



**Leveraging Key Metrics for Operational
Excellence** in Your Employed Provider Network



They saw "something"
on her mammogram.



AGENDA SLIDE

01

Understanding Network Growth Phases™

Explore the different points of evolution for employed provider networks and at a high-level, understand the strategies to move to a High-Performing Network.

02

Overcoming Operational Chaos

Understand the definition of Operational Chaos and discuss the steps to move toward a High-Performing Network utilizing recommended KPIs.

03

Strategies for Efficient Operations

Create efficient practice operations by leveraging data, understanding process improvement, and capitalizing on your clinical leadership.

04

Maximizing Success through Data *(Client Examples)*

Walk through recommended KPIs compared to benchmarks to understand how to utilize these metrics to maximize your success and move toward a High-Performing Network.

05

Open Discussion

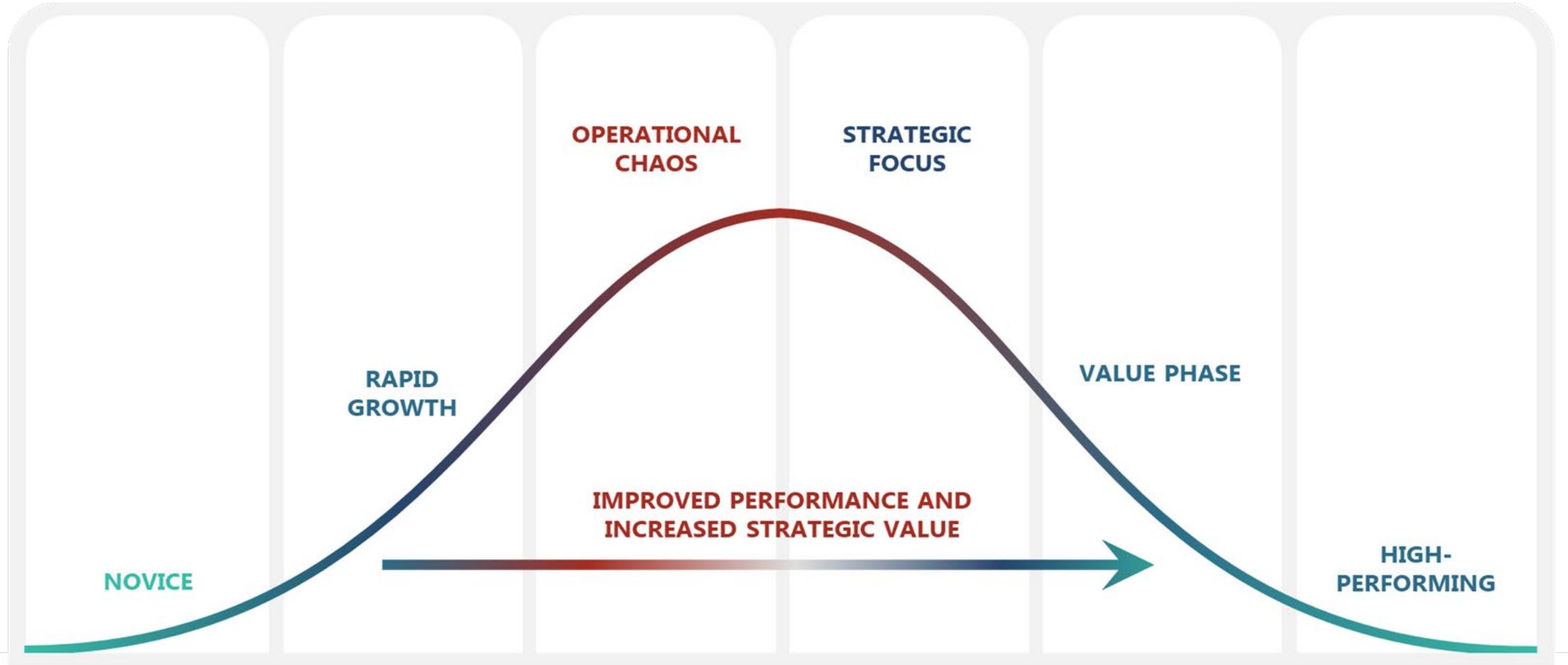
Discuss challenges your organizations may be facing and explore how other participants have effectively addressed similar issues within their own organizations.



Understanding Network Growth Phases™

HSG Philosophy for Health System Employed Provider Networks

HSG Provider Network Growth Phases™





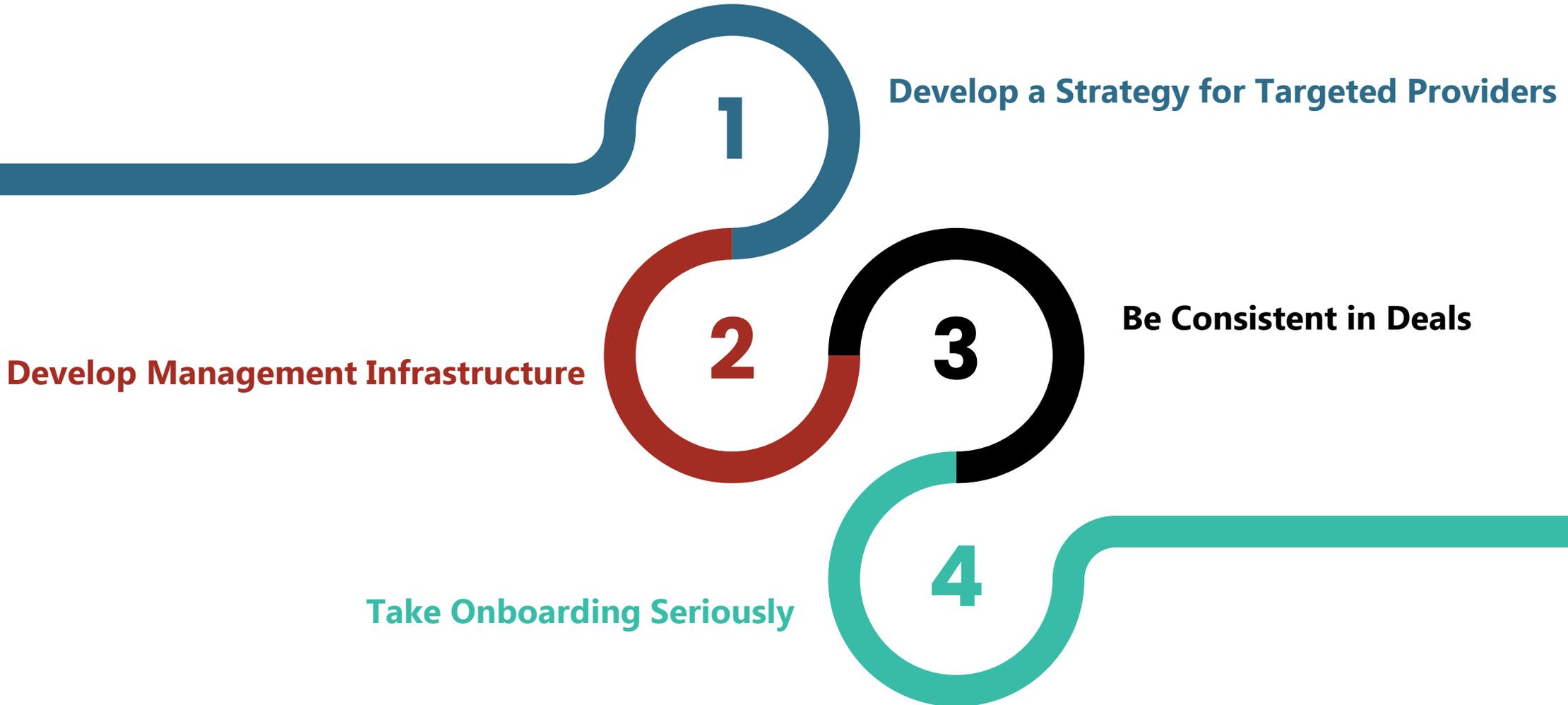
“Growth is painful. Change is painful. But, nothing is as painful as staying stuck where you do not belong.”

N. R. Narayana Murthy

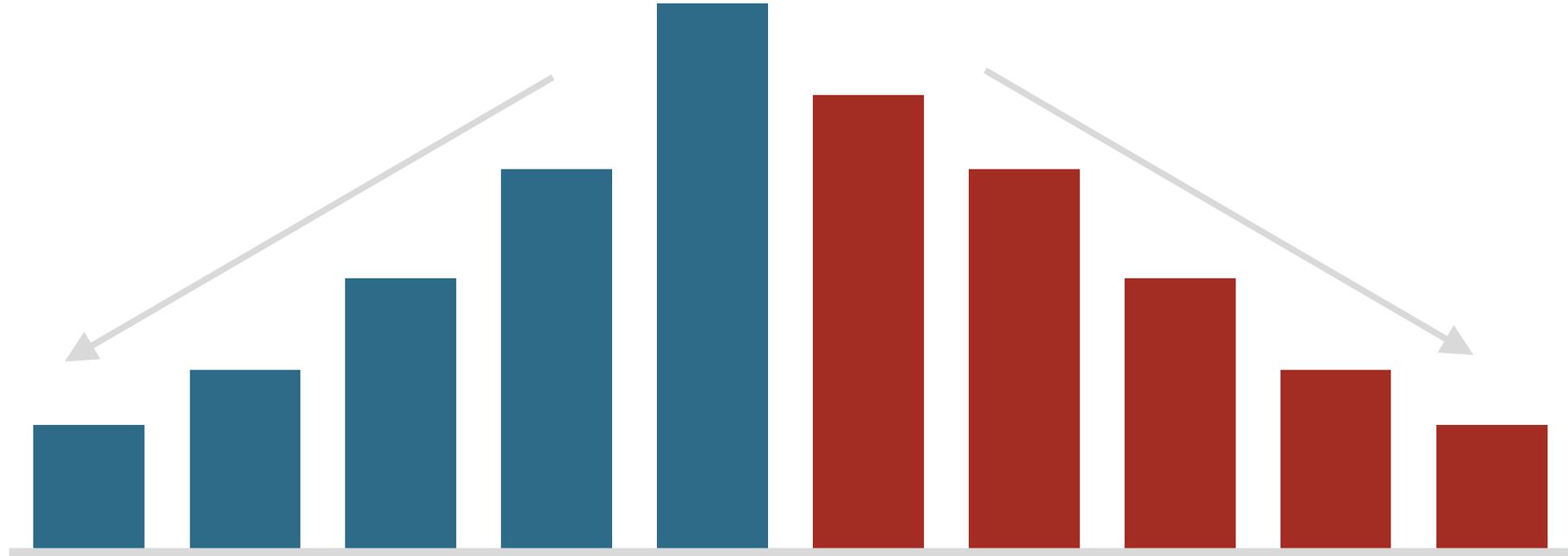
| Rapid Growth **Reasons for the Shift**



| Rapid Growth **Success in Action**



| Rapid Growth **Financial Sustainability Questions**



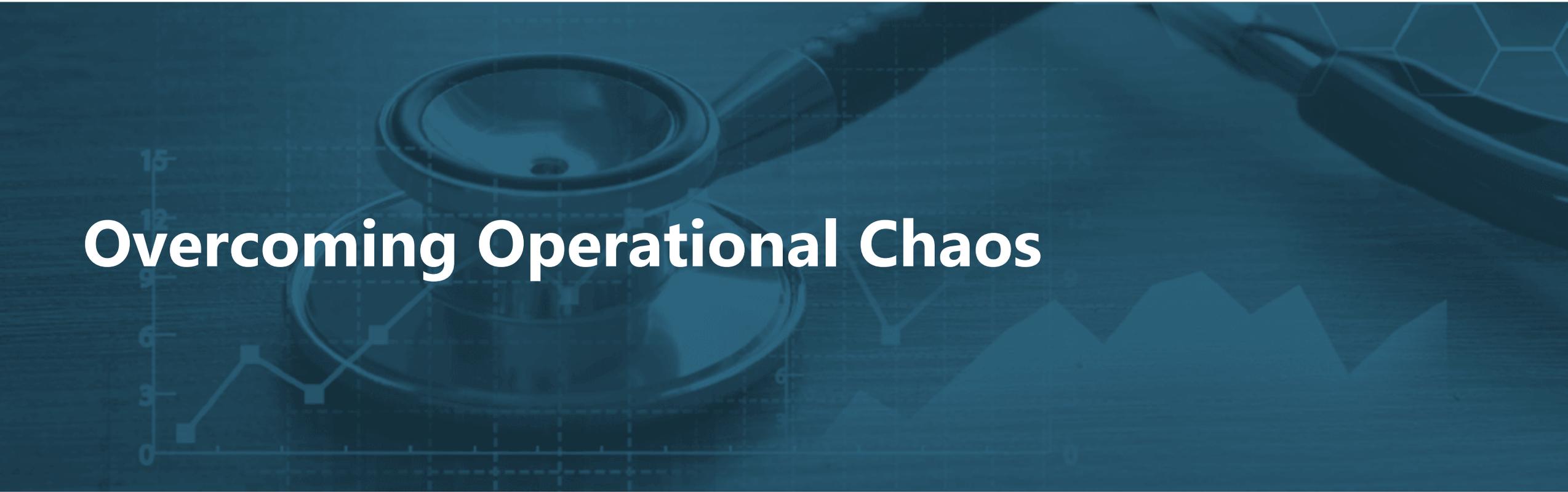
Beginning of Rapid Growth

“What will happen to our bottom line if we lose or don’t employ these providers?”



End of Rapid Growth

“Why are we losing so much money on our employed network?”



Overcoming Operational Chaos



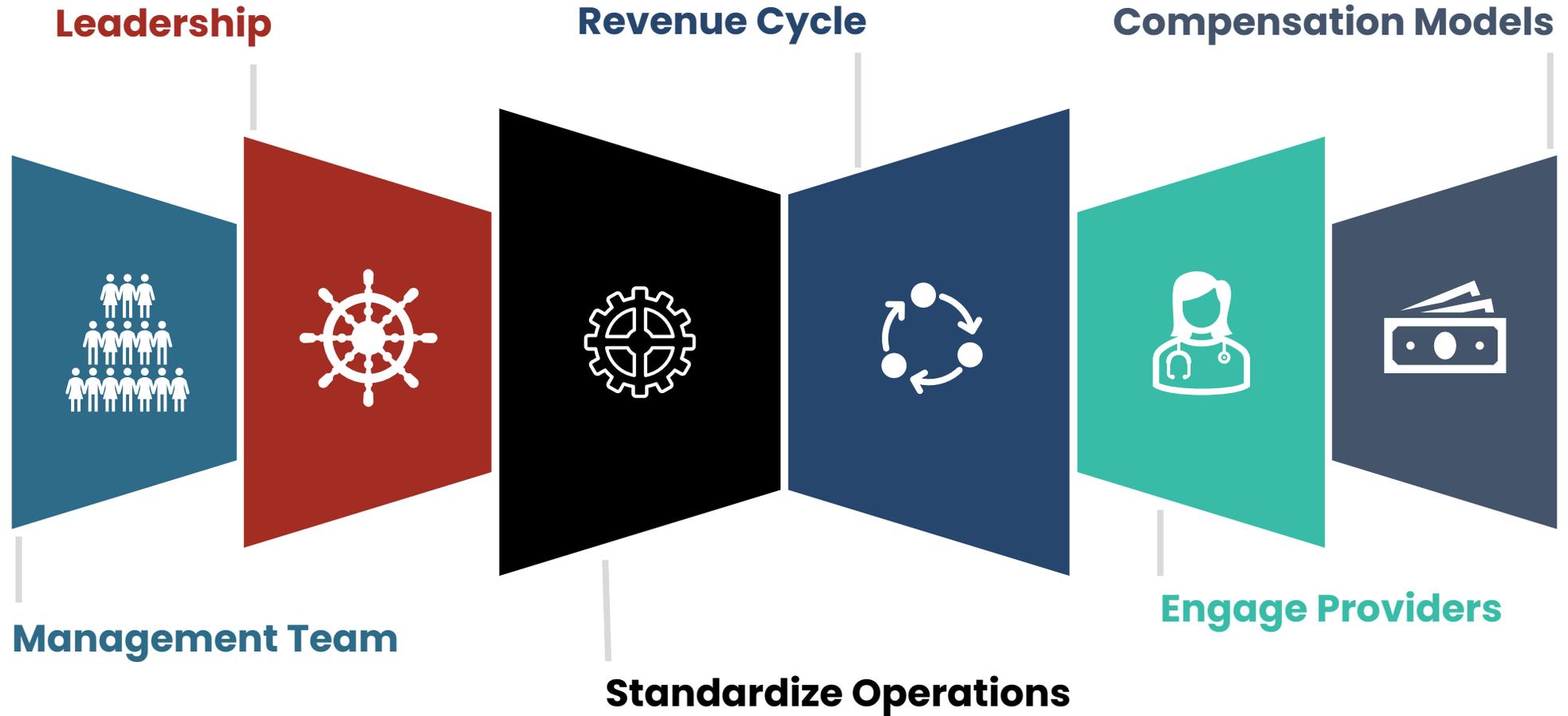
“Anything you build on a large scale or with intense passion, invites chaos.”

Francis Ford Coppola

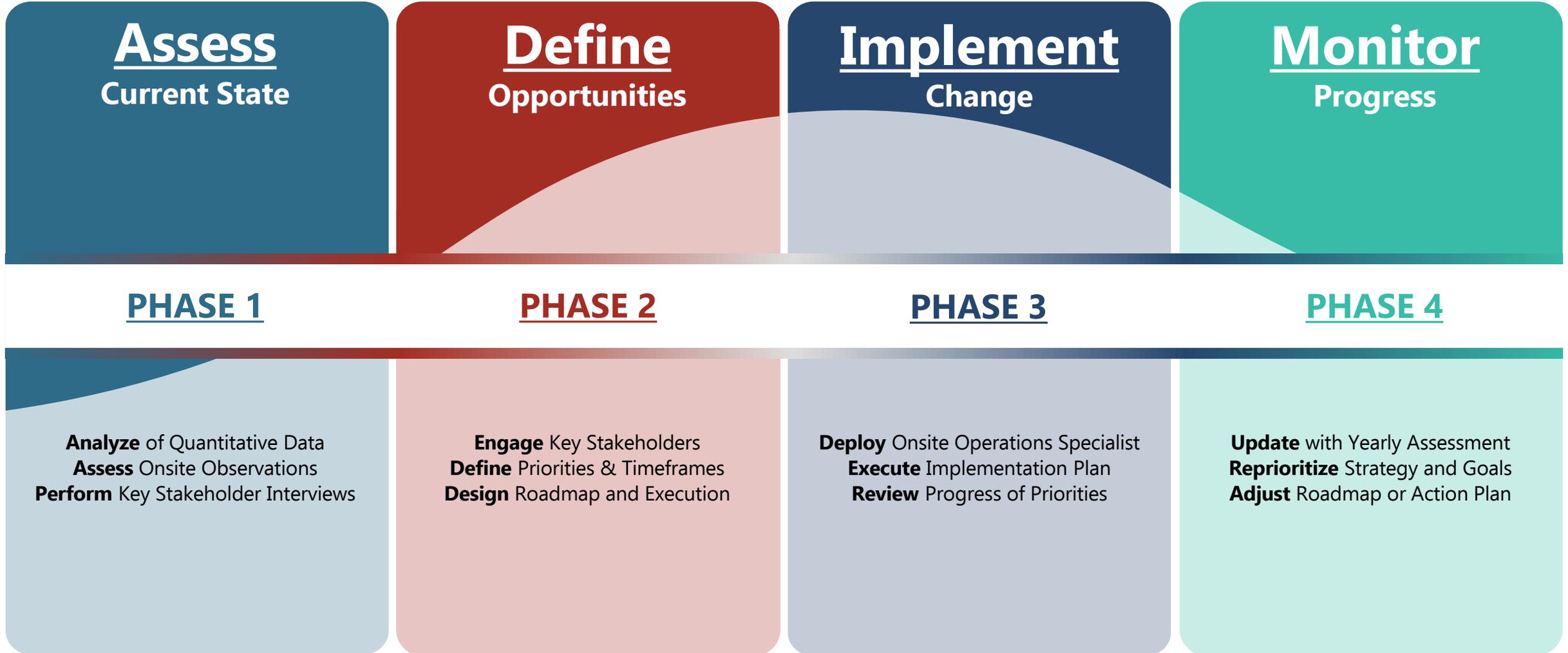
| Operational Chaos **Network Experiences**



| Strategies for Efficient Operations



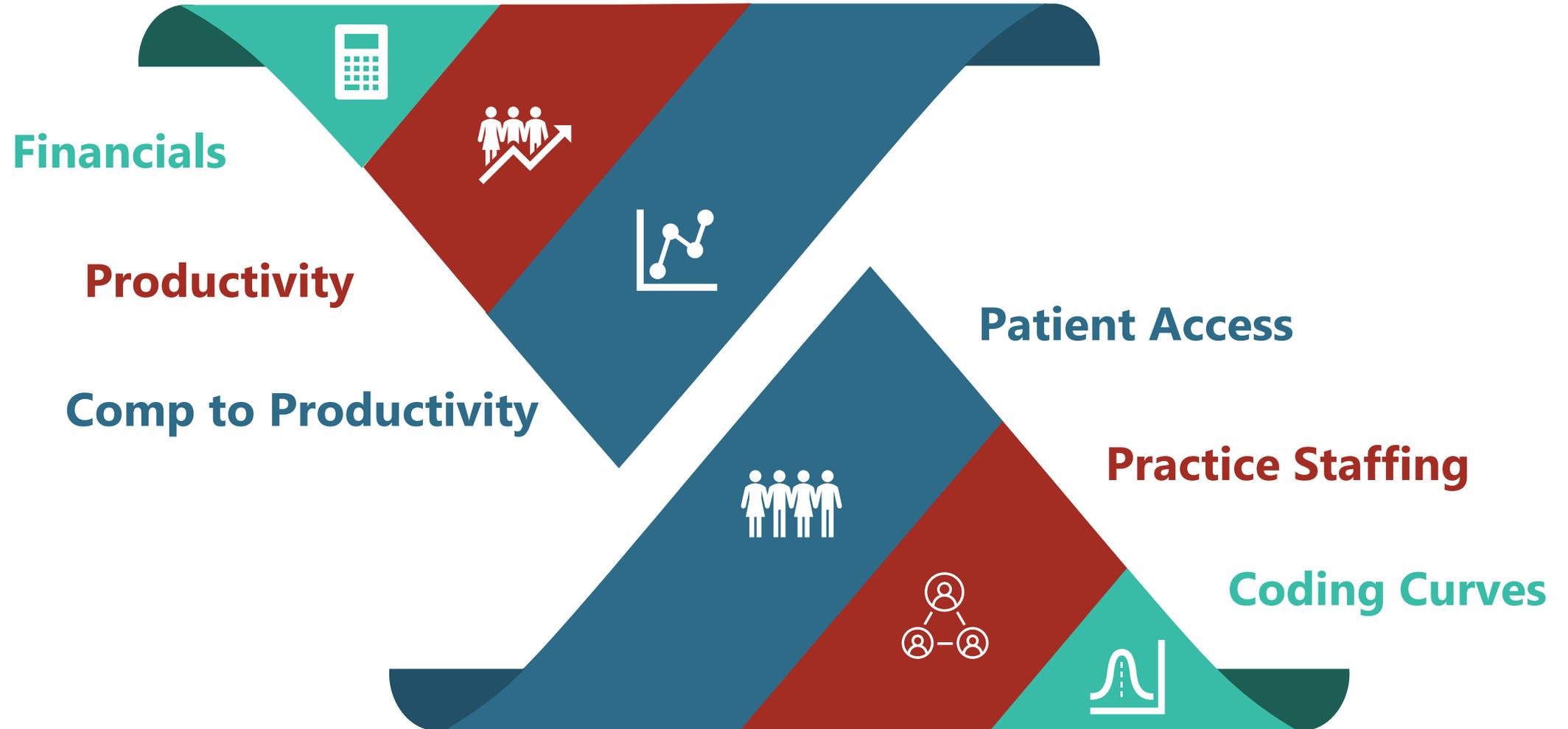
Build a Roadmap to High-Performance





Maximizing Success through Data Driven Metrics *(Client Examples)*

| Operational Chaos **Key Metrics to Consider**



Network Financials

Period Label
2023

Practice Name
All

Financial Totals Compared to Benchmarks

MGMA Benchmark	Per Provider		Per wRVU	
	Client Total	MGMA Benchmark (..	Client Total	MGMA Benchmark (..
Total medical revenue	\$12,756,869	\$15,107,862	\$12,756,869	\$16,045,649
Total cost	\$17,865,979	\$21,472,880	\$17,865,979	\$22,482,136
Net income/loss	(\$3,623,437)	(\$6,839,900)	(\$3,623,437)	(\$6,547,999)

Key Definitions:

Total Medical Revenue: From Income Statement as the net medical revenue

Total Cost: From the Income Statement as the total operating expenses

Net Income/Loss: Operating Income (loss) from the Income Statement

Per Physician Benchmark: Includes physicians only

Per Provider Benchmark: Includes physicians and APPs

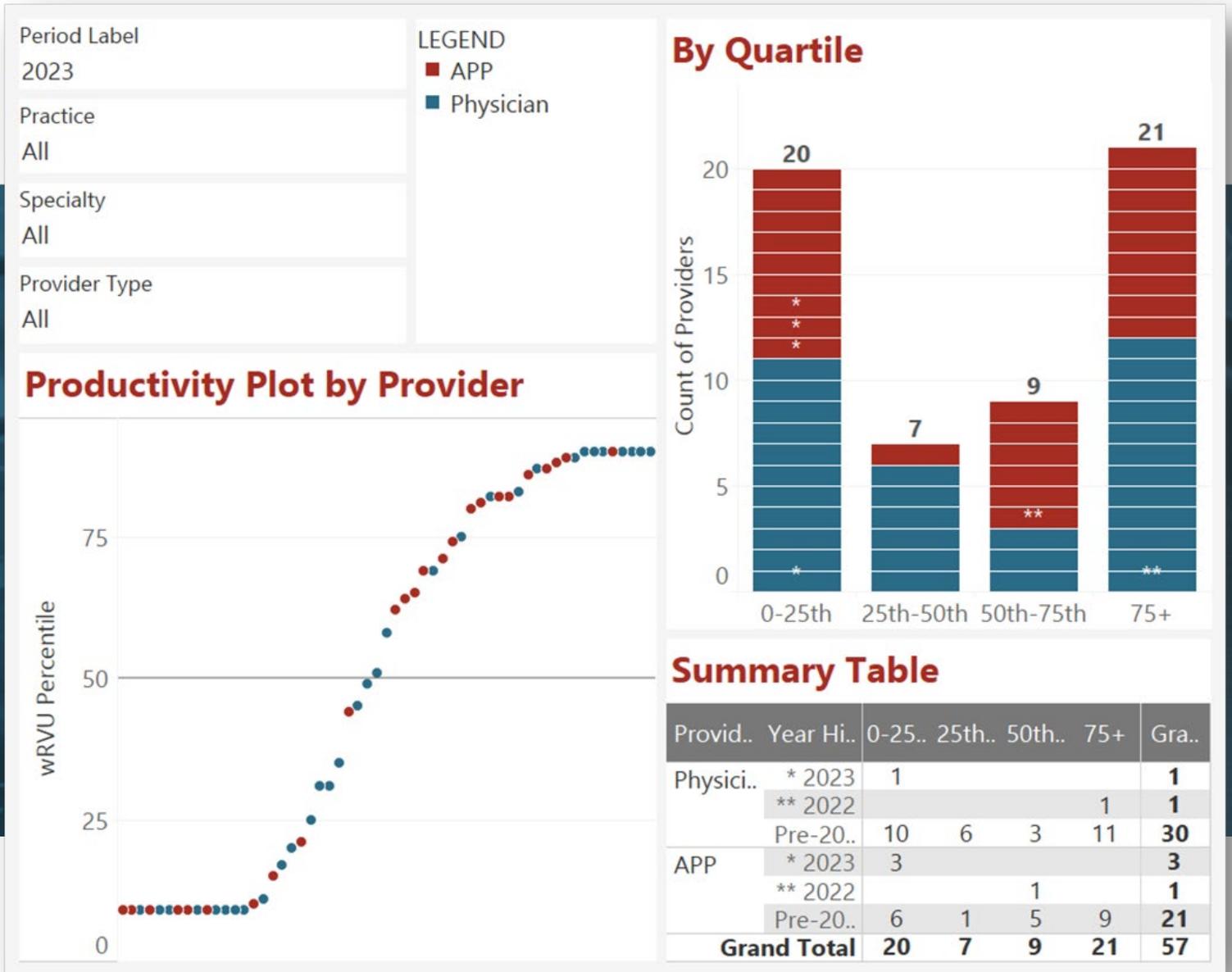
Per wRVU Benchmark: Is based on 10,000 wRVUs

MGMA Definitions:

Medical Revenue: "Total net fee-for-service collections/revenue," "Net capitation revenue," and "Net other medical revenue."

Net Income Loss: "Total medical revenue" minus "Operating cost" minus "Provider cost" plus "Net nonmedical income or loss" for all practices."

Provider Productivity



Productivity Opportunity

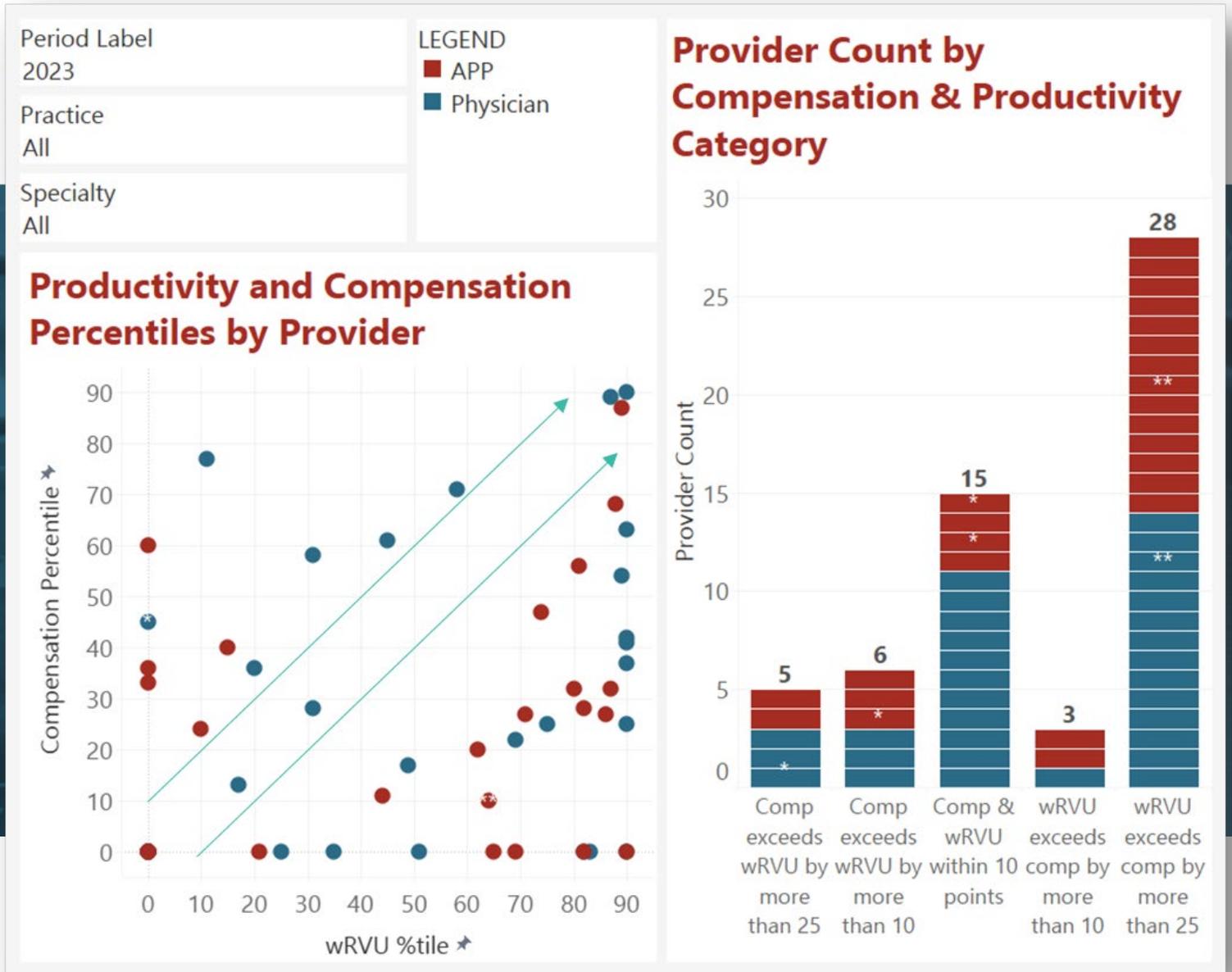
Grouped by Specialty
All

Tenure Label
Pre-2020

Productivity Opportunity Below Median

Grouped by Specialty	Provider Type	Clinical FTE	Benched wRVUs	Median wRVUs	Financial Opportunity
Endocrinology/Metabolism	Physician	1.0	4,691	5,116	\$31,025
Family Medicine	APP	1.7	6,320	3,521	\$52,733
	Physician	3.8	16,256	5,187	\$327,940
Internal Medicine	Physician	2.0	8,328	4,921	\$110,522
OBGYN	APP	1.0	1,511	2,712	\$87,692
Ortho	APP	1.0	884	1,546	\$48,326
	Physician	1.0	8,126	8,776	\$47,450
Pain Management: Nonanesthesia	Physician	1.0	6,008	6,983	\$71,175
Podiatry: Surgery-Foot and Ankle	Physician	1.0	6,190	6,274	\$6,132
Surgery	APP	4.0	2,075	878	\$104,906
	Physician	3.0	14,401	6,726	\$421,721
Grand Total		20.5	74,789	52,640	\$1,309,622

Comp to Productivity Alignment



Patient Access

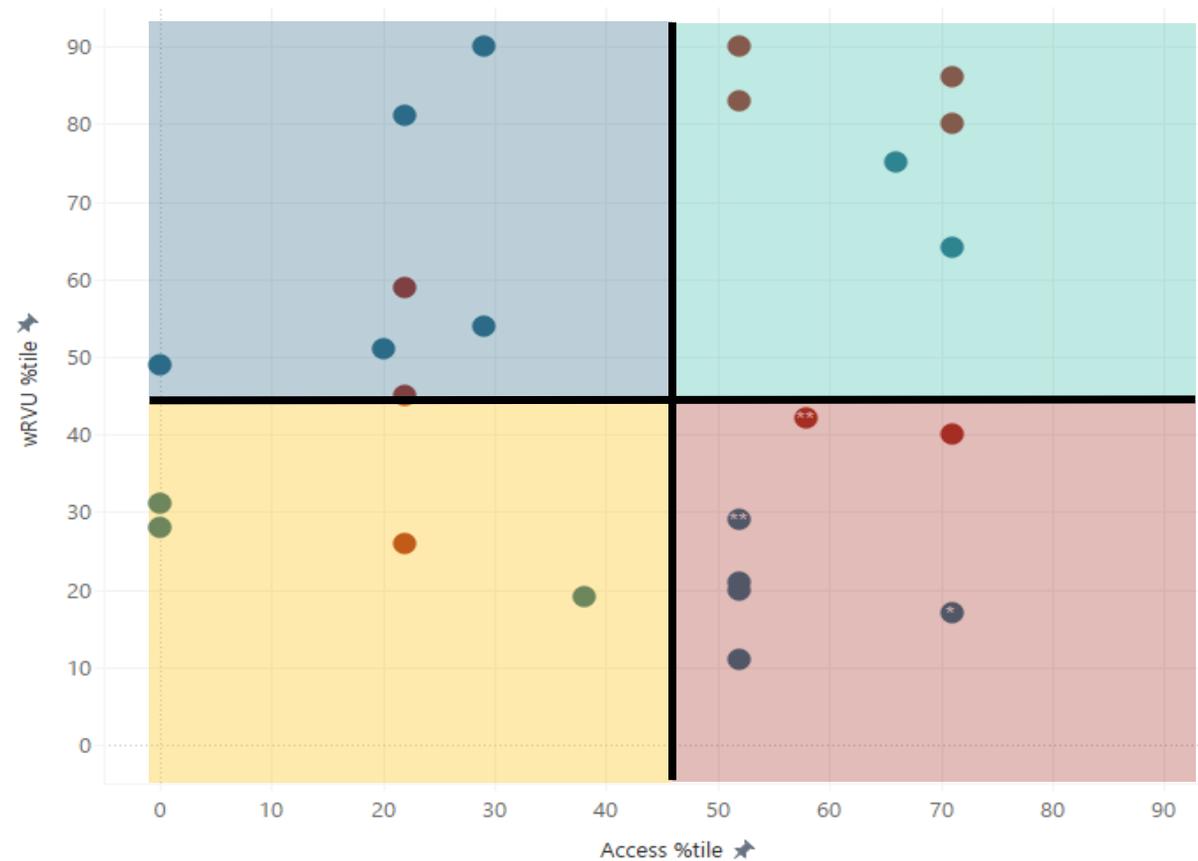
Period Label (wRVUs)
2023

Practice
All

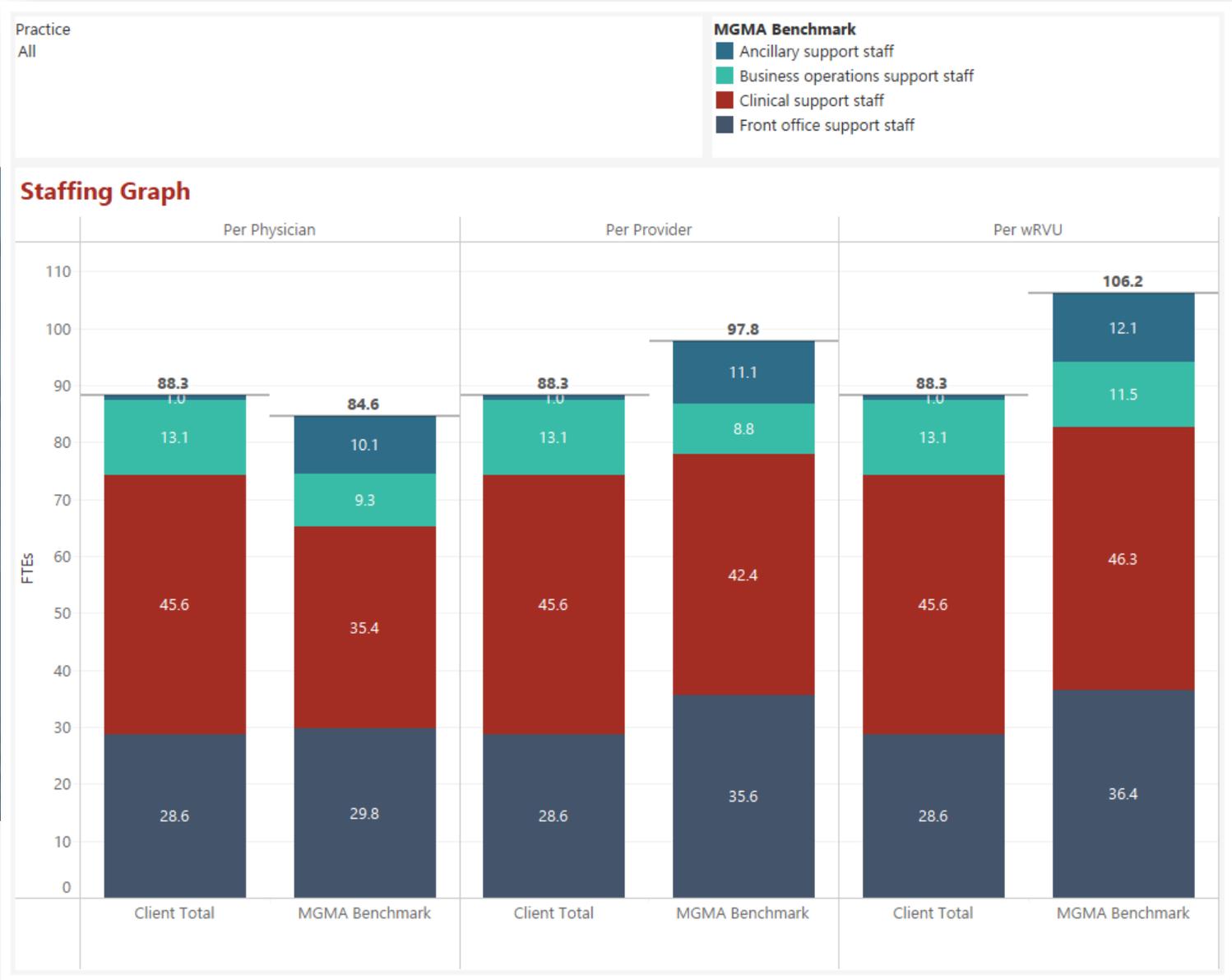
Grouped by Specialty
All

LEGEND
■ APP
■ Physician

Access Scatter



Practice Staffing



Coding and Documentation

MGMA Specialty
All

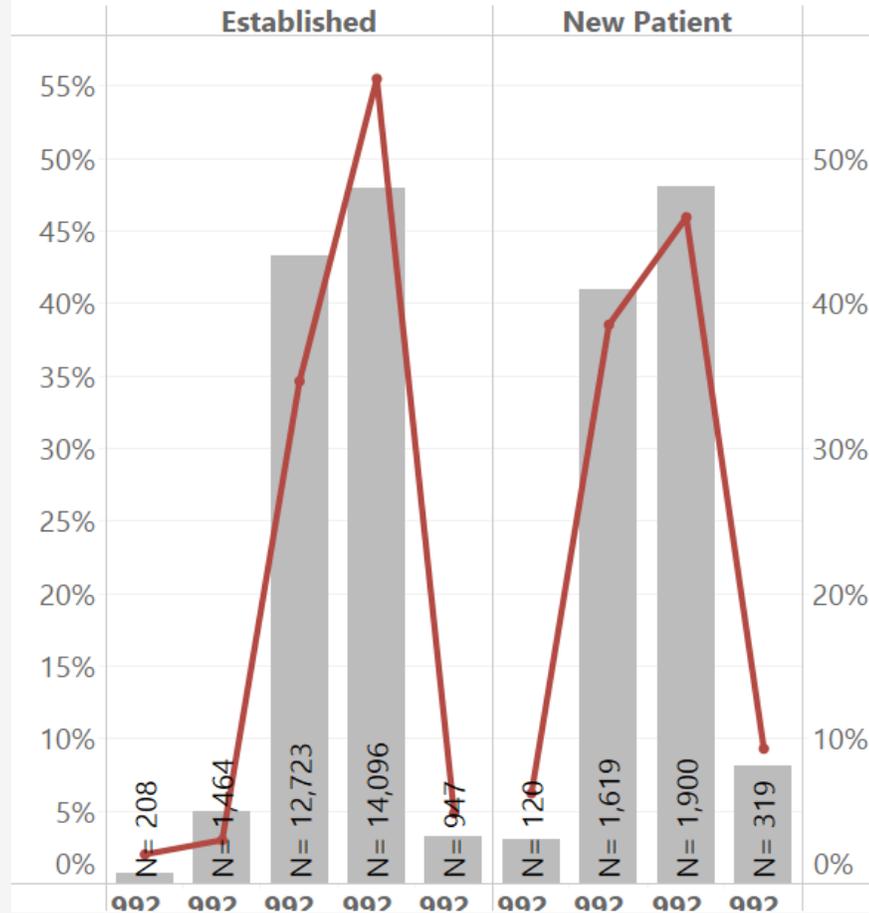
Measure Names

- Actual Units
- Expected Units at Benchmark

Dollar Impact (1)

(\$23,374.27) ■ ■ \$23,374.27

Coding Curve



Financial Opportunity

SPECIALTY	
CARDIOLOGY	\$1,510.25
INTERNAL MEDICINE	(\$2,636.54)
NEPHROLOGY	(\$1,900.50)
NEUROLOGY	\$5,098.36
ORTHOPEDIC SURGERY	(\$1,809.73)
OTOLARYNGOLOGY	\$4,733.28
PAIN MANAGEMENT	(\$13,374.80)
SPORTS MEDICINE	\$10,045.65
UROLOGY	(\$10,824.77)
Grand Total	(\$9,158.79)

NOTE: Coding curve is based on CMS data from 2021. Amounts denoted as negative numbers (#.##) suggest the coding levels are greater than the CMS coding curve. Amounts denoted as positive number (#.##) suggest levels are lower than the CMS coding curve.

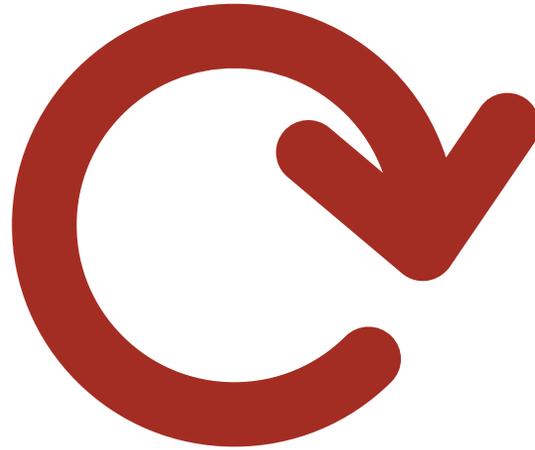
***Financial Opportunity** is calculated by multiplying Incremental wRVU by the average dollar per wRVU at the blended benchmark rate of **\$65.52**.

| Coming Around **Full Circle**



● **Chaos**

Are you in Operational Chaos? Understand where you are on the growth curve and put strategies in place to move toward a High-Performing Network.



● **Data**

Utilize data-driven metrics to assess your organization and where opportunities may be present to improve your financial success.



● **Operations**

Create efficient practice operations by utilizing key strategies identified through your data-driven assessment to work towards High-Performance.



● **Success**

Engage your leadership teams (Administrative and Clinical) to continue to optimize your Network as you achieve Operational Success!

The background is a dark blue overlay on a blurred image of a medical setting. A stethoscope is visible in the lower center, and an ECG line is visible in the upper right. There are also some faint diagrams and text in the background.

Open Discussion

THANK

YOU

THANK YOU!

Get in touch...



9850 Von Allmen Court
Suite 201
Louisville, KY 40241

Kari Craig, MBA
Senior Manager

E: KCraig@HSGadvisors.com

O: 502.614.4286

C: 812.593.2860

| About the presenter...



Kari Craig, MBA, Senior Manager, is a healthcare leader with over a decade of experience managing practice operations and **improving employed provider networks**. As a leader in practice operations, Kari has assisted in the **implementation of new EHRs**, developed **new service lines**, and **transformed practice operations for quality and population health initiatives**. Along the way, she has developed **compensation models** utilizing data driven metrics to analyze and align with the goals and objectives of the organization. Kari's consulting practice is focused around **improving a network's operational and financial objectives**. She leads the team at HSG in data-driven operational benchmarking assessments to outline key metrics and process improvement opportunities. Kari is also engaged in numerous system-wide initiatives, including the alignment and development of compensation models and fair market value and commercial reasonableness valuations.

Kari is a graduate of Indiana University with a Bachelor's Degree in Psychology and received a Master's Degree in Business Administration with a concentration in Healthcare Administration from Indiana Wesleyan University. She is also an active member of the American Association of Provider Compensation Professionals (AAPCP).

HSG Core Offerings

HSG Advisors (HSG) partners with health systems to transform their approach to their markets, services, and providers for improved growth and operational and financial sustainability.

Headquarters: Louisville, KY
Formed: 1999



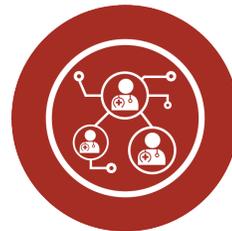
HSG CLAIMS DATA ANALYTICS

Evaluate competitive dynamics within markets, service lines, providers and patients based on all-player healthcare claims data analysis and HSG insights and expertise.



HSG STRATEGY

Define strategic goals and direction for your health systems' long-term growth plans that allows for the simultaneous pursuit of immediate market opportunities, focused on growth strategies and Medical Staff Development Planning.



HSG EMPLOYED PROVIDER NETWORKS

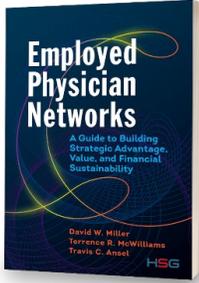
Improve your financial and quality performance and overall Operational Excellence by building a Shared Vision and developing strong organizational, leadership, and governance support structures.



HSG COMPENSATION AND COMPLIANCE

Develop sustainable provider compensation solutions to achieve market competitiveness, financial sustainability, and regulatory compliance through compensation model development and implementation.

Resources



In partnership with ACHE

[“Employed Physician Networks: A Guide to Building Strategic Advantage, Value and Financial Sustainability”](#)

Employed Physician Networks: A Guide to Building Strategic Advantage, Value, and Financial Sustainability offers a clear framework for a network’s growth—from the Novice phase through the High-Performing phase—and it highlights the key elements that contribute to a successful evolution to high performance.



In partnership with MGMA

[Transforming Your Employed Provider Network](#)

Frequently, an employed network’s vision changes whenever leadership changes, or worse, leadership changes so often that a vision is never established for the group. While some networks may see day-to-day operational success as laudable, management executives and their teams must evolve beyond solely tackling day-to-day operational decisions and develop a focused, long-term plan for building the capabilities that will generate success into the future.



HSG

[Employed Provider Network Transformation: Building a Sustainable Path to Higher Performance](#)

The employed provider network transformation process produces tangibly improved provider and staff satisfaction, enhanced financial performance, and an enriched reputation that translates to greater attraction and retention of patients, providers, and staff.