Effective C-suite and Physician Advisor Collaboration
Get to Common Goals through Shared Knowledge and Collaborative Approaches

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Objectives

1. To understand the roles and challenges between C-Suite and PA.
2. To learn ways for the C-suite and PAs to manage as a team towards common goal achievement.

Before We Start!

Example of Two World Views

- Dr. Salvatore "PA is Not A PhysAstrator"
- Administrator Lamkin "PA is an AdminaPhys"
  - New evolutionary species
  - Half physician leader-half hospital leader
  - Leading the way into the future
  - But not without protest!

Will Also Cover Attendee Feedback from Last Year

- "Medical School Shapes Physician Interaction" – meaning individual focus
- "Please go over some of the slides in more detail" referring to organization structure
- "How do we prove PA return on investment (ROI)" – meaning financial return

WHY IS PHYSICIAN HOSPITAL COLLABORATION SO IMPORTANT?

Team Environmental Increasing

- Population Health - Manage the Entire Continuum Including Physicians
- Uncertain Reimbursement
- Use of Technology
- Move from Volume Driven to Value Driven Reimbursement (but still paid on volume)
- Physician Employment
- Shift from Departmental Management to Matrix Management
- COMPLIANCE

THE WHAT, WHEN, WHERE, WHY AND WHO OF COLLABORATION

Building Blocks of all Healthcare Systems

Structure

Committee Structure as "Information Highway"

- Board
- Hospital
- Medical Staff

Organizational Structure (Organization Charts)

- Hospital
- Medical Staff

Information Technology Infrastructure & EMR

(WHAT)

Process

- Board & Hospital Plans (Compliance, Quality, UM)
- Committee Minutes
- IT Use & Access to Data
- Policies and Procedures
- Chart Review and Reporting
- Education and Training
- Rounding for Results
- Human Resources & Evaluations
- Peer Review

(WHEN, WHERE, WHY)

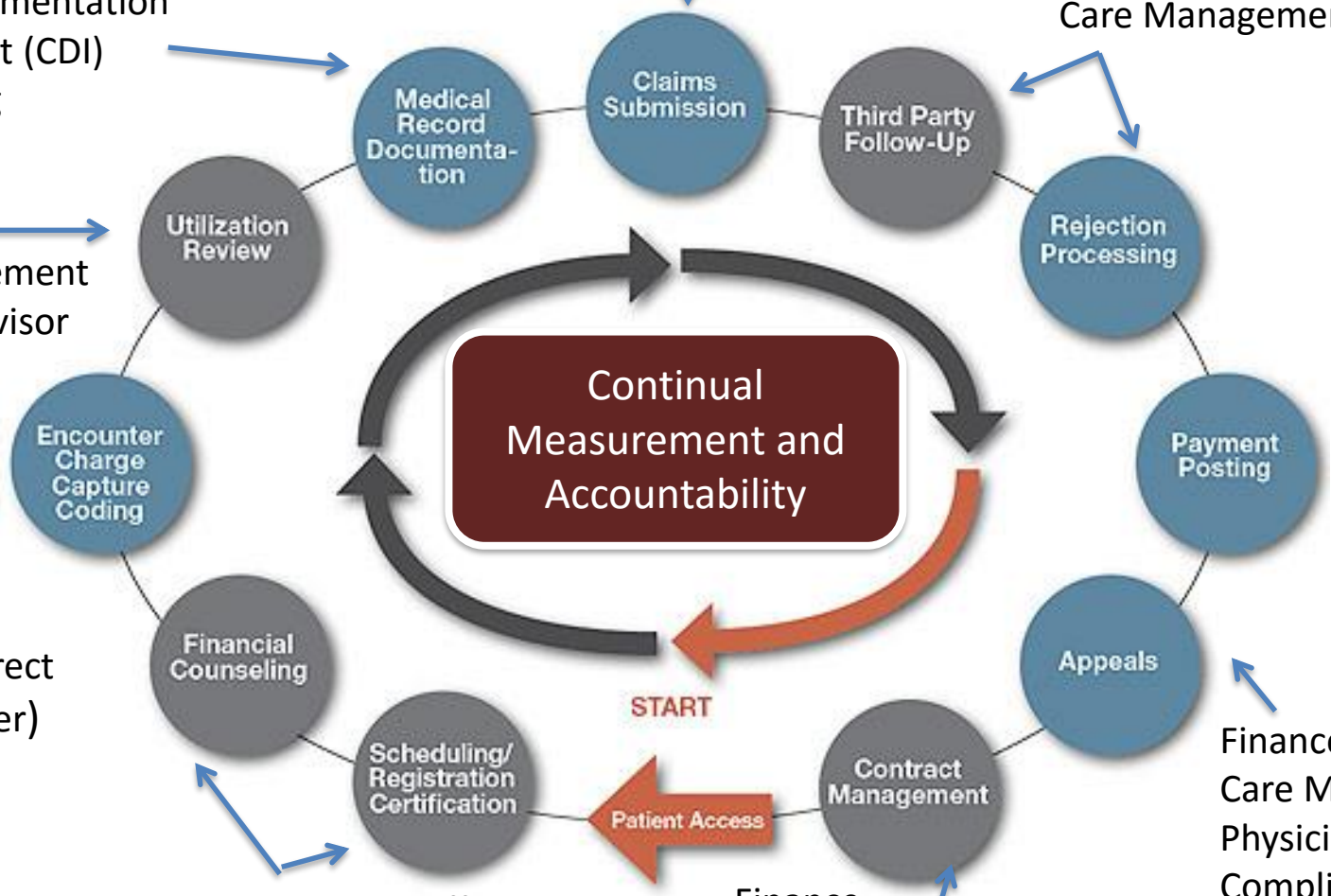
People

- Staffing Levels
- Staff Knowledge
- Staff Training
- Accountability
- Culture

(WHO)

Continual Measurement and Accountability

C-Suite and Physician Advisor Intersection Revenue Cycle Integrity



Medical Staff
Clinical Staff
Clinical Documentation Improvement (CDI)
HIMS Coding
IT

Finance
Compliance

Finance
Care Management

Care Management
Physician Advisor
Nursing
Ancillaries

Finance

Nursing
Ancillaries
HIMS
Finance (Correct Charge Master)

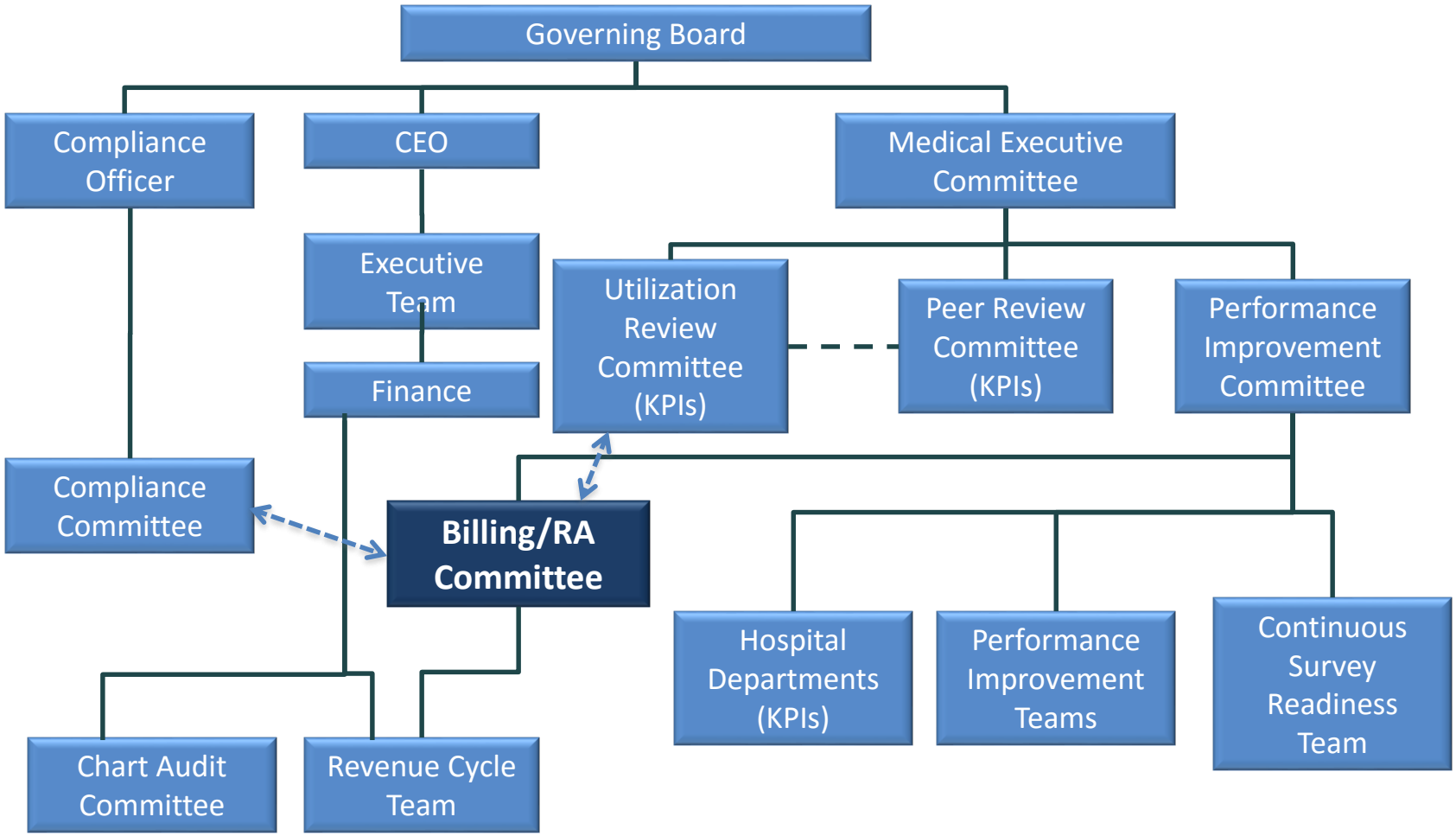
Finance
Care Management
Physician Advisor
Compliance

Business Office
Care Management

Finance
Contracting
Care Management/Physician Advisor

Committee Structure

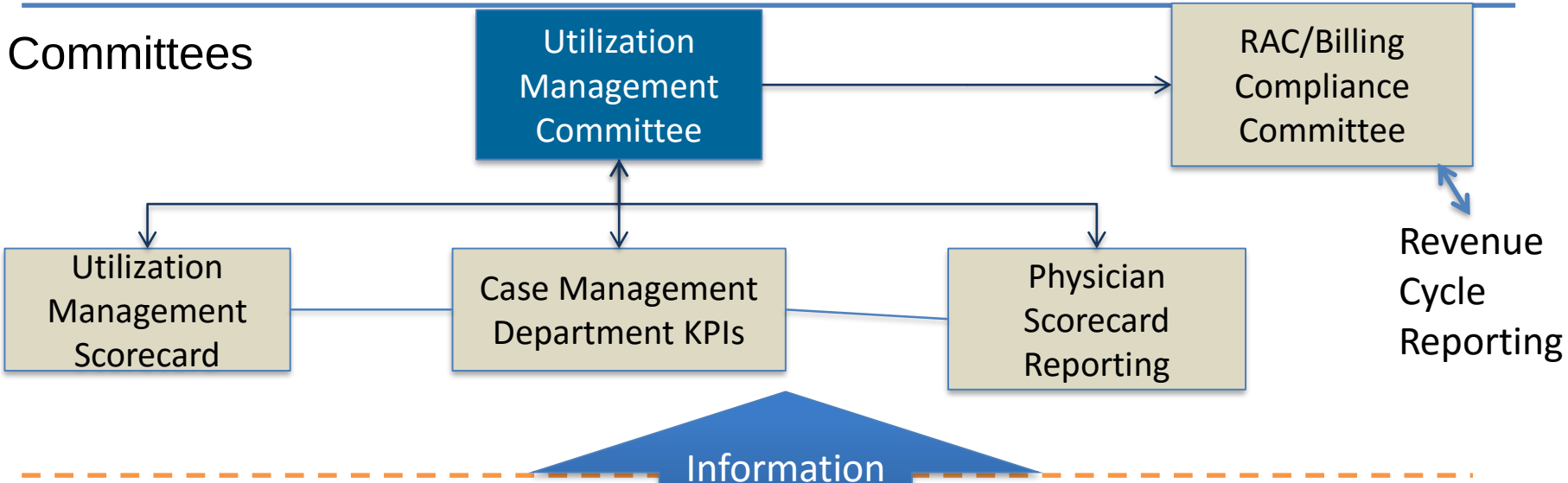
Quality Department and Reporting Support *Structure, Process, and People*



Formal reporting structure

Lines of team collaboration, e.g. information sharing, cross-functional teams, etc.

Physician Utilization Management Committee



- ✓ Inter-disciplinary Chart Reviews
  - Open
  - Closed
  - Special Studies

- ✓Standard Chart Reviews
- ✓Peer Chart Reviews

- ✓Scorecards
- ✓Analytics

Show Your Worth with C-Suite Speak Excerpt from Physician Advisor Proforma with ROI

Physician Advisor (PA) Return Analysis	
Elizabeth Lamkin, MHA	
Disclaimer: This document is meant as an example only. The dollar amounts and percent growth are	
Each facility should utilize their actual financials and confirm that calculations are accurate through	
Use the simplified analysis below to compare the savings and costs of an effective PA program	
Instructions: Yellow cells are currently placeholders, update the yellow cells based upon:	
- Actual expected costs for the PA program	
- Actual expected savings related to the program	
- Expected year over year (YOY) growth in SWB, expenses and volume and expected cost of capital	
Update Tool Quarterly to Measurement and Report Results	
COSTS	
Salary, Wages and Benefits (SWB)	
Base Physician Advisor Salary (estimate: $180,000 to $300,000 from ACPA 2015 salary survey (1))	YOY SWB Growth
Benefits pct of salary (Health insurance, vacation, sick leave, retirement, taxes, etc.)	
Number of PA FTEs (1.0 FTE per 150-200 adult acute beds depending on factors such as ED volume. Smaller under 150 beds should consider a full time PA to lead utilization and related functions (2))	
Total PA SWB	
Support Staff Cost	YOY SWB Growth
Total SWB	
Other Costs	
Education, travel, professional development etc.	YOY Expense Growth
Office costs (office space, supplies, phone, IT, etc.)	YOY Expense Growth
Other Costs - *describe here*	
Total Cost	

Template available at www.pacehcc.com or by emailing info@pacehcc.com

Show Your Worth with C-Suite Speak Excerpt from Physician Advisor Proforma with ROI

SAVINGS: OFFSET TO COST / MARGIN IMPROVEMENT	
NOTE: Be careful not to double count savings regarding dollars at risk vs. dollars in appeal	
Reduce dollars at risk in denials by 50% - Government Payors (minus dollars in appeal)	YOY Volume Growth
Reduce dollars at risk in denials by 50% - Commercial Payors (minus dollars in appeal)	YOY Volume Growth
Reduce number of lost appeals * avg. loss per case by 50% - Government Payors	YOY Volume Growth
Reduce number of lost appeals * avg. loss per case by 50% - Commercial Payors	YOY Volume Growth
Reduce LOS Excess Days (cost per excess day)	YOY Volume Growth
Maintain positive margin for OBS patients (reimbursement-cost per OBS patient)	YOY Volume Growth
Reduce LOS in hours OBS (set facility goal)	YOY Volume Growth
Clinical Documentation Improvement (CMI accuracy, improved response to queries)	YOY Volume Growth
Conversion of Observation to Inpatient	YOY Volume Growth
PA Oversight of UMC - Reduce over/inappropriate Utilization (Physicians, Ancillary, P&T, etc.); measured through facility scorecard	YOY Volume Growth
Improve ED LOS/throughput by some number of hours (determine based on facility average)	YOY Volume Growth
Reduce labor cost in denial management and appeals by 20% and measure quarterly to increase goal	YOY Volume Growth
Reduce Non-billed or lower level of care/site of service billed due to self-determined inappropriate admission 50%	YOY Volume Growth
Improve payer contracting and adherence to contract (enforce carve outs, reduce appeals, improve contract language)10% reimbursement improvement	YOY Volume Growth
Reduction in readmission penalties (Facility specific calculation)	YOY Volume Growth
Reduce dollars spent on attorneys, advisors, consultants, and other for activities now provided by PA (ALJ, OIG, Appeals)	YOY Volume Growth
Other Savings - *describe here*	YOY Volume Growth
Total Savings	
NET: SAVINGS - COST	
Cost of Capital (3)	**9.0%**
Net Present Value (4)	**$1,602,584**

Values are for illustrative purposes only

Template available at www.pacehcc.com or by emailing info@pacehcc.com

The Power of the Committee

Pearson's Law: "That which is measured improves. That which is measured and reported improves exponentially." - Karl Pearson

Conclusion

- PA Clinical and Physician Expertise is a Given
- Management Skills Are Now Expected
- A coordinated effort between physicians and hospitals is needed to understand each other
- This is best nurtured by creating formal systems for goal setting, communication and information sharing
- Physician Advisors will have to hold people accountable from both sides of the organization
- Physician Advisors must manage hospital resources and systems to accomplish their jobs

The Super PA

THANK YOU!

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ADDENDUM TOOLS

For Herding Groups

Use Agendas to Provide Structure and a System of Accountability for Outcomes

RAC Committee Meeting Agenda

Date: _____ Time/Location: _____

Facilitator: Care Management Director Record Keeper: Administrative Assistant

Majority of Work is Completed Outside of Committee / Purpose: Committee has Oversight and Accountability of Structure, Process and People Related to RAC and Billing Compliance

#	Topic/Action Items	Time Limit (minutes)	Tab	Responsible
1	Call to Order	1		Chair
2	Approve Minutes (distributed via email prior to meeting)	5	A	All
3	Standing Reports 1) Update on RAC/OIG websites/Issues 2) Results of Risk Assessment 3) Actual Recoupment for Quarter 4) Other External Billing Audits in Process 5) Education: a) Staff b) Physicians 6) Chart Review (Variances/Trends) 7) Revenue Cycle (Denials/Bill Holds) Trends	10	B	As assigned
4	Care Management/Physician Advisor Report (Variances) 1) Concurrent Chart Review Findings a) Medical Necessity b) Continued Stay c) Other 2) Physician Issues (Trending Report/No Names) 3) Discharge Appropriateness 4) Code 44 Usage 5) Other issues	10	C	Chair and PA

Use Agendas (cont.)

#	Topic/Action Items	Time Limit (minutes)	Tab	Responsible
6	RAC Correspondence 1) Pre-payment Audits 2) Post Payment Review Results Letters a) Automated Reviews b) Complex Reviews c) Extrapolation 3) Demand Letters 4) Overpayment Amount 5) Reserve Set Up 6) Notification to Compliance/C-Suite	10	E	Revenue Cycle RAC Coordinator
7	Appeals 1) Number of Claims that Meet Criteria for Appeal 2) Number of Actual Appeals 3) Percent Logged into Internal Appeal Tracking Database 4) Report on Active Appeals 5) Report on Appeal Status in Regional RAC Tracking 6) Appeals Requiring CEO Approval for Continuance (Cost/Benefit Analysis)	5	F	Care Management RAC Coordinator
8	New or Old Business	5		All
9	Set time for next meeting	5		Chair
10	Adjourn	1		Chair

Utilization Management Committee (UMC)

Example Utilization Management Committee Meeting Agenda

Date: _____ Time/Location: _____

Chair: Physician

Facilitator: Care Management Director Record Keeper: Administrative Assistant

Majority of Work is Completed Outside of Committee / Purpose: Committee has Oversight and Accountability of Structure, Process and People Related to RAC and Billing Compliance

#	Topic	Time Limit (minutes)	Tab	Responsible
1	Call to Order	1		Chair
2	Approve Minutes (distributed via email prior to meeting)	5	A	All
3	Standard Reports/Scorecard: Admissions/Length of Stay/CMI Top Ten DRG's Focus DRG's Readmissions Avoidable Days Denials One Day Stays Compliance with Two-Midnight Rule Observation Bed Status and Hours Transfer Data for inpatient patient and ED Operative and Invasive Procedure Review PEPPER Report Summary	20	B	All as assigned

UM Agenda (cont.)

#	Topic	Time Limit (minutes)	Tab	Responsible
4	Clinical Protocols Policy Reviews UR PI initiatives RAC Activity and Updates Tracking and Trending of Physician UM Performance issues Referrals to Peer Review	10	E	All
5	Customize to Facility Needs	5	F	All
6	New or Old Business	5		All
7	Set time for next meeting	1		Chair
8	Adjourn	1		Chair

Section of UM Scorecard

Observation Status		
Observation ALOS in hours		
Unit Occupancy Rate		
Percent Discharged Home		
Observation OP Days		
Observation OP Cases		
Observation Cases Converted to IP		
Observation IP conversion %		
Observation Days % of Total Patient Days		
Observation OP Cases % of Admissions		
Discharge Times		
Average DC Time of Day for Medicine		
Average DC Time of Day for Surgery		
DC after 11am %, Medicare		
DC after 11am %, Surgery		
Readmissions within 30 Days		
Total Readmissions (30 days, % of DC)		

For full sample scorecard go to www.pacehcc.com or email us at info@pacehcc.com

Physician Scorecard Reporting

	Physician Record Key Performance Indicators (All Payor Except Where Indicated)	PHYSICIAN A	ALL OTHER PHYSICIANS	TOTAL CASES HOSPITAL	DEPT OF MEDICINE
RAC READINESS & INPATIENT UTILIZATION REVIEW	# Patient Accounts	419	14,102	14,521	4,364
	Patient Days	1,576	58,283	59,859	18,782
	Case Mix Index	1.0988	1.2908	1.2853	1.1993
	Average Age	77.3	59.3	59.8	78.6
	Denied Days	79	1,515	1,676	526
	% Denied Days	5.0%	2.6%	2.8%	2.8%
	# Deaths	5.5488	205.3056	210.8544	100
	%Mortality	1.3%	1.5%	1.5%	2.3%
	ALOS	5.3	5.9	5.8	6.1
	'GMLOS	3.9	3.7	3.7	4.0
	Pot Excess Days	328	11,633	11,961	4,765
	% Medicare Cases w/ALOS >GMLOS	41%	38%	38%	43%
	'Pot Avoid $ (@$600d cost)	$196,998	$6,979,851	$7,176,848	2,859,058
	# One (1) Day Inpt Stay	57	2,800	2,857	690
	% One (1) Day Inpt Stay	14%	20%	20%	16%
	# Three (3) Day SNF DC (excludes pts from SNF)	7	183	190	84
	% Three (3) Day SNF of all SNF Dispositions	9.5%	11.3%	11.2%	8.7%
	Total Charges	$10,942,721	$398,169,496	$409,112,217	127,182,738
	'Payor Actual PMT Net Rev	$2,512,886	$122,168,902	$124,681,788	32,964,979
	'PMT-DIR COST (CM)	$447,392	$27,181,592	$27,628,984	7,706,187
	# Cases w/Charges >$50K	31	1,628	1,658	492
	% Cases w/Charges >$50K	7.3%	11.5%	11.4%	11.3%

Metrics related to the Two Midnight Rule can be added to the above table

Administrative "Charting" Minutes

Organization Name

Meeting Name: [Insert Meeting Name]
Date: **[Date]**
Time/Location: **[Time/Location]**
Facilitator: **[Insert Name]**
Recorder/Timekeeper: **[Insert Name]**

Purpose/Name:

Insert names of all committee members. Use an "x" for attendees and leave the box blank for members not at the meeting

Mark X	Possible Attendees	Mark X	Possible Attendees	Mark x	Possible Attendees
	Guest: _____		Guest: _____		Guest: _____

Topic	Discussion	Conclusions/ Recommendations	Responsible	Date
Approval of Minutes				