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What all physician networks must do well

By James Furbush | October 13, 2016

In 2016, athenahealth's research team undertook an ambitious project: to understand the metrics and capabilities necessary for organizations to drive performance within their physician networks.

The research team used quantitative screens to identify the top performing organizations across the athenahealth network, and then interviewed them to uncover the best practices behind their success. The goal is to build an operational framework for turning traditionally hard-to-lead physician groups into high-performing networks that are positioned for success under any reimbursement program.

During three recent roundtable events, hosted by athenahealth's Leadership Forum, the team convened executives from a wide range of provider organizations to build on this framework and get front-line perspectives on the challenges facing leaders as they transition toward value.

"How does one progressively sail today's healthcare waters without sinking one's ship?" asked Keith Doram, M.D., president of N51AP Consulting and interim chief executive officer of MDInterview. "How do we assure sanity over the process that entails getting paid in a bipolar way — fee-for-service and fee-for-value?"

Attendees all pointed to strong, high-performing physician networks as foundational for thriving through the turbulence. And five areas of focus rose to the fore that are critical for driving physician network performance.

Hiring, and aligning, for fit

Having the right team in place, and keeping team members engaged and happy, is a crucial starting point. To recruit the best talent, organizations need to understand that not every physician wants to be employed, said one executive. Offering a range of options to meet physicians on their preferred terms is crucial.

Building a strong physician network means identifying the best physicians based on organizational need (gaps in geographic location, specialty, etc.) and then creating governance structures that could potentially include affiliation through ACOs or MSOs, amongst numerous others, attendees said.

One executive from Memphis said that, in addition to employing physicians, his organization has been using co-management contracts and joint ventures.

Co-management contracts, for example, allow hospitals to contract with physician-led specialty groups to perform surgeries at the hospital. The physicians receive hourly fees for managing surgery cases plus bonuses for quality and efficiency, while the hospital ensures it has a steady stream of surgical patients.

"It's easier to do many of those deals than the employment model," the executive said. "Co-management contracts are win-win scenarios with other large groups, and serve a purpose we can't do on our own."

Clinical quality improvement

Many executives said they have to pursue quality as job number one, not just because of shifting reimbursements — the majority of attendees are still mostly reimbursed under fee-for-service — but because they see a focus on quality as key to driving financial success (including cost reductions).

"There's no way of controlling cost unless we standardize care," said Sid Greenwell, chief financial officer of Health First Medical Group, based in Rockledge, Florida. "It's painful to force this on physicians, but whether it's PQRS or something else, we need to try to start standardizing care. Physicians aren't going to do that on their own. I don't know if it's a good thing or a bad thing but we need to try."

How quality should be determined, which metrics really matter, how physicians will be incentivized to increase quality, and how quickly clinical variation can be standardized across systems were top-of-mind questions for all.

Regardless of reimbursement contracts, improving clinical quality should be a top initiative because the downstream impacts will be tremendous, said a chief medical officer at a Kentucky-based academic medical center. "Quality is a lever to achieve other things," he said.

Data transparency and better information management

"We could have a high performing group of providers, but without the data, we might not know about it," said Michele Russell, founder of Russell Consulting and a former chief information officer.

In order to build a performance-driven culture under any reimbursement model, organizations need access to data — and need to use that data to help guide physician performance, attendees concluded.

"Until physicians are incentivized on the basis of metrics, it's going to be difficult to incentivize performance," said Karl Misulis, M.D., Ph.D., chief medical information officer of West Tennessee Healthcare and a biomedical informatics professor at Vanderbilt University. "Your good idea will become something they couldn't make happen, because it was contrary to the physicians' priorities."

Having the right metrics to understand and drive performance, whether it comes to quality outcomes, patient access, or referral patterns, is only possible with the ability to measure and benchmark. Radical data transparency, therefore, allows for significant downstream improvements such as reducing costs and utilization.

Rapid patient access and better customer service

"If patients don't have access to your services then the rest of your strategy doesn't matter," said Clint Matthews, CEO of Reading Health System, based in West Reading, Pennsylvania.

Thanks to the rise of consumerism, the dominance of mobile technology, and new entrants such as retail clinics and urgent care facilities, patients have more choices for where to spend their healthcare dollars. That makes patient access and strong customer service more important than ever.

A 2014 report by the Advisory Board backs this up by suggesting that six out of the ten most important factors influencing consumer choice are tied to patient access.

Patients will assume that any care they receive from a healthcare organization will probably be good care, said one executive. Therefore, organizations need to prioritize access if they are to become the organization of choice in their market, he added.

An emphasis on the patient journey, attendees said, will have to be placed on traditional customer service capabilities — ease of access, transparent pricing, demonstration of superior service, for example. And organizations will need to meets patients however and wherever they want to be met in their digital lives.

Commitment to physician leadership development

Over half of attendees said their organizations do not have a strong or deep bench of physician leaders. This is problematic because strong physician leadership has been closely tied to improving physician engagement across organizations, regardless of whether that hospital or health system is physician-led.

"Between developing curriculum, mentoring, and coaching physicians to be leaders, it's a constant work in progress to cultivate a strong bench of physician leaders," said Doram of MDInterview.

James Furbush is managing editor of athenaInsight. Staff writer Chelsea Rice also contributed to this report.

Illustration by Tiffany Chan.