

Why do we employ Physicians?!



PRESENTED TO: HFMA CENTRAL OHIO CHAPTER

AROUND THE INDUSTRY

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MARCH 16, 2011

Overview



- **The Hospital and Physician Practice Environments**
- **Role of Physicians in Hospital Economics**
- **Role of Hospitals in Physician Practice Economics**
- **Challenges to Integration**
- **Achieving long-term successful partnerships**

The Hospital and Physician Practice Environment



- **The Hospital Environment**
 - Rural hospitals being economically squeezed
 - Metropolitan/Hospital Systems' growth and acquisitions
 - Substantially more competition
- **The Physician Practice Environment**
 - Consolidation of specialists
 - Primary care groups are smaller
 - New physicians are much more risk averse than previously

Role of Physicians in Hospital Economics



- **Physicians are service suppliers of hospitals**
- **Physicians provide a platform for stability**
 - Hospital Administrations desire stable medical staff
 - Subspecialty departments
 - Physicians as a dynamic platform
- **Physicians provide a platform for growth and expansion**
 - Growing departments
 - Expansion of services

Role of Hospitals in Physician Practice Economics – *Physician Supply*



- Hospitals desire increased physician supply
- Hospitals do not want to turn away patients
- Hospitals do not want patients to wait
- Hospitals want physicians to be versatile

Role of Hospitals in Physician Practice Economics – *Physician Growth and Service*



- **Hospitals are penetrating new geographies/markets**
 - Hospitals want their loyal physicians to join them
 - Additional office space is expensive for a practice
- **Hospitals desire increased focus on Quality and Patient Satisfaction**
 - Physicians want to serve their patients in the best possible way
 - Physician scope of service is very different than a Hospital's scope of service

Role of Hospitals in Physician Practice Economics – *Staffing and Talent*



- **Hospitals typically are able to attract and retain the best clinical staff**
 - RNs, MAs, and Techs are compensated more with better benefits (additional vacation, flex scheduling, pension, retirement savings)
- **Hospitals typically attract better support staff**
 - Managers, IT, Revenue Cycle, HR, and Accounting typically are asked to wear several hats w/little system support
 - Any system support is a direct reduction of physician compensation

Challenges to Integration



- **Weak Organizational Vision**
- **Vague Communications**
- **Poor Transitions**
- **Fragile Relationships and Forced Partnerships**

Challenges to Physician Integration



- **Weak Organizational Vision**
 - Hospital Leadership is not fully in favor of Physician Integration
 - Management stances remain unchanged
 - Physicians should embrace the vision
 - Physicians' voice in decision-making

Challenges to Physician Integration



- **Vague Communication**
 - Hospital and Practice are vague with expectations, strategy, and vision of Integration
 - Hospital should clearly communicate what role the physician practice will play in the over-arching strategy
 - Physician Practice should clearly communicate their participation in the Hospital mission

Challenges to Physician Integration



- **Poor Transitions**

- Transition that begins the negotiations
- Transition from contracting/signature to employment
- Transition from employment to systems integration
- Transition to Initiative Champion

Challenges to Physician Integration



- **Weak Relationships and Forced Partnerships**
 - Administrators are great at wooing physicians, but fail to advance the relationship after employment
 - ✦ Show up when there is trouble
 - ✦ Don't solicit physician feedback on a periodic basis
 - Administrators fail to build collaboration and consensus
 - ✦ This is the way we do things
 - ✦ Fail to package and sell change

Achieving long-term successful partnerships



- **Avoiding the ‘Challenges’ are a very good start**
- **Capture the energy of physicians and steer them in the direction of organization goals and objectives**
 - Quality and Patient Satisfaction
 - Clinical integration and Seamless Care
 - Financial Stewardship
 - Strategic and Geographic Presence
 - Availability and Cross-Coverage
 - Scope of Provided Services
 - Clinical Innovation
 - Recruiting, Training, and Mentoring new and better physicians
 - Succession Planning

Achieving long-term successful partnerships



- **Create and Maintain environments where physician presence and involvement is not an after-thought, inconsistent, or haphazard**
- **Partner with physicians to drive excellence and progress in superior patient care**

Thank you!



• Questions?

Jonathan's Bio



- **Jonathan Kelly is the Director of Finance for New Business Development for the Medical Specialty Foundation of OhioHealth in Columbus, OH. Prior to joining OhioHealth in 2009, Jonathan was Chief Financial Officer for Mecklenburg Radiology Associates which is a 49 provider privately owned physician practice in Charlotte, NC and a Manager of Finance for Carolinas HealthCare System, also in Charlotte, NC. Carolinas HealthCare System , through Carolinas Physicians' Network, owns or manages more than 150 physician practices that serve patients at more than 250 practice locations, utilizing the skills of more than 1,200 physicians and mid-level providers.**
- **Jonathan graduated from Liberty University with a Bachelor of Science in Accounting. He is licensed as a CPA in the State of Maryland, and has a Master of Science from Texas Tech University with an emphasis in Finance.**
- **Jonathan has been a resident of Columbus for almost 2 years. Prior to living in Ohio, Jonathan and his family lived in Charlotte, NC. Jonathan is married and has three girls, aged 5, 3, and 9 months.**