

# Optimizing Care Delivery in Response to COVID-19



Health systems nationwide continue to face a number of unprecedented challenges due to the evolving COVID-19 pandemic. Supporting financial sustainability remains a top priority. As the industry looks ahead and makes plans for financial recovery and operational transformation, optimizing care delivery to improve efficiency, drive workforce performance and increase revenue is a critical step in this process.

Care delivery optimization between systems and their affiliated hospitals, integrated practices, and physician and advanced practice provider (APP) workforces can promote financial sustainability by identifying gaps in care delivery, improving operational efficiency, reducing clinical variation, and expanding capacity for important growth initiatives. To help accomplish this, there are five key areas that health care organizations should focus on as they look to position themselves to deliver the greatest possible value.

SullivanCotter recommends a thoughtful and strategic review of the following areas:

## Physician/APP-Hospital Alignment

Aligning operations, goals and results across the organization is key to building a workforce that is unified and supports organizational strategy. To enhance care delivery optimization, organizations should:

- Assess current physician affiliation relationships, including pending and/or potential mergers and acquisitions and consider:
  - Updating due diligence assessments in the context of COVID-19 to include financial analysis and review of agreements
  - Reviewing key characteristics of existing compensation arrangements and performance requirements to conduct best practice comparisons by affiliation model/relationship and assure incentives are aligned between the models
- Evaluate current and projected physician and APP staffing requirements and care team development to address community need, integrated practice and service line needs
- Review current and potential Service Line Co-Management or HEIP (Hospital Efficiency Improvement Plan) arrangements to ensure the metrics are still aligned with system goals
- Assess physician involvement in the decision-making process, including medical group and service line governance structure
- Consider clinical workforce culture and perceptions related to strategic objectives while also identifying opportunities for improvement

## Medical Group Operational and Financial Performance

Evaluating a medical group's overall performance against a variety of operational and financial metrics will help identify actionable areas for improvement.

- Assess key medical group and/or specialty-level operational and financial performance indicators

- Review and update productivity thresholds and benchmarks, revenue, expenses and overall financial performance, staffing ratios, measured outcomes, patient capacity and clinic throughput
- Evaluate performance indicators shared with physicians and APPs and ensure systems are in place to provide transparent and timely information on performance relative to benchmarks, service line and system strategic goals
- Consider primary care model redesign and develop financial feasibility pro forma based on volume expectations and clinical regulations
- Focus on care delivery models designed to achieve optimal financial performance with a patient-centric focus (e.g., improves satisfaction, APPs practice at top-of-license, yields appropriate return on investment)
- Perform workflow assessment at the service line and practice levels to evaluate patient access and throughput, including the utilization of telehealth and remote services

### Specialty and Service Line Care Delivery

Once the medical group's overall performance has been assessed and specific underperforming specialties have been identified, it is important to do a deep dive into specialty and service line performance. Assessing clinical workforce performance is imperative as organizations look to increase the focus on value-based outcomes associated with quality and cost.

- Evaluate unwarranted care variation and cost-efficiency opportunities
- Develop strategies to reduce length of stay variance, readmission and value-based care penalties
- Perform service line and facility-based workforce planning and staffing efficiency assessments
- Identify appropriate benchmarks related to cost of care against internal and external cohorts
- Review physician referral processes to help project actual and expected volumes

### Readiness for Value-Based Care

Successfully navigating the transition from volume to value relies largely on enhancing patient access. Care model designs that do not support this goal will likely result in stagnant market share or loss of patients.

- Conduct a physician needs assessment, demographic map and strategic plan to match service needs within market segments based on expected changes
- Perform analysis of telehealth capacity, financial return on investment and regulatory requirements
- Assess clinic space, including waiting room access and throughput in light of COVID restrictions

### APP Utilization

APPs are one of the fastest growing segments of the health care workforce. Integrating APPs as key members of the care delivery team and utilizing them to their full potential can help an organization to achieve a number of important goals – including improved patient access, increased revenue, and enhanced quality and service while also reducing the cost of care.

- Perform a current-state analysis by comparing APP utilization and productivity to market benchmarks based on specialty and role:
  - Quantify the financial opportunity available with a fully optimized APP workforce

- Conduct a readiness assessment to determine barriers and cultural considerations related to full APP optimization
- Identify specific specialties or service lines with the most opportunity (financial or non-financial) and readiness for change
- Review and update APP organizational practices:
  - Assess governance structures, recruitment and retention policies, and training and development programs
  - Align organizational bylaws, policies, practices and operations to federal and state laws, payer policies and procedures, and leading market practices

## Conclusion

The process of evaluating these five focus areas will help to highlight and quantify opportunities for improving patient access, enhancing organizational efficiency, increasing revenue and reducing costs as health systems plan for what lies ahead. For each area of focus, SullivanCotter recommends developing an in-depth assessment, utilizing operational and financial expertise and incorporating comparative benchmark data analysis to define potential solutions unique to the requirements of each system to help optimize clinical performance and achieve key organizational goals.

**Leveraging data-driven insights and over 25 years of experience, SullivanCotter partners with organizations to develop comprehensive care delivery optimization strategies tailored to the unique needs of each client.**

For more information, visit [www.sullivancotter.com](http://www.sullivancotter.com) or call **888.739.7039**.

Contributing authors include: Tom Johnston, Stan Stephen, Patty Bohney, Tom Trachtman, Zach Hartsell and Jaclyn Zurawski