

BEST PRACTICES FOR EVALUATING CLINICAL STRATEGY

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Healthcare providers must transform the way they approach healthcare delivery – then measure, innovate, refine and measure again to ensure they're having a maximum impact on the populations and key stakeholders served.

The healthcare industry is undergoing a complete paradigm shift. New reimbursement models, technological advancements, an aging population and changes mandated under healthcare reform have all combined to reshape the industry, placing tremendous pressure on healthcare organizations to adapt, cut costs and elevate the quality of care. As healthcare providers work to shift their focus from volume to value, the status quo is not sufficient.

To succeed in this new environment, healthcare organizations must develop strategies that will enable them to transform the way care is delivered. They must integrate their clinical services, information technology platforms and financial systems to ensure they are continually providing the right care, for the right amount of time, at the right place and for the right cost.

From a clinical perspective, the American Hospital Association describes integration as the means to facilitate the coordination of patient care across conditions, providers, settings and time to achieve care that is safe, timely, effective, efficient, equitable and patient-focused. This type of clinical integration is seen as essential to achieving the triple aim of producing better care for individuals, better health for populations and lower per capita healthcare costs. However, truly successful integration

and coordination of clinical care is an extraordinarily complex logistical challenge that rivals the engineering achievements that helped build the space shuttle, Air Force One and the Stealth Bomber. I understand the parallels first hand; before I became a physician, I helped run High Voltage Engineering and was a supplier to all three complex systems.

Capabilities Assessment

As I reflect on both my engineering and clinical experience, I believe that to move toward more fully integrated models of care, hospitals and health systems must first understand where they are on the continuum of integration. To do so, healthcare organizations should start by assessing the community's healthcare needs within the context of their hospital or health system's responsibility to serve them. This analysis should be three-pronged, including:

- Community outreach to truly understand the current and future needs of the populations served
- An evaluation of the coordination of care across settings (providers, payers and patients) to determine where elements of the healthcare system are still operating in isolation and identify opportunities for better coordination across silos
- An assessment of the current points for patient access to ensure the necessary ambulatory, primary care, and home health and chronic disease management services are established to promote healthy behavior and reduce hospitalizations and emergency room visits for non-emergent and acute services.



About the Author

Dr. David Friend serves as Managing Director and Chief Transformation Officer of the BDO Center for Healthcare Excellence & Innovation. He has more than 30 years of experience and expertise in finance and healthcare as a C-suite level executive and board member across a variety of healthcare organizations including multi-billion dollar skilled nursing companies, hospital systems, academic medical centers, rehabilitation facilities, hospice, pharmacy, analytics and benefits enterprises. Prior to joining BDO, Dr. Friend served as the Chief Medical and Operating Officer at Golden Living, a multi-billion-dollar privately held skilled nursing facility operator. At Golden Living, Dr. Friend utilized his financial and clinical skills to work with legal counsel to advocate for Golden Living's "ability to pay" while at the same time ensuring the patient care was not compromised by the settlement. This approach led to very constructive agreements for all sides.

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A Look At Delivery Models

After the initial assessment of current capabilities is completed, healthcare leaders should next establish the long-term goals of their hospital or health system, given the community's needs and within the context of healthcare reform. This goal-setting process requires healthcare leaders to first evaluate their organization's current care delivery models, looking specifically at their sustainability within the context of healthcare reform. Then, healthcare leaders must identify required future-state delivery models, considering the hospital or health system's desired:

- Financial position
- Market position
- Drivers of innovation
- Culture and workforce characteristics, including incentives
- Payment and reimbursement models, and
- Networks, partnerships and collaborations across the healthcare system

Gap Analysis

With the analysis of both current and future state completed, healthcare leaders should proceed to determining gaps that must be filled to achieve their desired future-state delivery models. This gap analysis process will inform the critical next step: creating a roadmap to guide implementation and transformation toward future-state delivery models, starting at the desired future state and working backwards.

This roadmap should not only address clinical integration within the hospital, but also areas including:

- Cost structure, which must be fully aligned with the long-term vision and future strategy of the hospital or health system
- Information technology infrastructure, which is critical to delivering fully coordinated, quality care, given the information sharing and data analytics new technology platforms enable
- Physician engagement, which is crucial as the core of this transformation must be clinical and therefore physician-led

- Clinical guidelines to help caregivers assess their effectiveness in delivering appropriate, quality care
- Performance and quality metrics that are standardized across providers to ensure alignment with long-term objectives
- Legal and regulatory considerations, which must be addressed when moving toward more fully integrated care models. These include antitrust and anti-kickback laws and IRS provisions regarding tax-exempt organizations, among others.
- The full continuum of care, which must be coordinated between inpatient, ambulatory and post-acute providers

While the transformation of clinical strategy and care models is among the most urgent needs facing healthcare providers today, it is critical that, during the implementation process, healthcare organizations continue to also focus on their day-to-day operations. This will ensure they do not lose any gains that have been made in terms of the transition period, cost structure alignment and performance improvement. Often this can be accomplished by having dedicated resources to help drive the required changes, while other resources focus solely on day-to-day operations.

A significant gap exists between the quality of care the U.S. healthcare system is capable of achieving and the quality of care it delivers. To bridge this gap, healthcare providers must continue to transform the way they approach healthcare delivery – then measure, innovate, refine and measure again to ensure they're having a maximum impact on the populations and key stakeholders served. While this is an extraordinarily difficult challenge, it has been surmounted before in other industries. Healthcare systems should seek to learn from other industries with prior experience, adapt that knowledge to today's challenges, harness new technology and create world-class integrated care for all of us.

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