Q&A: Utilizing Technology to Engage the Clinical Workforce

Building Trust and Enhancing Performance in an Evolving Marketplace

Health care continues to evolve at a rapid pace as the industry seeks to maintain financial sustainability and transform operations in the midst of post-COVID-19 recovery plans. This includes enhancing the quality of care, managing costs, improving patient access and satisfaction, and increasing physician and staff engagement to help achieve organizational goals. Market pressures are forcing organizations to develop new clinical capabilities as well as adapt their operations to perform more effectively under value-based reimbursement requirements. A key success factor in this evolution is the ability to align quality and efficiency goals with physician and advanced practice provider (APP) compensation strategies.

As pay practices continue to evolve, many organizations are looking to address the following:

1. How can you ensure your compensation administration and performance management programs are engaging physicians and APPs in support of your cultural and organizational strategy?

2. What tools and resources will help to enhance transparency in the reporting of performance to clinicians?

3. What are the optimal communication, education and engagement processes to align performance around value-based metrics?

4. How do these tools and resources help with recruitment and retention of the clinical workforce?

Compensation and performance management tools require transparency to build trust and reliability while also enhancing the clinical workforce's ability to understand the process and the results.

Consistent measures, reporting, and expectations are foundational to building trust.

SullivanCotter consultants Kevin Wilson, Dan Iliff and Tom Trachtman recently answered questions on aligning physician and APP workforce performance — helping to uncover emerging trends, technologies and practices among high-performing hospitals, health systems and medical groups.

Q: Why should health care organizations prioritize their communication, education and engagement programs during this transition?

DAN: Whether your organization is a single specialty independent medical group or one of the largest health systems in the country, success is reliant on the performance of your clinical workforce. As with any employee, in any industry, compensation and work expectations are two important variables. When appropriately designed and aligned, compensation plans play a vital role in helping to motivate this workforce and achieve organizational objectives. These variables are also important in clinical staff satisfaction and retention.

Physicians and APPs often express dissatisfaction when they do not fully understand their compensation plans, lack insight into how they are being measured, or do not have faith in the reporting system. This is becoming more common with the increasing prevalence of value-based pay components. This lack of transparency can leave them feeling disengaged and may contribute to turnover.

KEVIN: Agreed, Dan makes an important point. An effective compensation strategy is critical to engage and align the clinical workforce to achieve targeted performance. The importance of alignment is growing in the transition to value-based care as organizations integrate more non-productivity metrics into compensation plans to help improve access, quality of care, service and affordability. Historically, physicians and APPs have lacked faith in the accuracy of reported non-productivity metrics. In order to reach desired outcomes and results, the administration, management and reporting process must be comprehensive and transparent enough to truly engage physicians and APPs. Regardless of the size or scope of your operations, a more transparent view into how physicians and APPs are performing and being paid is critical. This requires access to timely, accurate and actionable data in an understandable format. A comprehensive performance management program and process supported by innovative technology and reporting can help to achieve this.

Q: What are some of the common administrative pain points hospitals, health systems and medical groups are experiencing as they try to support the engagement and alignment of a growing population of physicians and APPs within their organizations?

DAN: The way in which organizations measure and report physician and APP performance is often outdated and opaque. With a change in both the number and type of performance metrics being used, all of which help reflect a more balanced approach to performance, compensation programs are becoming increasingly complex and difficult to administer. Physicians and APPs often find the data difficult to understand, hard to verify and lacking in transparency. For these reasons, many organizations are struggling to effectively engage their clinicians in new pay-for-performance models that now include value-based metrics in addition to traditional productivity components.

According to SullivanCotter's 2020 *Physician Compensation and Productivity Survey*, the prevalence of value/ quality incentives as a compensation plan component, which rewards performance on measures such as clinical quality, patient experience and access, hovers at or above 50% for all major specialty categories — primary care, medical, surgical and hospital-based. While reimbursement models continue to evolve and organizations are focused on incorporating more complex value-based components into their compensation programs, many organizations lack the internal processes and systems to efficiently track and manage multiple areas of performance. With multiple sources of information, this process can be both tedious and time consuming, especially given the limited number of personnel assigned to the task.

Today, organizations often track performance relative to these new quality metrics in large and unwieldy offline spreadsheets. Not only do these spreadsheets create problems with version control, but error rates tend to increase as teams manually sift through endless rows of data. With nearly 90% of spreadsheets containing mistakes, this can prove costly as these errors can have a large impact on critical compensation and reporting functions.[1] Additionally, there are the added complexities of data capture and validation across an increasing number of physicians, APPs and their associated sub-specialties. This complexity adds to the distrust that physicians and APPs often experience with these types of measures.

TOM: One of the most common issues I've seen related to this is delayed and incomplete production figures that lead to inaccurate performance results. Poor reporting makes it difficult for physicians and APPs to both track and trust what is being reported. Additionally, it makes it difficult for leadership to assess progress toward organizational goals. The lack of transparency doesn't help to instill trust in the data. A large quantity of performance and productivity data must be properly merged, analyzed and validated from disparate systems before physicians, APPs, clinical leaders and managers can obtain and act upon the information they need. These limited reporting capabilities are a burden on the administrative staff

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[1]Olshan, Jeremy. (2013). 88% of Spreadsheets Have Errors. MarketWatch. Retrieved from https://www.marketwatch.com/story/88-of-spreadsheets-have-errors-2013-04-17

responsible for delivering the information and helping to provide actionable insights.

Moreover, many organizations cite a lack of analytical talent available to properly evaluate the data they already have — and the COVID-19 pandemic may further this shortage. A recent report conducted by the Everest Group states that "75% of enterprises believe there will be a talent shortage for key roles in IT, analytics and special skills areas post-COVID-19…new skills gaps will emerge as a result of the structural changes in business occurring in response to the pandemic."[2] As health systems merge, consolidate and increase the number of physicians and APPs within the organization, the amount of data will only become more difficult to manage. Similarly, there must be control mechanisms in place to govern the data and ensure it maintains validity and relevance.

Q: How can organizations develop a trusted performance management program that addresses and aligns a spectrum of needs for all key stakeholders — including leadership, physicians, APPs and administrative staff?

KEVIN: Clinical delivery structures are evolving and there should be a comprehensive process in place to administer, analyze and report on physician and APP performance and compensation across various levels of leadership. The first step is to consider the needs of each group of stakeholders:

Leadership

- Routine and consistent reporting with easy-to-consume information to assess progress towards organizational goals

- Actionable insights into drivers of performance at the organization, group and physician level

- Ability and capacity to focus on performance improvement efforts and coaching

Administration

- Accuracy, speed and reliability of performance and compensation analytics

- Alignment with internal partners

- Capacity and tools for deeper analysis

- Identification and reconciliation of issues

- Efficient utilization of technology to analyze real-time data to provide insight to leadership

Physicians and APPs

- A trusted and reliable source of truth for timely and efficient clinical compensation and performance management

- Easily accessible, current-state, performance results with clear action steps to help drive improvement

- Access to individual, peer and group performance in addition to patient level detail

- Supporting resources (people, processes, technology) that enable physicians and APPs to make changes that can help improve results

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[2]The Everest Group. (2020). 75% of Enterprises Bracing for Widening IT & Analytics Talent Shortage Despite Recession. Retrieved from https://www.everestgrp.com/2020-08-75-of-enterprises-bracing-for-widening-it-analytics-talent-shortage-despite-recession-press-release-.html

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Q: How can technology be used to enable and provide greater value for your organization?

KEVIN: Alignment is important to building a trusted and reliable compensation and performance management program that engages clinicians. Along with the clinical workforce, leadership and administrators also require a clear understanding of expectations, progress and results. Without the ability to provide these insights in a timely fashion, these stakeholders are unable to effectively understand key drivers of performance and assess progress against goals. Building trust through transparency is key, and it leads to higher engagement, enhanced collaboration and clearer lines of communication. The expected outcomes should be clinically significant as well as easy to understand and measure.

With the addition of new quality incentives, a greater degree of "at-risk" compensation has become commonplace for physicians and APPs. Whether this "at-risk" compensation is based on panel size, access, clinical quality metrics or patient satisfaction, it is becoming common to have a component of compensation tied to performance. For primary care physicians, median quality incentive payments comprised 7.4% of total cash compensation in 2020.[3] For medical and surgical specialists, this percentage is lower at 5.6% — although we expect to see growth as organizations work to further develop and refine these programs to ensure they have credible measurement and reporting systems in place before moving forward.[3]

DAN: I agree. High-performing organizations are constantly evolving and must be supported with tools and technology that can evolve with them. Technology is a platform for change at a time when change is inevitable. By providing access to clear and concise performance data all in one place, technology can serve as a single source of truth that combines administration, reporting and analytics capabilities into one system. The right technology can turn data into actionable insights, communicate goal definitions, benchmark performance, develop KPI reports and automate a number of data-related functions — all of which help to build trust and instill greater confidence in the data and reported results. Greater transparency can also play a critical role in improving engagement and aligning physicians and APPs with the mission and vision of the organization in which they work. Moreover, technology will enable physician leaders to better focus their efforts where it really counts — actively managing and coaching the clinical workforce.

Q: What are the most important things to consider when assessing how technology can better support your performance management and compliance program?

DAN: New tools and technologies can allow your organization to streamline an increasingly complex communication, compensation and performance process by resolving inefficiencies in the way that data is collected, analyzed and reported. When assessing how technology can support these changes in relation to physician and APP compensation, performance and compliance, there are **four key areas of functionality to consider**:

- Performance management

- Productivity insights

- Compensation administration

- Contract lifecycle management

The first key area of functionality is **performance management**. Organizations must have a comprehensive system in place to communicate, measure, and drive performance while delivering actionable insights. Once the key drivers of performance are identified, this understanding can then be translated into action

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[3]SullivanCotter 2020 *Physician Compensation and Productivity Survey Report*

and ultimately lead to improved results. Organizations must also provide the tools and support to help physicians and APPs improve performance while being mindful of not adding undue complexity or setting unrealistic expectations.

TOM: For example, imagine a scenario where physicians and APPs are compensated based on patient access. There has to be visibility into their schedules, time to next appointment, patient wait times and other components related to this metric. Without this visibility, there are limited fact-based insights to be gained.

The ability to properly assess performance and related compensation against defined targets and metrics is important to identifying best practices and improvement opportunities. Extensive built-in audit and reconciliation tools that help to ensure data integrity and improve the speed and accuracy of administration efforts exist in the marketplace today and can provide customized access and views tailored to the unique needs of leadership, physicians and administrators.

DAN: Another key piece of functionality relates to **productivity insights**. As a result of constantly changing wRVU schedules, evolving compensation models, billing reconciliation and other changes, physician and APP compensation and performance administration is multifaceted. Technology that automates the revenue and productivity data collection and analysis component of this process will yield immediate time savings for physicians, APPs and administrators. Additionally, it will allow physicians and APPs to be able to understand the reported data and have faith in the process. A system that allows you to review billing information in a central repository and assists with complex RVU functions such as sharing arrangements, scale conversion, modifier adjustments and non-billable credit information will greatly increase the speed and accuracy of a multitude of productivity assessments. The consistency and transparency of the process will also build trust with the physicians and APPs and ultimately creates time and credibility for your team to dedicate to more strategic initiatives.

The third area of focus is on **compensation administration** — or the communication of results. This is where a compensation program comes full circle through customized dashboards and reports that are tailored to individual providers and administrators. By integrating data on compensation earned from all sources for all physicians and APPs in a central repository, technology will help streamline the reporting process and get the right data into the right hands at the right time. The timely delivery of accurate compensation results to the clinician strengthens trust and improves engagement. Whether you are an administrator facilitating monthly settlements or a physician or APP monitoring performance on specific metrics, these dashboards are the key to success and will help to track progress against organization-wide goals.

Lastly, ensuring that physician employment agreements align with system-wide compensation terms and payments remains a challenge for health care organizations nationwide. Integrating an automated **contract lifecycle management** solution that will provide your organization with an accurate and comprehensive view of clinical employment contracts and obligations across the organization in real-time helps to support compliance and ease of administration while also providing transparency and greater access to the clinicians.

The ideal technology solution brings all four of these components together to equip your organization with a more transparent, accurate and timely view of individual, group and system performance.

Q: What are the next steps for organizations considering the implementation of a new compensation and performance management system?

TOM: Compensation and performance programs are constantly evolving in today's dynamic health care marketplace and organizations will continue to adapt as operations grow more complex. They require scalable solutions to help streamline the compensation administration process while also providing

physicians and leadership with the information they need to reliably inform performance and drive desired outcomes. A strong technology platform can act as the cornerstone to help facilitate change. Similar to how EHRs revolutionized care delivery, a mature compensation and performance infrastructure can help to revolutionize how performance is measured and communicated.

DAN: The specific actions your team should consider include:

1. Identify key stakeholders through a holistic analysis of your compensation and performance program

2. Aggregate and organize pain points across stakeholders to identify their root cause

3. Acknowledge gaps in technology in order to meet the needs of all stakeholders

4. Determine the functionality required to assess, analyze and report on physician and APP performance

5. Evaluate the technology options available and how respective platforms can help advance your organization's performance management programs

Kevin Wilson

Kevin Wilson is a Managing Principal at SullivanCotter. With more than 20 years of experience as a consultant, Kevin is a recognized leader in the health care industry with a track record of advising large, employed medical groups and complex health systems. His counsel helps organizations achieve strategic alignment and improved performance in the wake of change initiatives and M&A transactions.

Dan Iliff

Dan Iliff is a Director of Business Development at SullivanCotter. Leveraging over 15 years of experience working in physician recruiting and compensation management, Dan helps health care organizations implement the firm's cloud-based Provider Performance Management Technology™ (PPMT™). Designed to automate physician and APP compensation and performance metrics, PPMT™ enhances clinical workforce engagement and data transparency.
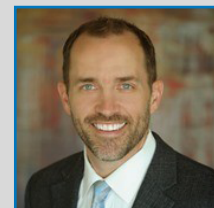
Tom Trachtman

Tom Trachtman is a Senior Consultant at SullivanCotter in the Physician Workforce Practice. With nearly 10 years of experience in consulting and corporate finance, Tom leverages his analytical point of view to help translate complex data and build connections between business economics, operational performance and clinical outcomes.

SullivanCotter's Provider Performance Management Technology™

Provider Performance Management Technology™ (PPMT™) is an industry-first, cloud-based solution that enables clinician engagement through transparent performance-based compensation administration, contract management, and reporting and analytical capabilities.

Utilizing best-in-class technology and decades of physician compensation and health care expertise, PPMT™ is designed to support organizations in the transition from volume to value. PPMT™ is offered as part of a comprehensive portfolio of advisory, information and technology services to address client needs.

As a trusted partner in compensation and performance management, reach out to SullivanCotter to learn more about our comprehensive Provider Performance Management Technology™ and our suite of clinical workforce advisory services.

Contact Us to Learn More:
888.739.7039
Contact-Us@sullivancotter.com
www.sullivancotter.com