



AUGUST 2005

Physicians and Hospitals Working Together

Randy Bauman and Daryl Demonbreun recently visited one of Delta's oldest clients, a 35-physician multispecialty group in Ohio.

Delta started working with this group in 1992 and over the ensuing years helped them create and execute the vision of being the dominant player in their market.

But what this group has accomplished is truly amazing: a new full-service hospital developed de novo in a joint venture with a hospital in a nearby city.

Their hospital is a stellar example of what organized physician groups can accomplish working with hospital partners to create true synergy in their community.

How Deep Are You Willing to Dig?

Why an operational assessment is just the beginning
by Daryl Demonbreun

On a recent assignment in the Northeast, my partner and I conducted an operational assessment for a specialty group. While working at this practice I had something of an epiphany:

Physicians are reluctant to use consultants because too many of our breed are expert at scratching the surface but fail miserably when a situation calls for digging down deep to get to the root of an issue.

It's not uncommon for us to be engaged for a project after a group has had a parade of other consultants come through a practice. Assessments have been done, recommendations made, presentations given, three-ring binders handed out – but nothing much has changed. Improvements in operations and in the bottom line, if any, have been modest or temporary. The consultants have sized things up, reached a sometimes too-quick diagnosis, and made suggestions that sounded good on the surface. But, because they'd not gotten to the causal factors, long-term results were limited.

A CLASSIC CASE

Chief Complaint: Sub-Optimal Bottom Line

Signs and Symptoms: Doctors are working long hours but can't seem to see enough patients to substantially increase the revenue stream, keep the overhead at a reasonable level, and take home what they did just a few years ago.

(continued on reverse side...)

Angela Herron Affiliates with Delta

Angela Herron has affiliated with Delta Health Care. She has more than 20 years experience in health care consulting with physician groups and hospitals. Angela was a founding member of Phoenix Healthcare Consulting and has expertise in health care finance, managed care and hospital/physician relationships.

Recent Projects

- NV Strategic planning retreat for a large multi-site gastroenterology group
- SC Valuation of an outpatient surgery center
- PA Restructuring and interim management of a cardiology group
- AL Assessment and restructuring of hospital-based internal medicine and psychiatrist practices
- FL Valuation of a primary care practice
- TN Assessment and turnaround of an urgent care center
- PA Valuations of two OB-GYN practices
- FL Income distribution revisions for large cardiology group
- AR Assessment and ongoing strategic consulting for a pulmonary group
- KY Strategic planning retreat for a multi-specialty group
- TN Administrative consulting for an ophthalmology group

Leif Beck and Randy Bauman To Present Audio Conference

Leif Beck and Randy Bauman will conduct a live, 60-minute audio conference titled "Physician Mergers -- Strategies for Evaluating Opportunities and Avoiding the Pitfalls"

The audio conference is presented by HCPro, publisher of Group Practice Solutions and Private Practice Success newsletters. It is scheduled for **Thursday, September 8, at 12 p.m. EDT**. Registration information is available at: www.hcmarketolace.com.

Preliminary Diagnosis: Inefficient doctors not working hard enough, some even lacking a solid work ethic. (Initial knee-jerk treatment plan: every doctor should see 1-2 more patients each day which will solve the problem.)

Workup: (1) In-depth conversations with doctors about obvious obstacles to efficiency and productivity reveal scheduling problems, medical assistants not taking an active enough role in patient care, doctors performing routine tasks that should be handled by staff (such as completing diagnostic test requisition forms); (2) observation of systems and work flow reveals doctors going in and out of exam rooms multiple times during a single visit, at which time they'd be stopped by staff members who had "just one quick question," sample closet too far away from examination areas, prior test results not being in a patient's chart at the time of the initial consultation; (3) interviews with staff and management reveal a general disconnect between what the doctors need and what the staff think the doctors need.

Final Diagnoses: Systems problems within the practice, most of which had little to do with the doctors' performance, work ethic or interest in seeing as many patients as possible.

Treatment Plan: Give doctors the tools they need to be more efficient instead of just telling them to "go faster." Get staff and physicians on the same page, working toward the same goals. Revamp the scheduling system so that referrals, new patients and established patients are seen in a timely manner. Organize exam rooms so that the doctor has everything he needs at his fingertips for every patient encounter. Give medical assistants greater responsibility, freeing up the doctors to see more patients.

Once these changes were put into place, the doctors saw how they were able to save just three minutes – give or take – on each visit. Multiply that by twenty patients a day and suddenly they had time to see that extra patient or two. This is very different than just telling the doctors to "see more patients."

Reaching the diagnosis

To get to the final diagnosis in this practice and see firsthand the root cause of the problems took time. We spent two full days observing operations and systems. Instead of sizing up the situation too quickly, we put in the hours necessary to get to the core of the issues. The effort paid off – as it almost always does.

In our opinion, consultants offering the quick fix or the simple solution might as well stay home. Most of the doctors we work with are plenty savvy enough to fix the obvious problems in their practices without bringing in outside resources. It's the issues that are under the radar – the ones that seem elusive to those too close to the situation – that warrant hiring a consultant who can bring a new perspective to the dilemma.

I would be remiss if I did not point out that when management consultants offer shallow advice, it isn't always their fault. I've been in situations where I knew there was more to the story than I was being told. When faced with doctors or administrators not 'fessing up to the depth of the problems or trying to pretend the issue isn't real, the consultant is between a rock and a hard place. You can't leave without offering some sort of advice, but you know you don't have all the facts and, therefore, can't give the most comprehensive recommendations. These are the assignments that keep us awake at night.

Another sticky wicket is when findings from an assessment are presented and some of the partners simply don't want to hear the unvarnished truth. This will cause even seasoned consultants to tip-toe around tough issues so as not to ruffle feathers or see disorder break out at a meeting. Personally, I'd rather risk losing a client than compromise when it comes to calling it like I see it and pushing for what I believe would improve a group's situation.

Follow-through is everything

Far too many well-thought-out assessment reports are placed on a shelf or in a file drawer after only a cursory review by physicians and staff. The report is not the answer. Developing and executing an action plan is the answer. In most cases, we encourage clients to keep us around for at least the early stages of implementing the recommendations we make. That way, the doctors are assured that changes will be made, and it keeps us from committing the ultimate consulting sin – making pie-in-the-sky recommendations too cumbersome or too far-fetched to be successfully put into place.

If your practice has issues serious enough to spend hard-earned dollars on outside experts, you want real answers. Getting to those answers requires doing more than scratching around in the top soil. It demands bringing in heavy equipment for some deep excavation. If you're spending your money on a briefcase-toting expert from a distant land, you deserve no less than a deep and thorough exploration, followed by recommendations that are practical and will hold up over time.

Daryl Demonbreun is a principal of Delta Health Care. He once drove a backhoe and enjoys excavation of all types.

QUESTIONS, ISSUES OR COMMENTS?

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