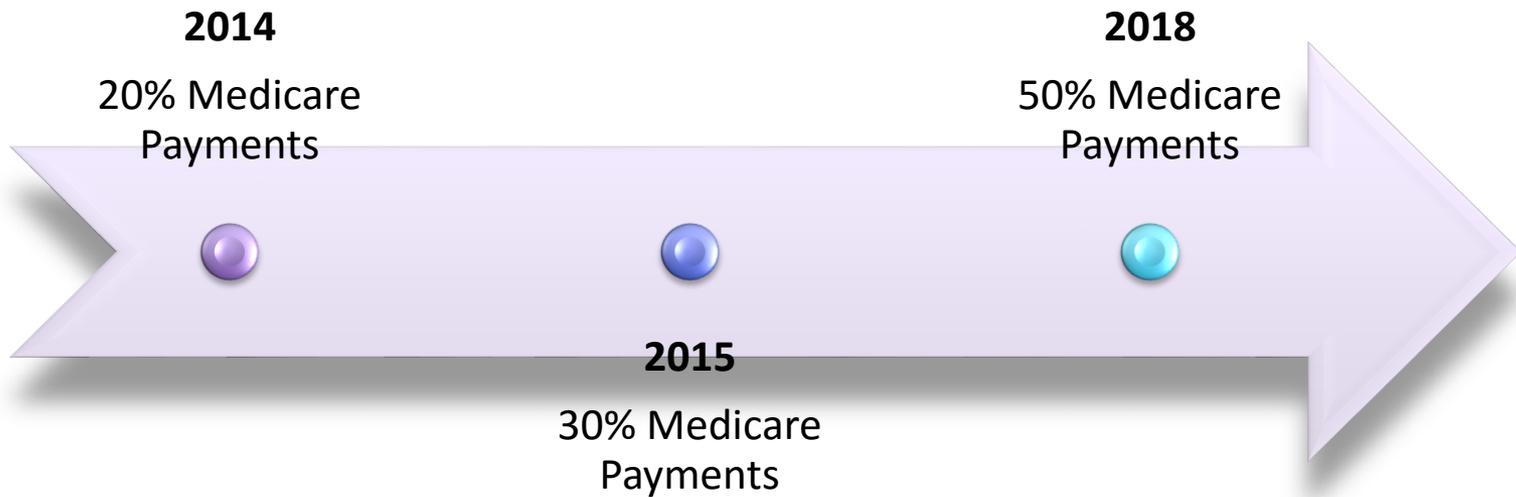
- **38 hospitals** subjected to maximum **3% reduction**
- **50 rural hospitals** have closed since 2010
- **Another 283, or 13%**, of rural hospitals across the nation are vulnerable to shut-down
- If they shut down, **86K jobs**, including **36K healthcare jobs**, in rural communities will be lost
- Result in an estimated **\$10.6B loss to the GDP**

Source: Moody's Investors Service, "Preliminary U.S. Not-for-Profit and Public Hospital 2014 Medians: Growth in Hospital Revenue Edges Ahead of Expenses in 2014," May 2015.

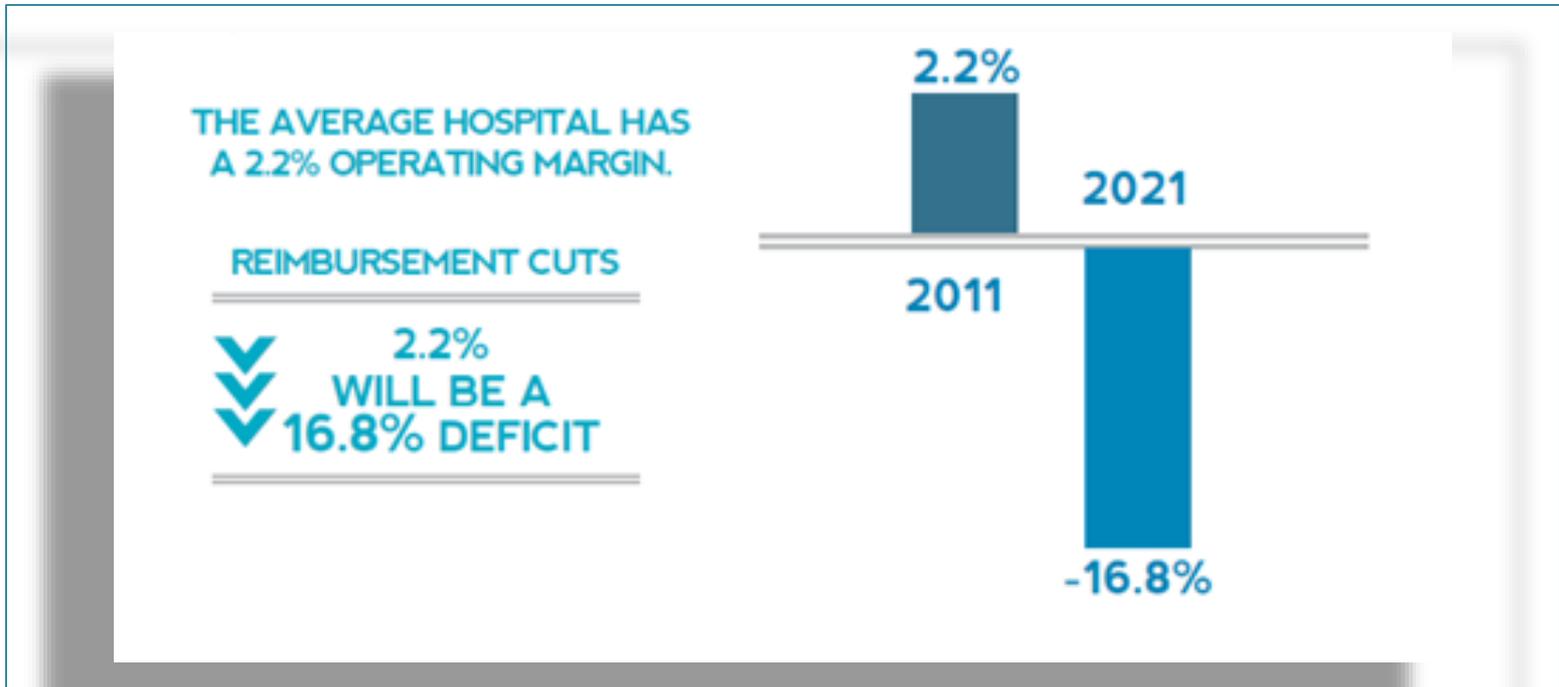
BLACK BOOK(TM) 2014. A Division Of Brown-Wilson Group Inc., Black Book Polls & Surveys

<http://www.accenture.com/SiteCollectionDocuments/PDF/Accenture-Clinical-Transformation-New-Business-Models-for-a-New-Era-in-Healthcare.pdf#zoom=50>

# The Value-Driven Era



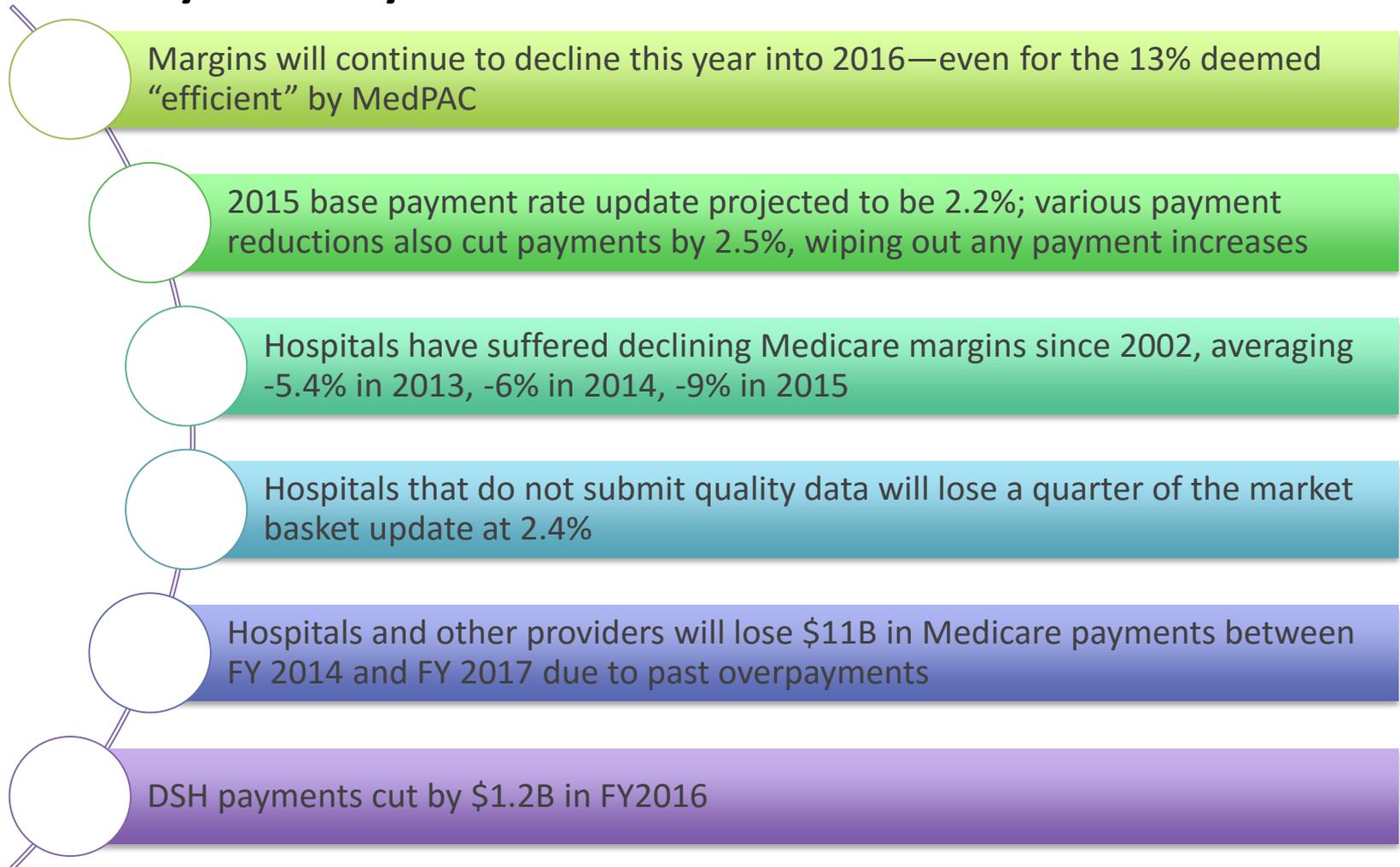
# The Value-Driven Era



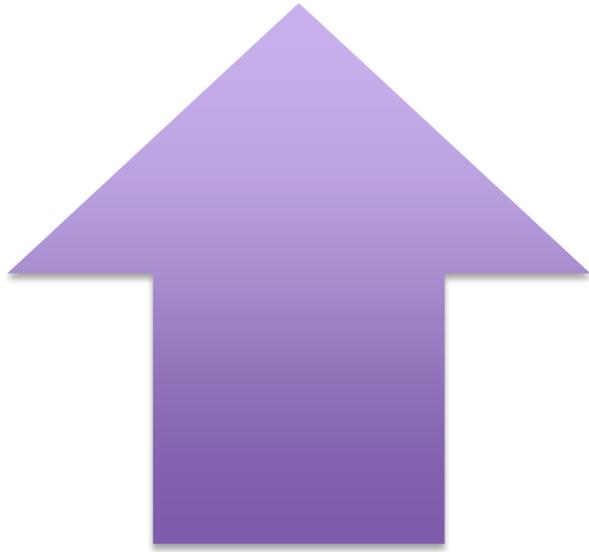
# The Value-Driven Era



## Today's Reality

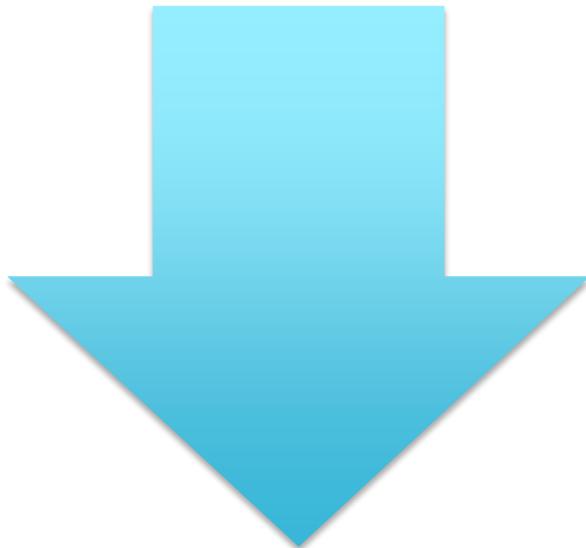


# Value Analysis: People, Process & the Paradigm Shift



## Administrators

- Large-scale thinking, organization-wide
- Immersed in group setting
- Often delegate responsibilities
- Think in future terms of years and decades



## Physicians

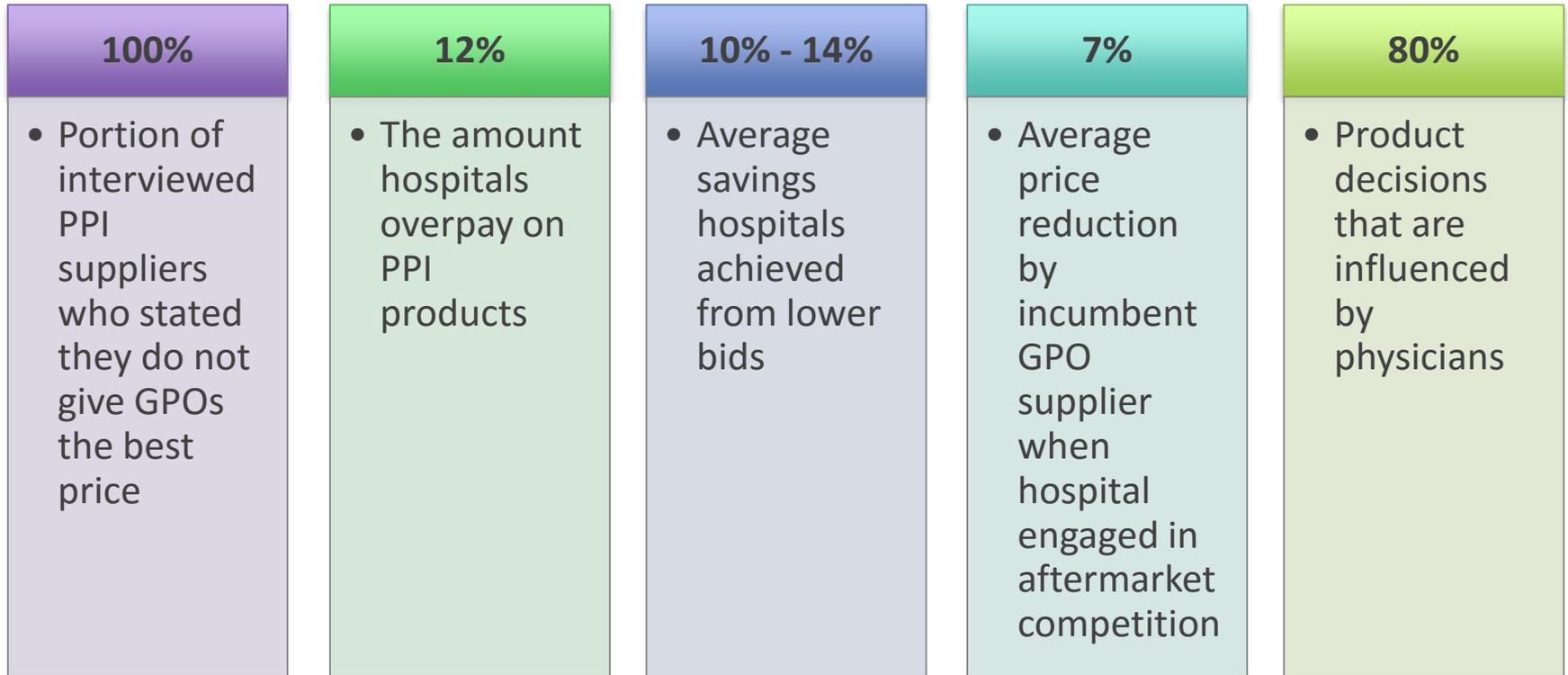
- Physicians work as solo practitioners or in small teams
- Focus on individual patients
- Rarely relinquish authority
- Think in terms of getting patients through an operation or illness

# Value Analysis: People, Process & the Paradigm Shift

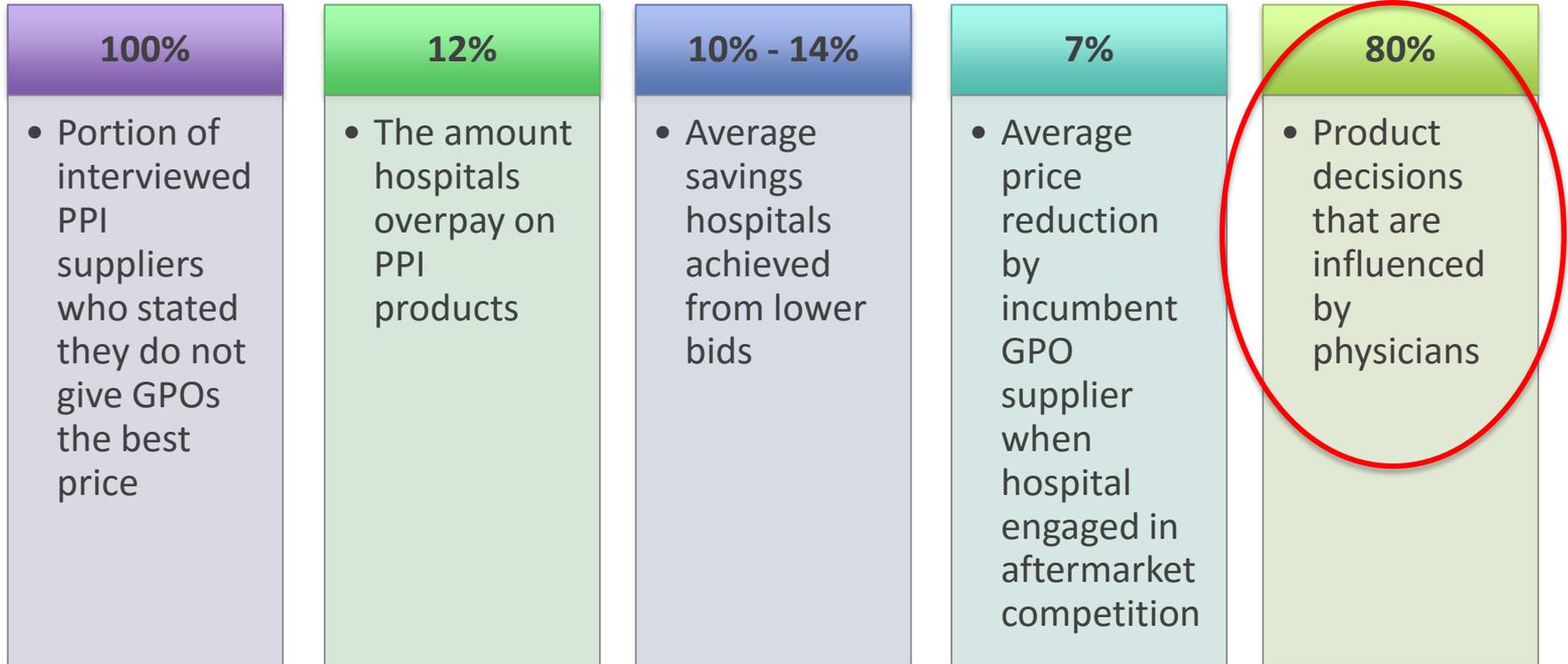


- Precise in Work
- Rely on Data Absolutes  
& Objectivity
- Approach Problems with  
Logic & Previously Exercised  
Judgment
- Type A
- Competitive Edge
- Desire to Succeed

# Value Analysis: People, Process & the Paradigm Shift



# Value Analysis: People, Process & the Paradigm Shift



# Value Analysis: People, Process & the Paradigm Shift



These physician leaders are the ones to lead quality improvement teams that establish evidence based protocols and routine order sets that reduce variability and improve clinical outcomes



“The nuance this year is to find opportunities that are less capital intensive with like-minded organizations, forging more effective physician partnerships, leveraging advances in virtual health, and freeing up internal funds and bandwidth to redeploy in areas where strategic gains are possible.”

-PwC's Strategy&

# Value Analysis: People, Process & the Paradigm Shift

Consider the transparency trend and patients as consumers of healthcare services.

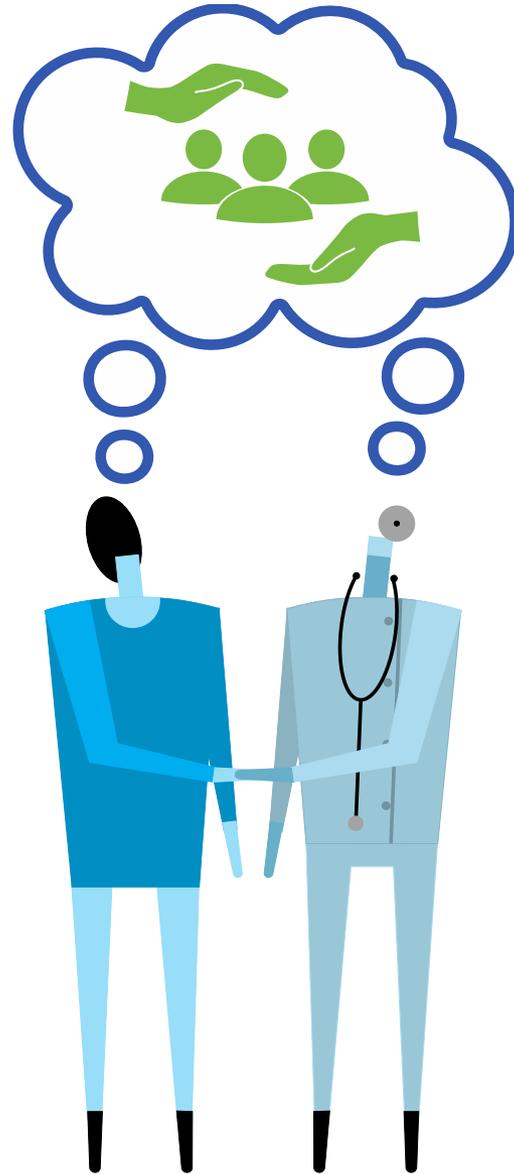
**60%**

- Patients that would rely on ratings over a community location when seeking care

**75%**

- Patients that would change hospitals if their facility received a bad rating

# Value Analysis: People, Process & the Paradigm Shift



# Engaging Your Physicians



## Barriers to Physician Engagement

- Time constraints
- Lack of defined common purpose
- Scarce leadership support
- Scant data
- Poor communication

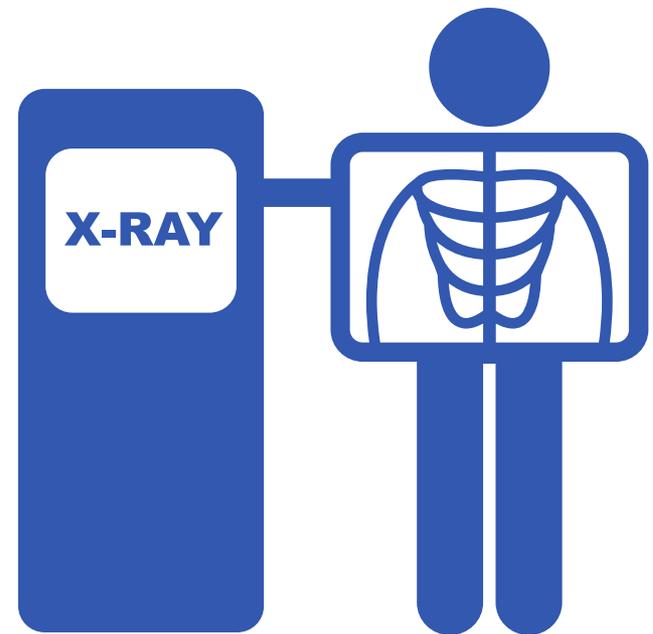
## Change in Organizational Structure & Ongoing Changes to Reform Strains Relationship

- Multidisciplinary working is crucial
- Teams must be led effectively
- Culture of self-improvement

# Engaging Your Physicians

## 1. Have a presence in the clinical setting—show that you value their time with you.

- Out of an office, in clinical area
- Physicians' lounge
- ED, Cath Lab, ICU
- Attend a medical staff meeting



# Engaging Your Physicians

## 2. Invite physicians to financial meetings.

- Many physicians may have an interest in hospital financials and joining the C-Suite
- Physicians with demonstrated interest in the financial complexities of an institution
- Can deepen understanding of billing and accounts receivable
- Gives physicians real perspective on budget balancing and budget variance
- Gives meaning to consequences

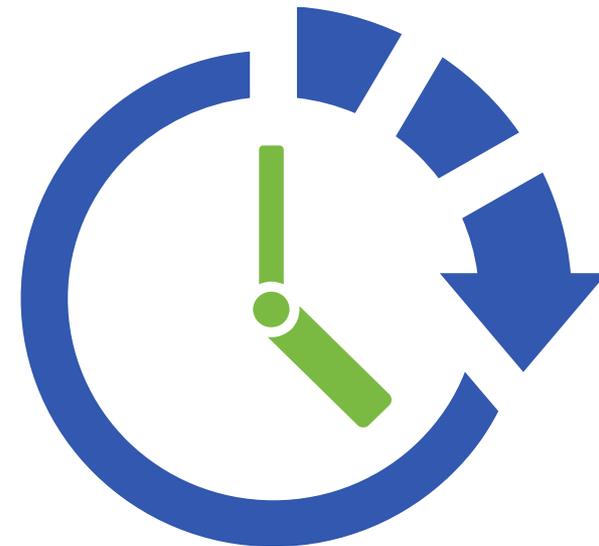


# Engaging Your Physicians



## 3. Involve your physicians prudently.

- Physicians like efficiency; time is precious
- Not every initiative requires physician input (food services, linen utilization, office supplies)
- Don't want to dilute enthusiasm
- Must be involved at the onset of an initiative; relevant end-users
- Scientific and financial evidence provided by physician champion with expertise in a particular field



# Engaging Your Physicians

## 4. Clearly define a cultural core value wherein executives and doctors are partners in a system devoted to quality and safety.

- Doctors are partners, not customers
- Doctors must shoulder responsibility for their institution's outcomes
- Shared purpose stimulates physician buy-in, particularly when centered around providing higher-quality care
- When things go wrong, address the process, not necessarily the individual



# Engaging Your Physicians



## 5. Communicate candidly.

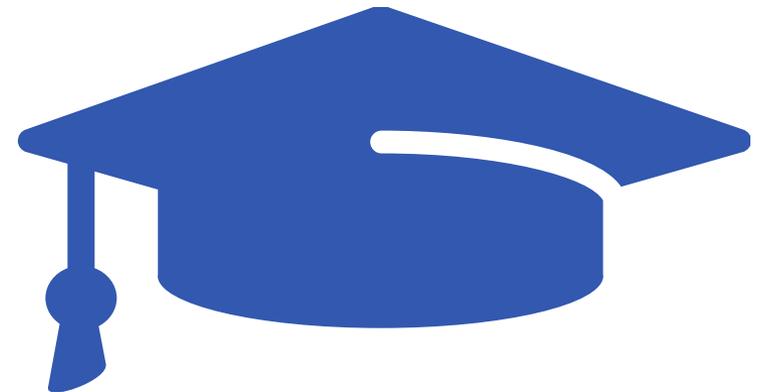
- Address issues at the onset
- Lack of this makes physician less likely to work collaboratively on improvement processes
- Charged issues can lead to innovation and bolster engagement



# Engaging Your Physicians

## 6. Recognize the educational road to becoming an MD.

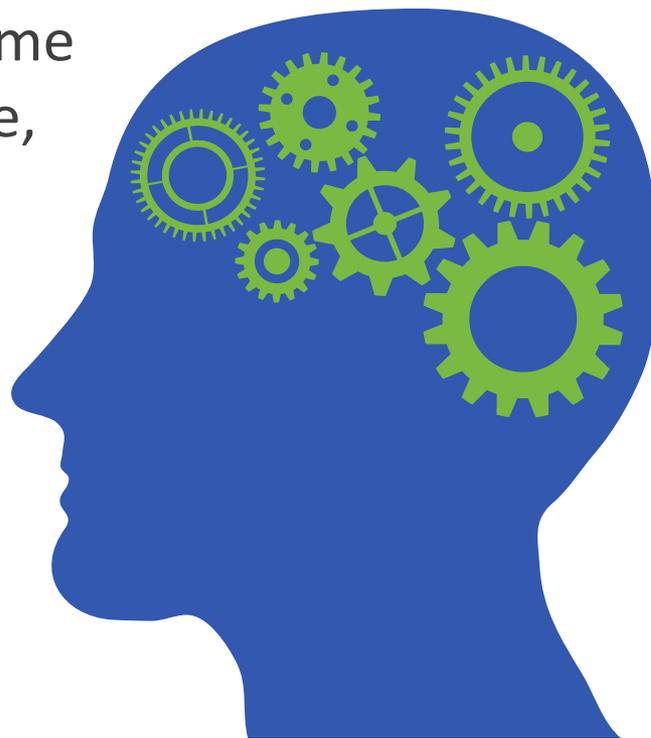
- Prerequisites in college, training, medical school, completing a combo of fellowships
- Delayed gratification
- Appreciating process and including physicians at onset generates level of respect
- Resonates with MDs, more likely to enter relationships without financial counterparts



# Engaging Your Physicians

## 7. Speak a common language.

- Understanding in terms of biological systems, not macroeconomics
- How will products/processes impact their clinical outcomes or decrease wasted time
- Emphasize increased face-to-face time with patients, improved patient care, MD professional satisfaction
- Do not focus on costs alone
- Present information in simple-to-understand, dashboard format



# Engaging Your Physicians

## 8. Educate physicians about the cost impact of clinical decisions.

- Physicians typically in the dark about the cost of procedures performed, supplies used, drugs prescribed, and tests that are ordered
- Financial department has this information—share it!
- Share as it relates to supply costs and utilization patterns



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1991

2008

Payments for total joint replacements increased 27%  
Average selling price for hip implant increased 132%

\*Average commission for implant rep > Medicare payment

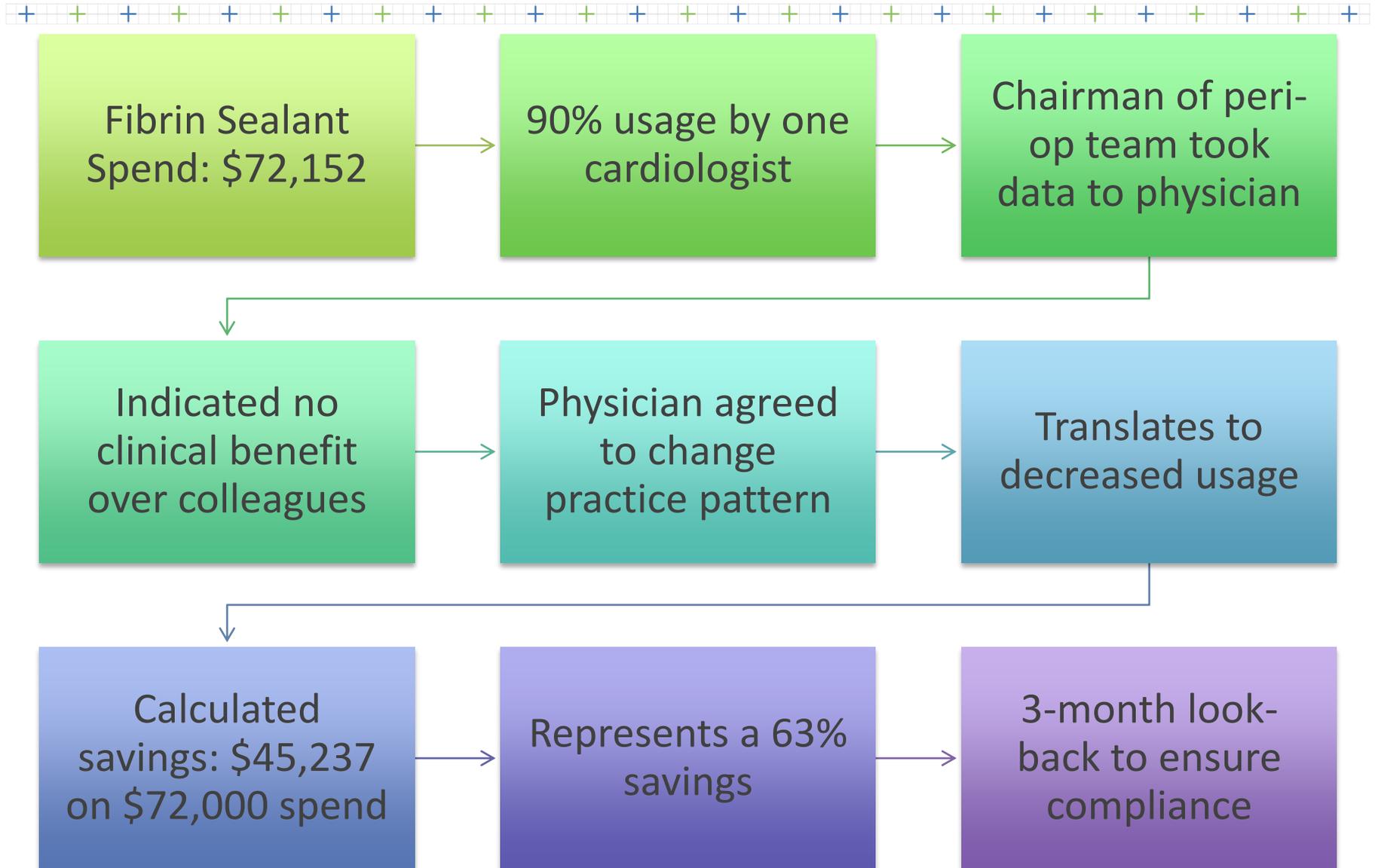
# Engaging Your Physicians

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- Financial department has this information—share it!
- Share as it relates to supply costs and utilization patterns
- Use hard financial data to generate individual physician reports and comparisons to their peers
  - Variation in device usage lends insight into how choices affect margins
  - Include cost/case, readmission rates, mortality rates, length of stay, lab and pharmacy costs
  - Provide hard copies



# Engaging Your Physicians



# Engaging Your Physicians

## 9. Use incentive-based programs.

- MDs care about reputation and patient's well-being
- Use tactics to reward collaboration and inspire teamwork
- Annual look-backs
- Loss aversion
- Doctor's more likely to alter behavior when failure to do so threatens 1% loss of income
- Approaches can be effective, but must be linked to rewarding behavior that improves patient care, not with a sole focus on reducing costs
- Non-financial rewards, such as positive feedback and respect from colleagues
- Reporting physician performance in comparison to colleagues



# Engaging Your Physicians



## 9. Use incentive-based programs.



# Identifying a Champion

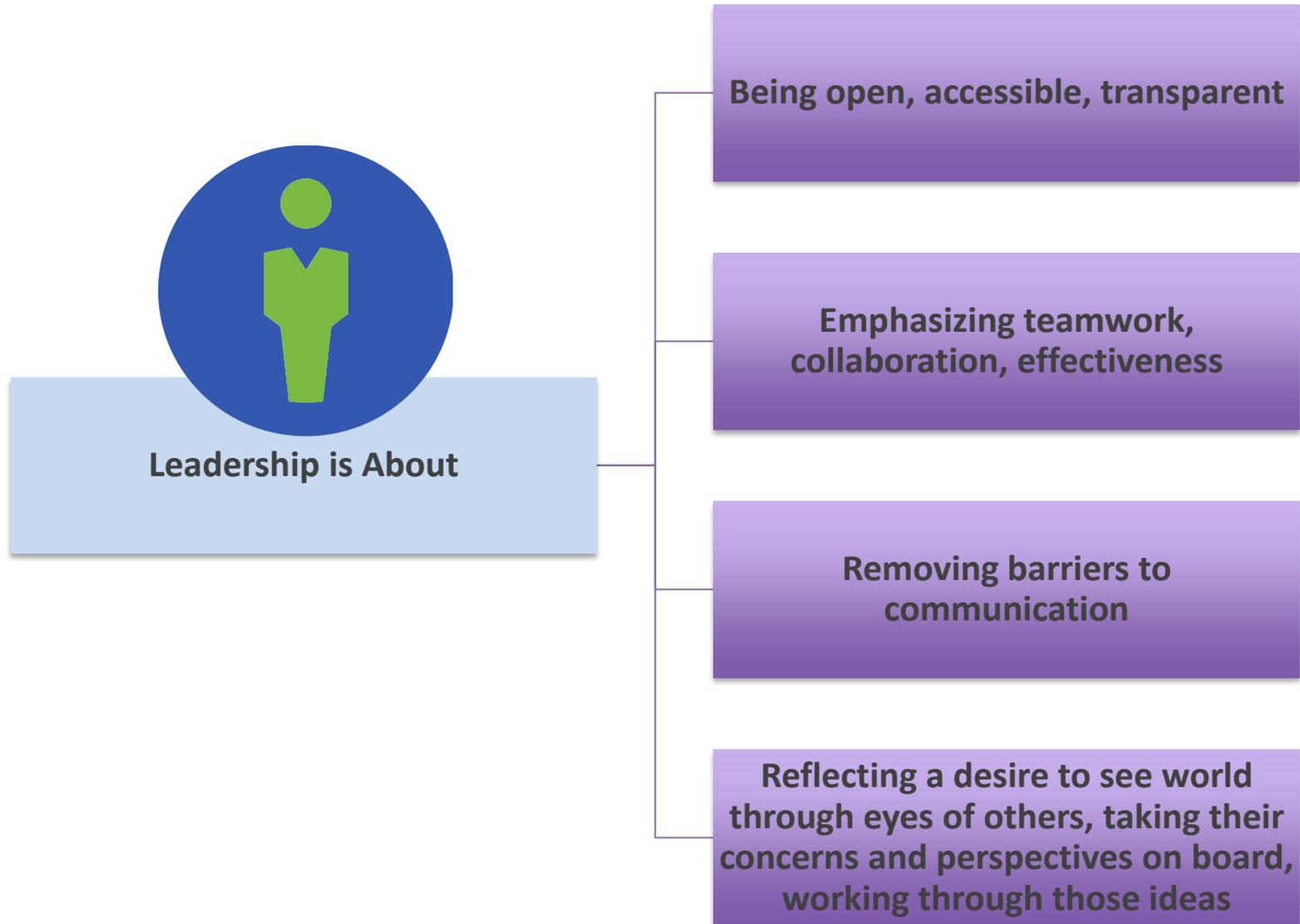


MDs and hospitals must be aligned in goals for better outcomes and greater cost efficiencies

Different ways to engage physicians in value proposition and incorporate them into the financial fabric

Identifying a champion—not all physicians are suited for this role

# Identifying a Champion



# Identifying a Champion



## Characteristics of a champion

- Operates as democratic manager
- Satisfied being an influencer among colleagues rather than a renowned leader in their specialty
- Respected by their peers not only for clinical acumen, but for diplomacy and willingness to listen
- Enjoy working with peers, within and across specialties
- Ultimate team player
- Assertive, not authoritarian
- Intangible quality... *charisma*, to effectively implement practice pattern changes

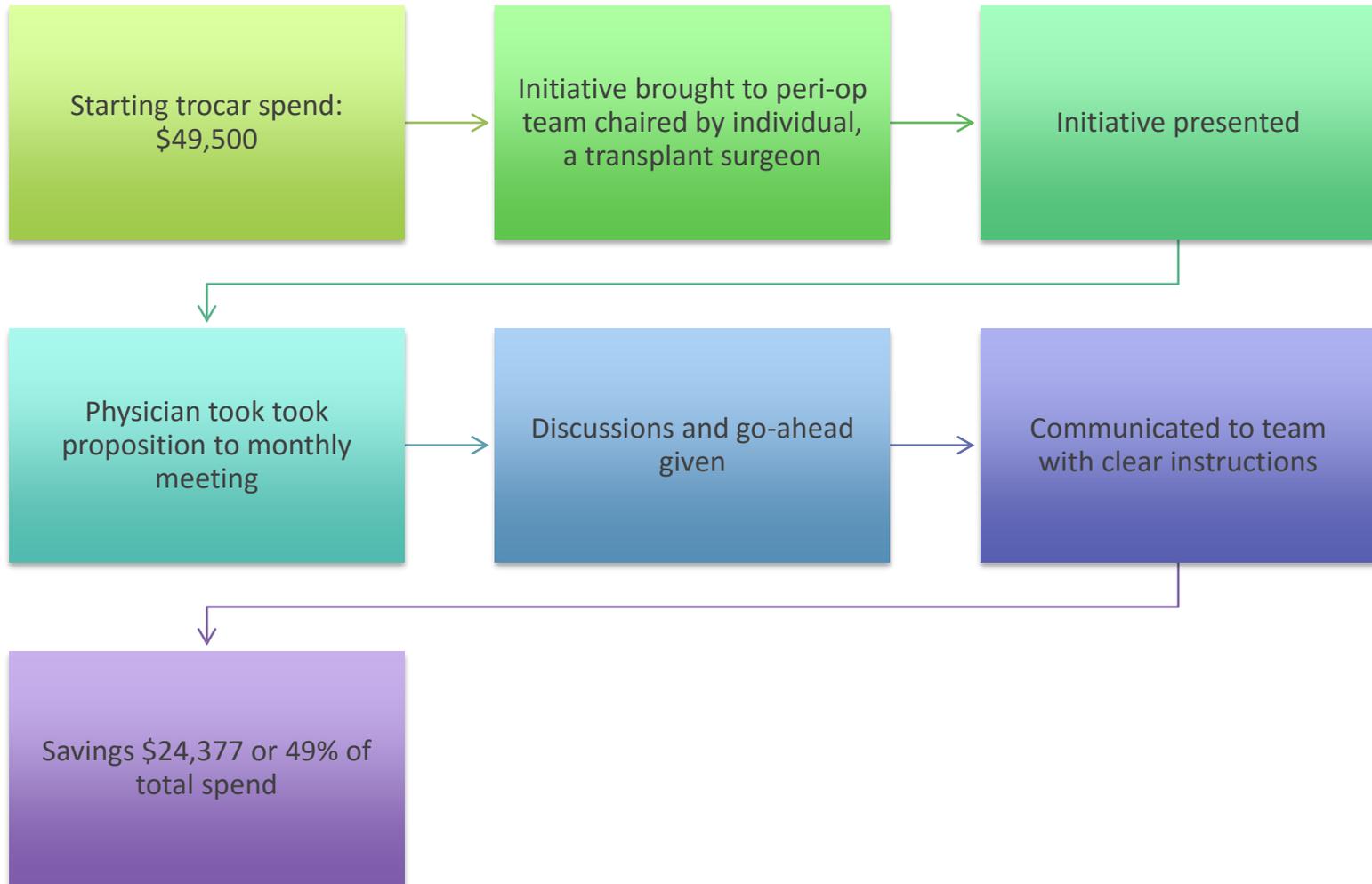
# Identifying a Champion



# Identifying a Champion



## Example: Bladed Trocars in the OR



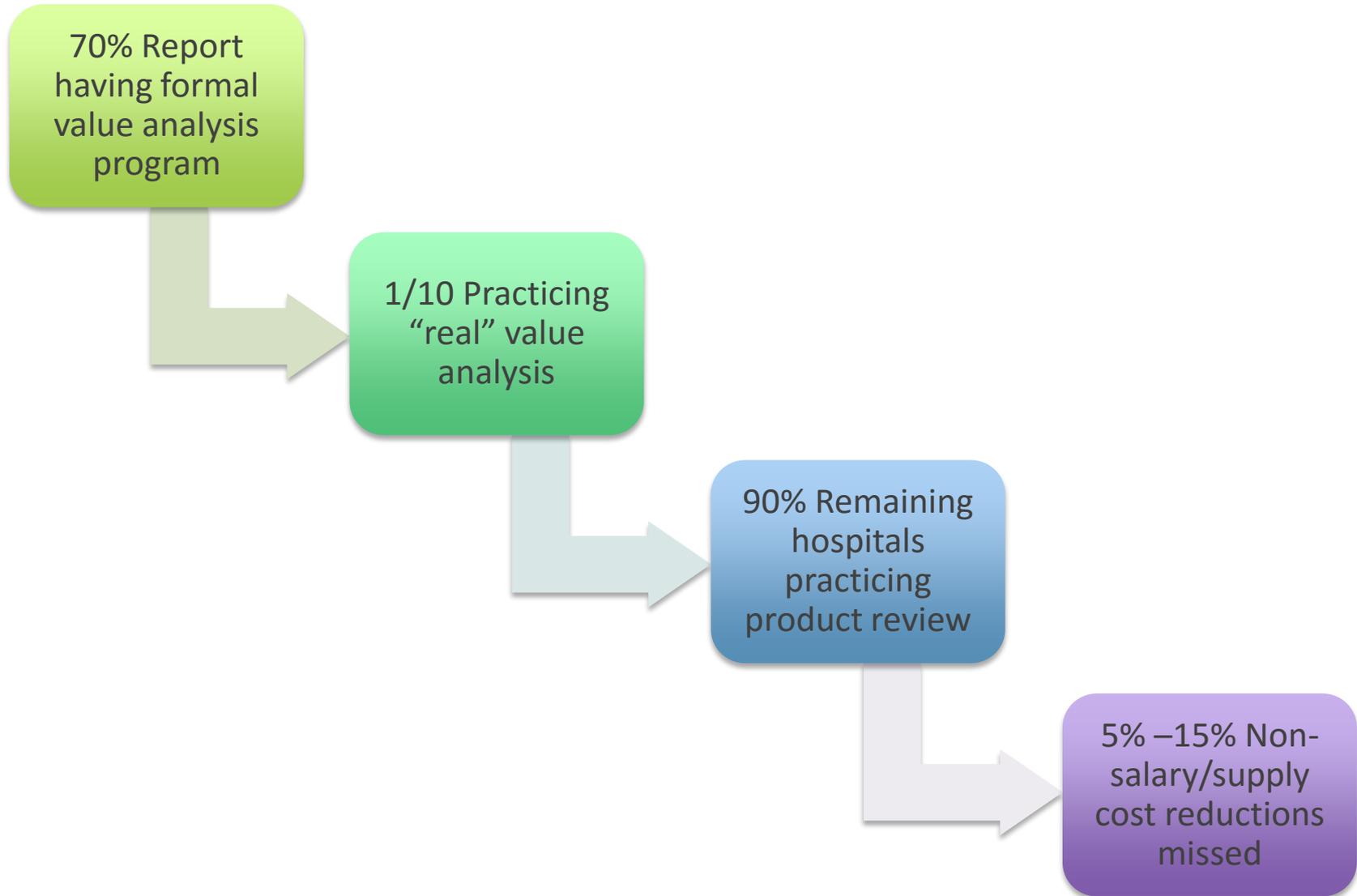
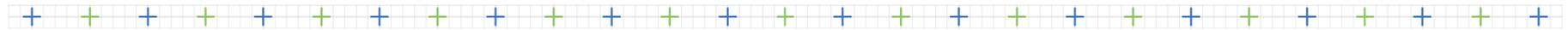
# Identifying a Champion



In a 1% margin environment, only \$5,000 in savings equates to \$500,000 in new revenue needed to achieve the same benefit.



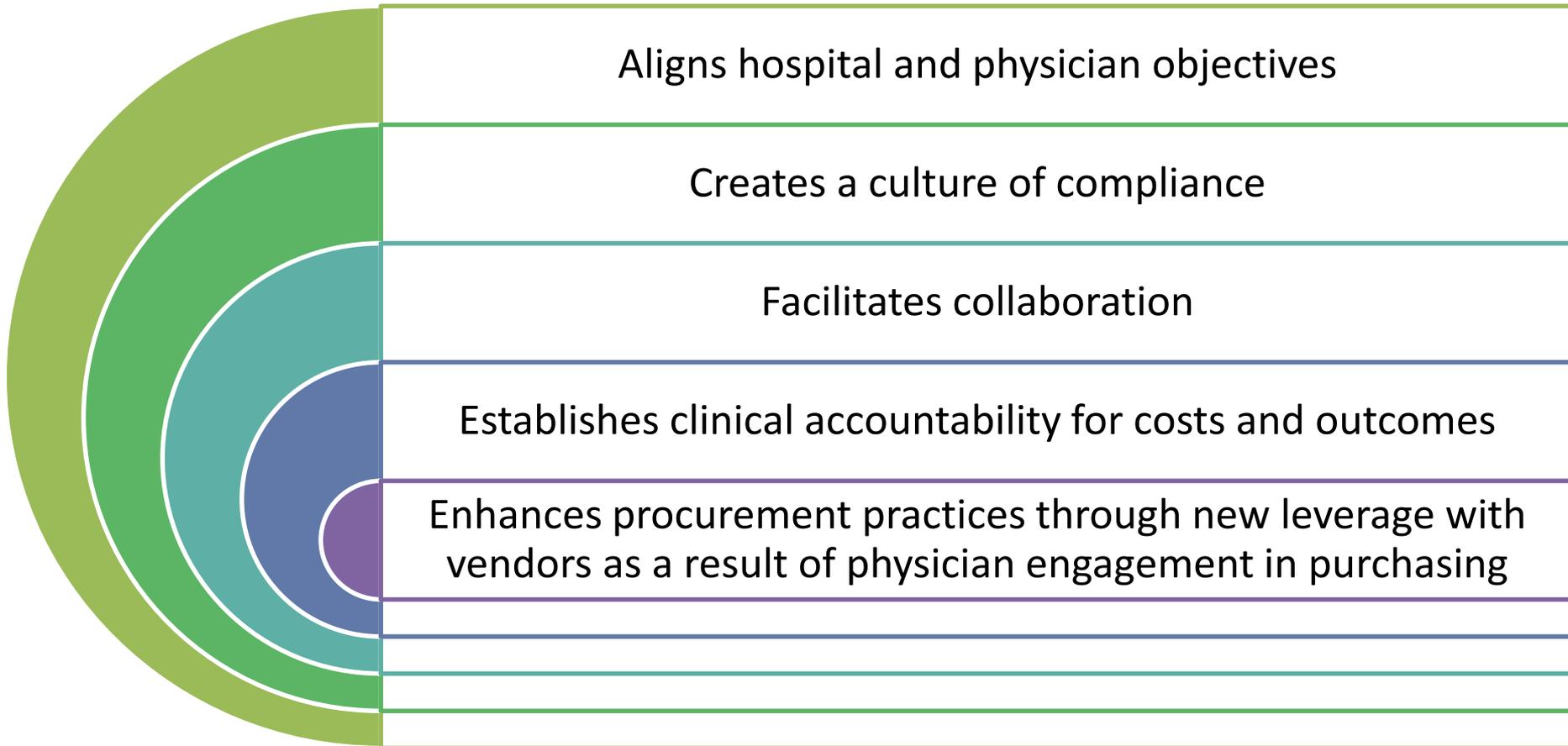
# Identifying a Champion



# Identifying a Champion



## Physician-led value analysis identified as “best practice”



# Identifying a Champion



## Characteristics of a champion

- Goal-oriented
- Have some sense of timeliness/urgency
- Recognized as clinically competent
- Compelling communicators with a willingness to approach peers in what can sometimes be uncomfortable conversations
- Solicit feedback and articulate to the larger team
- Contribute critical thinking in developing a strategy that most effectively meets objectives

# Identifying a Champion



Cardiologist who heads CV/IR team at academic facility



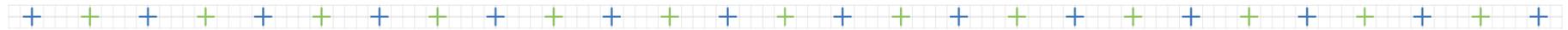
# Identifying a Champion



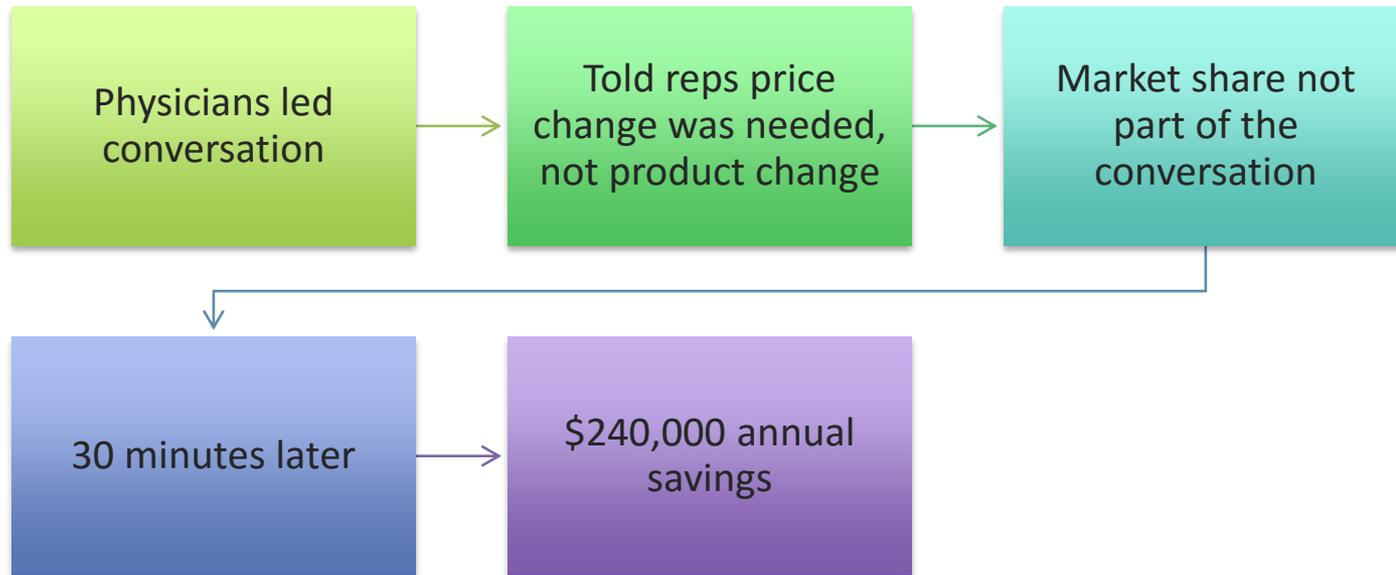
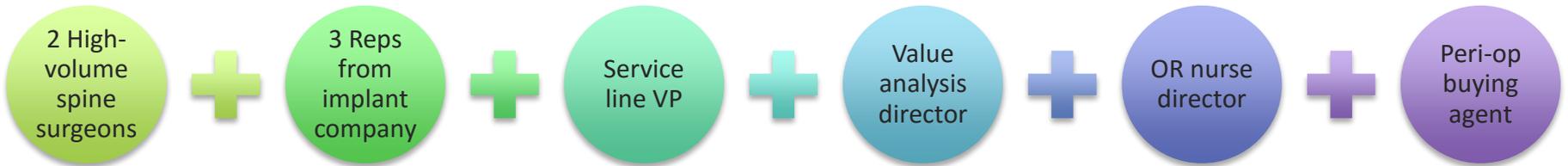
## Specialty-specific decisions:

- Incorporate relevant end-users for a limited time period
- With greatest vested interest, MDs can generate the most momentum in making product decisions
- Leverage relationship with vendors to help negotiating fair market pricing in exchange for preserving physician choice
- Have most direct and accurate knowledge of best practices

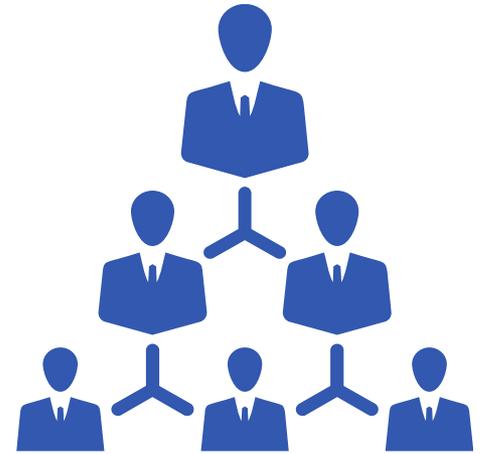
# Identifying a Champion



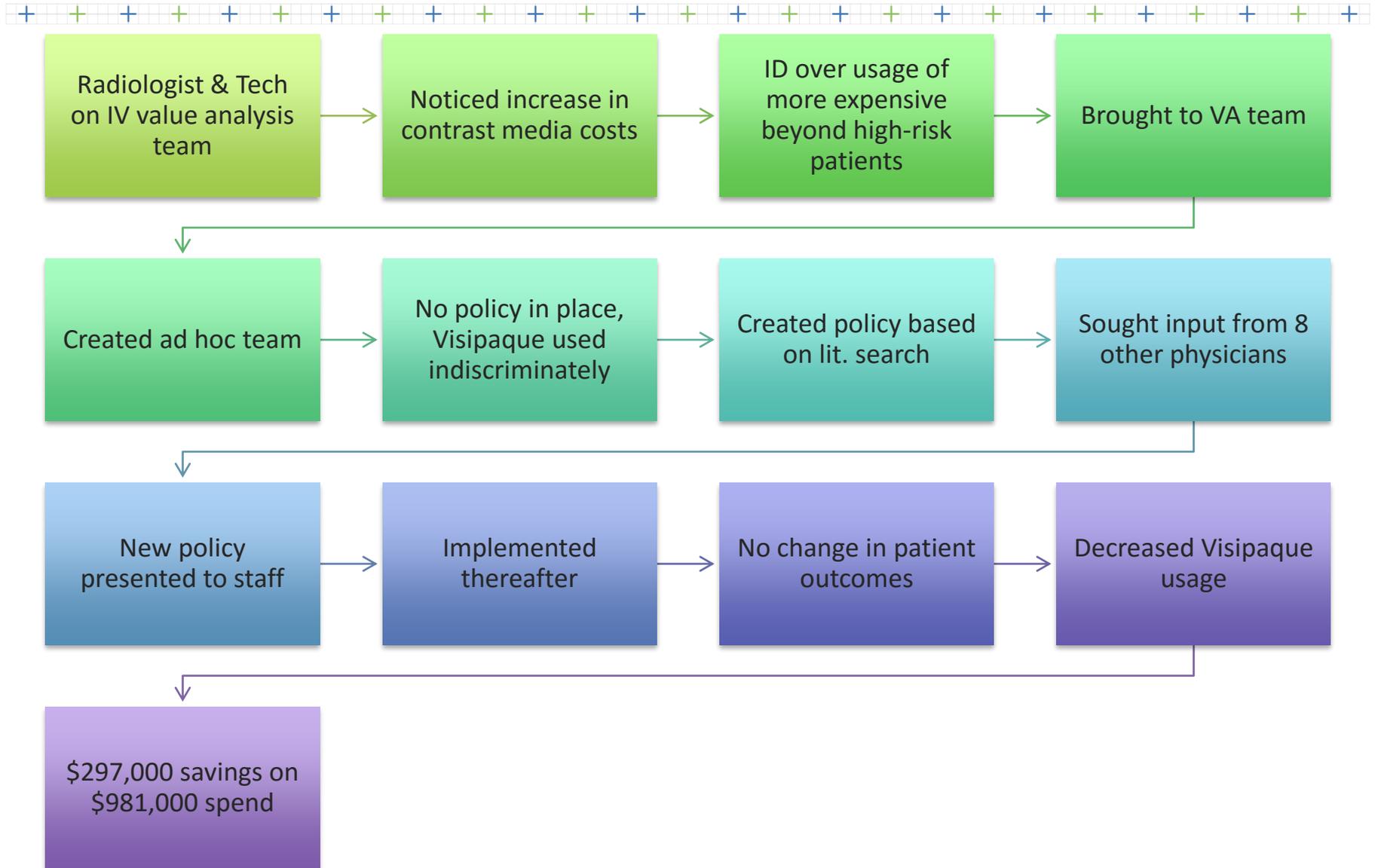
Spinal implant conference call:



# A Winning Framework



# Identifying a Champion

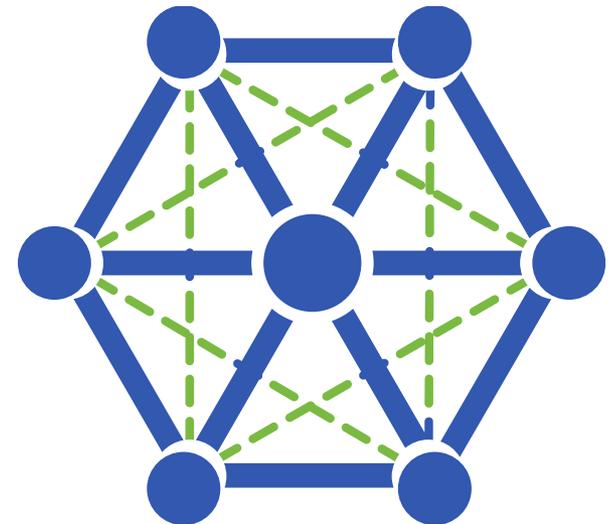


# A Winning Framework



## Creating a structure is a must

- Schedule meetings regularly
- Published agendas provided ahead of time
- Report on progress from previous meetings
- Action items clearly defined and assigned
- Follow up prior to next meeting



# A Winning Framework

## Build organization-wide support through communication and success stories

- Convey positive work
- Build consensus around process
- Motivates others to embrace agenda
- Include change in product or process
- Report savings
- Honor key individuals involved in change
- Scorecards in OR lounge or physician lunch room
- Post in hospital newsletters
- Report all team savings to central steering group



# A Winning Framework

