Physician Engagement for Hospitals

HealthTech S3
strategy solutions support

Building Leaders – Transforming Hospitals – Improving Care
Who We Are

Our Company
Formerly known as Brim Healthcare, we have a 45-year track record of delivering superior clinical & operating results for our clients.

Our Team
Our Executive Team has experience in managing hospitals from multi-billion $ healthcare systems to community hospitals.

Our Mission
We believe that the combination of People, Process & Technology transforms healthcare & provides the required results.

Management
- Turnaround Strategy
- Financial
- Operations
- Corporate Compliance
- Board Development

Consulting
- Regulatory Compliance and Accreditation Preparation
- Lean Process Improvement
- Community Health Needs Assessments

Placement
- Executive Recruiting
- Interim Executive Placements
- Mid-level and Specialty Placements

Technology
- Gaffey Revenue Cycle Management
- CrossTX Population Health Platform
- Optimum Productivity

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Instructions for Today’s Webinar

• You may type a question in the text box if you have a question during the presentation

• We will try to cover all of your questions – but if we don’t get to them during the webinar we will follow-up with you by e-mail

• You may also send questions after the webinar to Michael Lieb (contact information is included at the end of the presentation)

• The webinar will be recorded and the recording will be available on the HealthTechS3 web site

  www.healthtechs3.com

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Michael Lieb, FACHE
Regional Vice President/Director Physician Practice Management

Mike serves as a consultant to hospitals and physician owned medical practices nationwide. He brings more than 25 years of healthcare experience to his role providing operational and organizational guidance to healthcare organizations. He has served as CEO in health systems of all types; large community hospitals, public hospital districts, critical access hospitals, and has held senior leadership positions in large academic group practices. Lieb earned a Master’s Degree in Healthcare Administration from Trinity University in San Antonio, and holds a Bachelor’s Degree in Marine Biology from Rice University in Houston. He is a Fellow in the American College of Healthcare Executives, and is a member of the Medical Group Management Association.
Physician Engagement for Hospitals

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Building Leaders – Transforming Hospitals – Improving Care
What is engagement, and what does it mean?

Alignment vs Engagement

Alignment

• Motivating employees to align their behaviors to meet the strategic needs of the institution

Engagement

• Is to encourage them to use their best efforts
What is engagement, and what does it mean?

Hospital-physician alignment (engagement) may be defined as a close working relationship in which a Hospital and its physicians place priority on working toward common economic, and patient centered goals, and they avoid conduct that damages the other.”

Rural Health Value
Why is engagement important?

In this age of reform, and the shift to value, hospitals’ livelihoods depend on a unified approach to cost reduction, quality improvement, and efficiency, and we cannot do that just with hospital staff. We have to engage our physicians. We need their active help!

Remember the equation:

\[ \text{Value} = \frac{\text{Quality}}{\text{Cost}} \]
Why is engagement important?

Physician engagement tells the story...

• “Hospitals with highly engaged physicians perform better on both HCAHPS and core measures.

• In fact, they score between 1.4 and 2.7 times better on VBP metrics than hospitals with disengaged physicians,… and face lower readmission penalties.”

Press Ganey
Why is engagement important?

- "Engaged employees are easy to identify. They are energetic and enthusiastic about their work. They are loyal and act in ways that benefit organizational performance."

- Engaged employees take pride in the organization and recommend it to others as a place to work and receive care."

- "Organizations with high employee and physician engagement receive higher scores on every HCAHPS dimension.
  - Hospitals scoring in the top 10% of employee engagement average 61 percentile points higher on the HCAHPS Overall Hospital Rating than hospitals in the bottom 10%.
  - Hospitals in the top 10% of physician engagement score 51 percentile points higher."

Press Ganey
Why is engagement important?

“Not only do physicians make many of the frontline decisions that determine quality and efficiency of care, they also have the technical knowledge to make sound strategic choices about longer term patterns of service delivery.”

McKinsey
What does this look like?

How do you know what alignment looks like for employees and physicians?

**Characteristics of Top Performers**

<table>
<thead>
<tr>
<th>Employee Engagement</th>
<th>Physician Engagement</th>
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</thead>
<tbody>
<tr>
<td>Employees are satisfied with their job security</td>
<td>Physicians believe the organization provides high-quality care and service</td>
</tr>
<tr>
<td>Organizations treat employees with respect</td>
<td>Physicians are satisfied with their job security</td>
</tr>
<tr>
<td>Employees have confidence in senior management’s leadership</td>
<td>Physicians report that work units in the organization work well together</td>
</tr>
<tr>
<td>Employees believe the organization provides high-quality care and service</td>
<td>Physicians have the tools and resources they need to provide the best care and service</td>
</tr>
<tr>
<td>Employees report the amount of job stress they feel is reasonable</td>
<td>Physicians believe senior management actions support the organization’s mission and values</td>
</tr>
<tr>
<td>Employees believe that the organization provides career development opportunities</td>
<td>Physicians have confidence in senior management’s leadership</td>
</tr>
</tbody>
</table>

Press Ganey
What does this look like?

• “Successful healthcare organizations also understand the importance of maintaining strong, positive relationships with a staff of skilled physicians.

• They realize the need to understand physicians’ needs, expectations and perceptions, in order to build physician satisfaction - as well as the quality of patient care - all are significantly impacted when physicians leave or when they are not aligned with the organization’s mission, vision and values.

Press Ganey
Why is engagement important?

• “A hospital’s survival often depends on its ability to engage and retain physicians.”

• “Successful hospitals understand that... everyone needs to be engaged in meaningful work in an organization they can commit to; to work in an inclusive, supportive culture; and to be recognized and rewarded for their efforts.”

Press Ganey
So is alignment possible?

McKinsey reports that there is a ”fundamental disconnect between what most physicians think they should be doing in light of health reform and what they have already started to do (voluntarily or in concert with the health system or health plan).”

For example:

• >70% of physicians surveyed believe that, within the next three years, they will need to make significant changes to their clinical practices.

• 72% of the respondents said that, within that timeframe, They are likely to make greater use of evidence-based medicine (EBM)

• 75% thought that their referral practices for diagnostics, specialists, and admissions would change.”
“Despite their willingness to change and their expectations that change was imminent, only a few of the physicians surveyed said that they had already made substantive modifications to their practices to prepare for the post-reform environment.”

- <10% of the respondents reported having altered their referral patterns or the insurance types they accepted.
- Only 17% had initiated the cost savings initiatives,
- About 20% had increased their use of evidence-based metrics, or their tracking of quality metrics.”
EXHIBIT 2  Although physicians recognize that change is coming, very few have taken steps yet to prepare for reform

% of respondents who said that

They are somewhat or very likely to change¹

72 Evidence-based medicine
74 Tracking
77 Cost savings
75 Change referral patterns
74 Change insurance coverage

They have already taken these measures²

21 Evidence-based medicine
19 Tracking
17 Cost savings
7 Change referral patterns
8 Change insurance coverage

¹How will your practice respond to the impact of healthcare reform? Please indicate your likelihood to prepare for healthcare reform in each of the following ways within the next three years (n = 1,402).

Source: 2011 McKinsey Physician Survey
And yet... (con’t)

So why, if physicians are willing to do some of these things, has so little been accomplished?

Much of this appears to do with the physician’s own perception of their ability to control their own environment.

• < 1/3 of the respondents thought they had substantial control over "inappropriate venue" as a source of waste.
• 25% of the respondents thought they had no control over clinical variability (e.g., in physician orders and pharmaceutical/medical device use),
And yet... (con’t)

• 18% felt the same about avoidable utilization (such as unnecessary diagnostics and consultations).

• Some physicians said that they had limited insight into how their day to day clinical decisions might translate into inefficiencies in care delivery, and that they had not been trained to understand the financial consequences of their decisions for patients or the health system overall.

McKinsey
And yet… (con’t)

McKinsey survey “Identified four key barriers to strong physician engagement in performance transformation:

• First, many physicians feel overwhelmed and ill-equipped to implement change, and they appear to have a limited understanding of how their behavior contributes to healthcare waste and inefficiency.

• Second, too many providers and payors are focusing only on employment as a way to drive physician alignment, instead of taking a holistic approach that combines multiple alignment levers.

• Third, too often these organizations over-weight the importance of compensation as a way to influence physician behaviors.

• Fourth, physicians’ poor understanding of risk-based payment models, in combination with their risk aversion, is limiting the penetration of these models and their potential ability to drive higher value care.”
And yet… (con’t)

- On a 100 point scale rating "several factors that might convince physicians to change their practice to collaborate with others to reduce waste and inefficiency, compensation received an aggregate score of only 29%.

- In other words, training and capability building, constructive feedback, effective communication, and strong role modeling by physician leaders were jointly allocated more than 70% of the points.”
EXHIBIT 5  Although compensation is the most important factor in deciding where to practice, other levers account for >70% of what influences physicians

Importance of factors when making practice employment decisions

<table>
<thead>
<tr>
<th></th>
<th>All physicians</th>
<th>Hospital-employed</th>
<th>Non-hospital-employed</th>
</tr>
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<tbody>
<tr>
<td>IT</td>
<td>11</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Colleagues</td>
<td>17</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>Clinical autonomy</td>
<td>22</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Personal autonomy</td>
<td>24</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Compensation</td>
<td>26</td>
<td>24</td>
<td>27</td>
</tr>
</tbody>
</table>

When making decisions on what kind of practice to be in (e.g., private practice vs. employment by a hospital or insurer), how important are each of the following elements to you? (n = 1,402, hospital-employed n = 390, non-hospital-employed n = 1,012).

Source: 2011 McKinsey Physician Survey
And yet... (con’t)

• People will alter their behavior only if they understand the point of the change and agree with it (at least enough to give it a try)."

• Physicians, for example, are highly unlikely to modify their behavior unless they understand how the changes will improve the quality and cost efficiency of care.

• So you must develop a compelling explanation, grounded in clinical evidence, for what the proposed changes will accomplish."
And yet... (con’t)

• Second, physicians, like other people, are more likely to change if they see people they respect adopt the new behaviors.

• Third, physicians must have the skills needed to do what is required. Many physicians have only limited insight into how their day-to-day clinical decisions can translate into inefficiency in care delivery.
And yet... (con’t)

- Fourth, for a change program to take hold and be sustainable, it is crucial that surrounding structures reinforce the alterations in clinical behavior physicians are being asked to make.
So, what do we do?

• "One way health systems engage physicians in the improvement process is to send the message that they want to focus on improving patient care.

• This objective has more value to physicians than goals focused solely on reducing cost and waste.

• It's important that physicians receive clear messages about their expectations during the process.”

HealthCatalyst
So, what do we do?

The Institute for Healthcare Improvement (IHI) put together a framework of six elements to encourage physician buy-in for a shared quality agenda:

- Discover a common purpose
- Adopt an engaging style and talk about rewards
- Reframe values and beliefs
- Segment the engagement plan and provide education
- Use "engaging" improvement methods
- Show courage and provide back up"
So, what do we do?

Becker’s identified "five ways to improve physician engagement

• Listen
• Communicate
• Involve (active in leadership and decision making)
• Invest (cost of replacement is in the hundred’s of thousands)
• Support
So, what do we do?

FTI Journal -

- Share outcomes data with physicians
- Coordinate with major payors (and teaching institutions) to identify and implement best practices
- Establish cross functional teams for care integration, design and management - monitor with metrics, and provide rewards/incentives for participating and improving (Lean methodologies)
- Use dashboards to track and present (and publicize) results”
So, what do we do?

Trustee Magazine -

• Involve the physicians early in the care redesign process

• Offer education on emotional intelligence, diversity management, cultural competency, customer service, conflict management, stress management, anger management and other domains to improve the physician–staff–patient relationship (this can be added to a citizenship component in their contracts).

• The board should involve physicians in discussions about achieving mutually beneficial goals, Respond to their concerns, and providing leadership, structural, operational, clinical and emotional support to help them adjust to the changing healthcare environment.
So, what do we do?

• And you cannot ignore compensation either...
  
  – Structure contracts to incentivize
    • Quality
    • Citizenship
    • Value

• Physician compensation should mirror current payment realities, such as fee-for-service, or pay-for-performance. Yet, as much as is affordable, physician compensation plans should also reward behaviors that advance the organization's mission.

• The key point is to reward physicians for objective and measurable behaviors that forward the organization’s mission.
So, what do we do?

- Individual physicians vary widely in their willingness to change, in their attitude toward employment and risk, and in what can motivate them to alter their clinical practices.

- Involve your physicians early in the process

- Recognize and thank your physicians for what they do!
In Summary

We are dependent on our physicians for our long term livelihood. Having them actively engaged in moving the organization forward is critical to the future.

- Start Early
- Explain Why...
- Listen and Ask
- Be Consistent (Walk the walk...)
- Invest your time, interest, and resources to support the desired outcomes
- Provide the needed education
- Report the data (+/-)
- Provide incentives/recognition/rewards (contracts)
- Say Thank You!
Questions?

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Additional Resources

• McKinsey & Co.

• Press Ganey
  – “Every Voice Matters: The Bottom Line on Employee and Physician Engagement”

• FTI Journal
  – “A Roadmap for Healthcare Convergence”

• Rural Health Value
  – “Physician Engagement – A Primer for Healthcare Leaders”

• CEP America
  – “Aligning Doctors to Achieve Health System Goals”

• Health Catalyst
  – “6 Proven Strategies for Engaging Physicians and 4 Ways to Fail”
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