



# 5 keys to excellent healthcare operations

By James Furbush | January 6, 2017

Healthcare organizations today find themselves in a challenging business environment. Yet too often it is internal dysfunction – rather than external challenges – that hold them back.

Over the past 18 months, researchers have studied the top financial performers among the more than 85,000 physicians on the athenahealth network and discovered that, while there is no “one-size-fits-all” recipe for success, high-performing organizations did share certain characteristics.

Here are five precepts that help explain their operational excellence – and their financial success.

## 1. What you can't measure, you can't manage

No performance-improvement plan can be effective without understanding what needs to be improved. Yet when athenahealth asked 79 senior healthcare executives what they felt was the greatest barrier to shifting organizations from fee-for-service to population health management, their most frequent response was a “lack of transparency into clinical, financial or operational performance.”

Leading organizations don't share this view.

They achieve transparency by, first, reaching consensus over what to measure; second, agreeing on a process to gather and report these measures; and third, building a culture of sharing and openness among physicians and staff.

While many organizations only share group averages or blinded data, athenahealth's highest performers share unblinded performance data in order to encourage the exchange of best (and worst) practices. These top groups are very clear about why they share data and how they select the indicators they will track – in short, they work hard to avoid the perception that radical transparency is a “name and shame” exercise.

## 2. The road to success is always under construction

Top performers have very high expectations of their employees. They understand that their job is not just to hold employees accountable but to enable their success by providing ample resources to help providers and staff improve their performance.

For example, if time-of-service collections are lacking, scripting might be given to the front desk staff; a dedicated financial counselor might be hired to handle challenging patient accounts; or a digital check-in system may be provided to relieve the front desk's workload.

Larger networks undertake internal "bright spotting" to find effective practices and processes developed by a particular office or staff member – and then standardize and share these approaches across their networks. Large networks may also have dedicated internal consultants who can work with low-performing groups (or even high-performing groups, to help them do even better). All aspects of performance, including financial, are discussed.

Continuous improvement is the goal.

### 3. Let your horses run

High performers are generally prescriptive in terms of setting expectations for employees – but they do not manage by dictate. Instead, physicians and most staff are encouraged to improvise and problem-solve. Management knows that patients are gained and lost at the front line of the business, not in executive suites. So the best way to engage physicians and staff is to let them feel like they are serving their patients well.

Underperforming physicians and staff are the exception to the hands-off approach. They are provided training, oversight and in extreme cases redeployed to new tasks or let go if they are unable to meet expectations.

### 4. Pay for performance

High performers don't simply reward productivity, but rather engage staff on a variety of goals. In general, these top performers set incentive models that support broader improvement efforts; are supported by physicians and staff; offer variable compensation with a meaningful percentage of pay tied to incentives; and make sure bonuses are financially meaningful relative to take-home pay.

They reward the teams and individuals that have the biggest impact on improvements and re-evaluate and adjust compensation as priorities change or new challenges emerge.

## 5. Care for your own first

Too many physicians today are finding their workload unsustainable, the administrative work burdensome, and the impact on personal wellbeing damaging over the long term. According to athenahealth's 2016 Physician Engagement and Leadership Index, overall physician engagement stands at 20 percent – lower than engagement across other industries. Medical group leaders therefore have an important obligation to address wellbeing in their own clinicians first and foremost.

To that end, high performers focus on designing providers' roles to prevent burnout. They understand that doing so is a business imperative: our data shows that the least overwhelmed physicians are often the most productive. One large, faith-based health system even employs a Vice President of Medical Mission. "I'm sure this program has saved careers, not to mention marriages, and even lives," he told researchers.

Operational excellence is just one element required to achieve sustained competitive advantage – yet it is often the hardest nut to crack. Too often, executives see their ambitions diluted as their visions, goals and strategies filter down through their organization.

athenahealth's top performers have all – in their own ways – created operational capabilities that ensure that their staff can respond to even the most ambitious strategy or change agenda.

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