

What makes a physician network high-performing?

By Josh Gray | January 20, 2017

Data Snapshot

\$2.5M

increase in annual revenue for 50-physician primary care group associated with performance improvement

As healthcare's center of gravity shifts from hospitals to ambulatory care, health system leaders are grappling with a fundamental question: how to turn a collection of disparate, traditionally hard-to-lead physician groups into a high-performing network. In my years as a healthcare consultant, I was part of many conversations about the deceptively simple question of what constitutes "high performance" – how to define, measure, and ultimately achieve it.

Key Takeaways

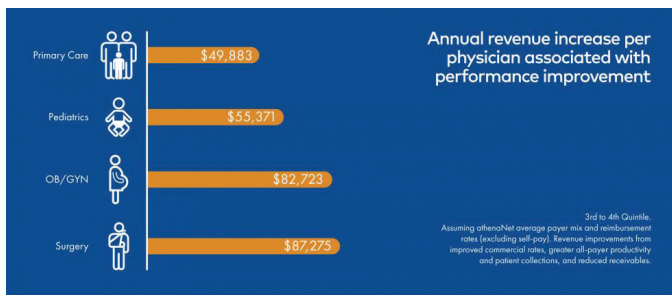
- 1 High-performing networks tend to lead with purpose, maximize workplace quality, and focus on the full patient experience.
- 2 Key staff and physician performance and patient satisfaction variables correlate closely with financial performance.
- 3 Healthcare leaders must intentionally design the job of the patient.

Quantifying high performance turns out to be a challenge. Until I joined athenahealth, I never had the data set to address this simple question. Now I do.

athenahealth's database, the digital byproduct of providing electronic health records, billing, and a variety of other services for healthcare providers on a single, shared network – gives us an unprecedented, near real-time view of the activities of health systems and medical groups nationwide.

And our research team has dug into that data for an ambitious project: to identify the key performance indicators and management practices that correlate most closely with financial and clinical outcomes. We used quantitative screens – rather than reputation or our own personal biases – to flag top performers.

In the first phase of our research, which focused on financial performance, we found that improvement on key performance indicators was associated with significant incremental improvement in per physician revenue. So we conducted interviews with leaders of those high-performing enterprises, to isolate exactly what they do that less successful organizations do not

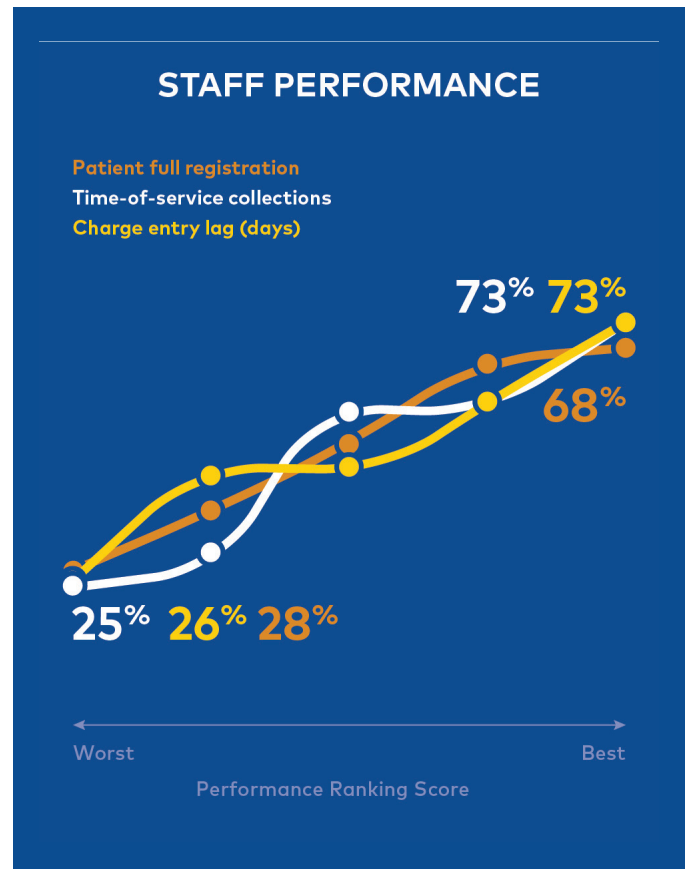
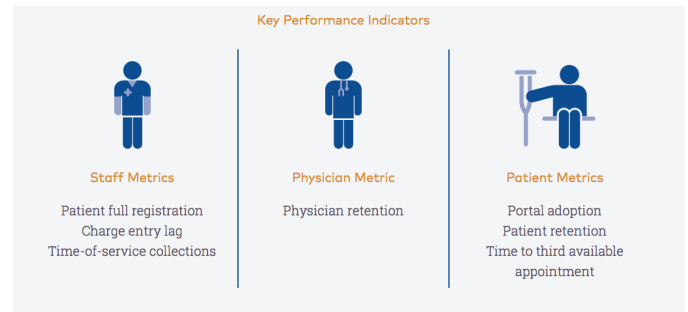


Studying the numbers

To discover the essence of high-performing physician networks, we began with quantitative work. We focused on 39,000 physicians practicing in thousands of locations, rolling up to 363 parent organizations of all specialty mixes and sizes (excluding medical groups with fewer than six physicians). We identified a set of core business metrics that serve as proxies for these organizations' financial health.

Core Business Metric
Productivity: Work RVUs per Provider Day Average number of work RVUs per "full" provider day (5+ appointments, with 5+ hours between first and last)
Revenue Capture: Commercial Collections per Work RVU Total revenue collected per work RVU for commercially insured patients; implicitly measures market power, negotiating skill, and collection proficiency
Revenue Timeliness: Days in Accounts Receivable Days of charged but outstanding payer and patient revenue
Patient Collections: Patient Pay Yield Patient collections within 5 months divided by patient obligations, excluding uninsured patients
Growth: Year Over Year Collections Growth Change in total collections from previous year, including acquisition of new practices

We then tested dozens of variables, ultimately identifying seven that correlate most consistently with overall financial performance. Three were related to staff performance: Patient full registration, charge entry lag, and time-of-service collections. One, physician retention, suggests doctors' on-the-job satisfaction. The final three serve as proxies for patient engagement, satisfaction, and access: portal adoption, patient retention, and the time to third available appointment.



partner with them to develop monthly action items, such as increasing portal adoption or scheduling visits for high-risk patients. The message to doctors is heartening: that Privia will provide the tools to help them succeed in an uncertain future.

As the complexity in healthcare mounts, top physician groups are also focusing on reducing burnout and promoting sustainable workloads. Sometimes, that means designing workflow to meet physicians' needs – such as structuring practices into care teams that enable top-of-license practice. Often, it simply means taking pains to listen to physicians and attend to their concerns.

Adventist Health System, a faith-based, non-profit enterprise that operates in ten states, has made a high-level commitment to physician wellbeing. The group has regular, informal meetings for physicians to discuss non-clinical aspects of their work and offers dedicated physician counseling services that more than 600 doctors have used. To track the impact of these and other initiatives, Adventist's leadership takes the pulse of physicians through a regular survey and an annual conference on mission, which asks how Adventist can help providers fulfill their clinical calling.

"It's not the day-to-day clinical work that burns doctors out," says Ted Hamilton, M.D., Adventist's vice president of medical mission. "Generally, they love to do what they were trained to do, and are willing to get up in the middle of the night and go in on the weekends to do what they were trained to do." With creative tools in place, he adds, "not only are the doctors happier, but patients are happier and the doctors are more productive."

Patient capability

As healthcare shifts from volume to value, the role of patients as active participants in their own care will become even more critical to success. High performers take that philosophy to heart, tracking patients across care settings and focusing on multiple touchpoints along the patient journey. In doing so, they're building patient capability, providing patients with the tools they need

to perform the "unpaid work" – from chasing referrals to getting to physical therapy to managing prescriptions – that they must do in service to their own care.

Summit Medical Group, a 700-physician multispecialty group in New Jersey, takes a data-driven approach to assessing the patient experience. The organization creates monthly reports on patient survey data, shares those figures by regional group and by individual physician, and adjusts incentives for staff and physicians each year as priorities shift.

Summit sets broad, ambitious goals connected to the patient experience, then implements structural changes to make change happen quickly. To improve its reputation for kindness and respect – two qualities that are consistently of paramount importance to patients – leadership established metrics for customer service, identified providers and staff who needed improvement, and provided individual coaching to boost performance.

For a recent initiative to improve patient access, Summit instituted some dramatic structural changes, including requiring all practices to expand their hours of operation and requiring physicians to work a certain number of hours outside normal business hours. Summit also created a centralized call center for much of its scheduling, in part to facilitate different scheduling tracks: If no appointment slots with doctors are available, patients are shifted to a "fast track" team of nurse practitioners and physician assistants.

So far, Summit's efforts to improve patient capability have yielded enviable results. Across athenahealth's network, 67 percent of patients that have visited a primary care physician for the first time return to the practice within 18 months. In contrast, Summit's first-visit return rate is 74 percent, extremely high for a large network.

That success would not have been possible without communication and education – helping providers and staff understand that dramatic change stems, not from a desire to gain more centralized control, but from the imperative to meet patients' needs and demands in a changing healthcare environment.

Leadership

These capabilities could not be built without effective leaders, who provide vision, robust accountability structures, and a belief that culture is a critical asset worth developing and protecting.

The most successful physician networks come together around a galvanizing vision. The specifics can and do vary – from caring for the poorest and sickest to building healthy communities or preparing to manage population health. Having such a vision helps attract the right kind of physicians, and ultimately unifies the staff around the achievement of common goals.

Leaders at top-performing physician networks take deliberate steps to infuse this vision across the health system. For many, that means investing heavily in the development and training of physician leaders. Some of the most effective leadership training programs go well beyond training in management skills to incorporate the philosophical – and, in some cases, spiritual – elements that drive a career in medicine and connect it to a purpose-driven organization.

These training programs create tangible connections between vision and structure. They also facilitate connections among physicians, link practices that are spread out geographically, and align physicians with the system's organizational strategies. In some high-performing organizations, physician leaders are paired with non-clinical administrators in dyads, which oversee regionally-based groups of physicians and serve as a collegial conduit between local, front-line physicians and leadership.

This structure makes it clear that leaders value input from physicians – and physicians know they have colleagues in leadership who share their values and understand their challenges. When organizations are perceived as listening to and acting on physician input, the physicians themselves are more likely to go above and beyond what is asked of them.

Building a new strategic framework for value-based care

High-performing organizations have, it's clear, found a path to success under today's system, which still relies heavily on fee-for-service reimbursement. But the operating principles and on-the-ground tactics that serve them well today will put them in a strong position to manage risk.

Indeed, some of these innovative organizations are already succeeding under value-based contracts. And no matter where an organization is along the continuum of risk, we believe the framework we have developed can drive organizational performance and progress.

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