RLI Power Hour Webinar Series (#3): Achieving Alignment with the Healthcare System

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Jonathan Breslau, MD, FACR
Medical Director
Sutter Imaging, Sutter Health

Carolyn Meltzer, MD, FACR
Professor and Chair of Radiology
Associate Dean for Research
Emory University School of Medicine

Alignment with health systems

• US health care environment

• How systems are adapting (trying!)

• How imaging departments can support and thrive
Shift from commercially-paid procedures to publicly-funded medical care undermines system economics.

"Our Medicare volumes have gone through the roof. Coming out of 2017 we think Medicare share of revenue will have risen five percent. We didn’t have a hard flu season. The economy is strong. The only explanation is that the tsunami of Baby Boomers is hitting Medicare."

Chief Strategy Officer
LARGE REGIONAL HEALTH SYSTEM IN THE SOUTHEASTERN U.S.

Drivers of Declining Margin
- Rising public payer share
- Rising patient acuity
- Declining surgical case mix
- Medicare payment cuts
- Declining commercial price growth

Mean hospital margin in 2016: 2.7%
Mean hospital margin in 2027: (0.2%)

Drivers of Declining Margin

Entitlement Programs in the Crosshairs

Major cuts to the healthcare entitlement programs are nearly inevitable, given the size and projected growth of Medicare and Medicaid.

Where Does the Money Go?
Entitlement Programs Most Likely Targets for Cuts

Federal Budget Expenditures, Actual and Projected
Billions of dollars

Increase driven by aging, population growth, price growth.

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https://gisthealthcare.com/

RLI Power Hour Webinar Series
Environment for health systems

- No expectation of getting paid more for same work
- Undermining of public/private cross-subsidy
- Competition from larger vertically-integrated enterprises such as CVS/Aetna
- Need to move away from filling beds as primary goal
- Need to be able to support lower premiums

Health System Responses

- Cost efficiencies
- Appropriate clinical resource use
- Better patient management
- Manage risk – the big goal
- How can imaging match up to with these goals?
Imaging

• Align with system strategy

• Benefit from standardizing across entire system

• Eliminate low value care

• Work to develop predictable imaging spend with consistent recommendations

Variation reduction

• Part of clinical cost

• Evidence-based guidelines for recommendations

• CDS – imaging support essential
  • Platform
  • AUC
Appropriate use of clinical resources

- Shifting to low cost sites
  - IR clinic

- Consolidation of services to higher volume sites
  - Centralize reading among subspecialists
  - Stroke center

- Support standardized purchasing

Better patient management

- Eliminate duplication

- Reduce over-testing

- Right care at the right time

- Leverage IS involvement in EHR optimization
Patient experience

- Broad scope improves access to resources
- E.G., “3-day promise” in breast imaging at Sutter Health – BIRADS 4,5 to biopsy
- Need to coordinate across large geography – 3 million exams per year
- In looking for obstacles found need to standardize anticoag, insurance preauth, EHR, etc.
- Marketable

Examples that ultimately support cost reduction with physician involvement

- Incidentalomas
- Contrast screening policy
- Capital planning – agree on large purchases
System Imaging Committee

- Set up process for making system-wide decisions
  - SLA measurement and accountability
  - Incentives for following standards
  - Standard policies on screening, contrast, etc.
  - Leverage scope to guide IS resources

- Prevents relegation to “ancillary” status

- Respect the political challenge

System alignment

- Understand the big challenges

- Match imaging scope to system footprint

- Make tough changes to thrive

- Can we facilitate managing risk?
Alignment in a Changing World

Radiology priorities

Health System priorities

Balanced Gentle Tug of War

We Touch all Service Lines ➔ Impact of Wins Amplified

Laboratory
Imaging
Rehabilitation
Pharmacy
Respiratory Care
Patient Safety
Pain
Dialysis

Cardiovascular
Oncology
Women and Newborns
Intensive Medicine
Primary Care
Pediatric
Surgical Services
Behavioral Health
Musculoskeletal
Neurosciences
Radiology/System Alignment

- Ensure physician accountability (individual and group)
- Aligned incentives with system goals (Shared risk)
- Prioritize patient experience
- Engaged workforce
  - decreased turnover, high satisfaction

Leading in the Context of Systemness

- Not traditional chain-of-command

  Requires:
  “Bifocal Vision” (big picture + operational detail)
  - Interpersonal Diplomacy
  - Seeking innovative approaches
  - Building strategic partnerships
  - Influencing without authority

*Debra Walker. Development Dimensions International 2014*
Leadership Development

- **Emory Radiology Leadership Academy (RLA)**
  - 9-month intensive program
  - Inter-professional: Fellows are faculty & staff

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**Emory Radiology Service Excellence Institute**

- >1000 employees (faculty, staff, trainees) have completed mandatory SEI training
- >420 employees have completed optional DISC training for more effective communication

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Service Excellence Standards:

1. Safety
2. Courtesy
3. Care Delivery
4. Efficiency
5. Innovation
“Someone calling themselves a customer says they want something called service.”

Focus on the Quality of the Patient Experience

I was Caught in the Act of Service Excellence
Cost Savings
Value Acceleration Program (VAP)

- Renegotiation of Contracts
- Revenue Capture
- Equipment Consolidation
- Investing in People
- Span of Control

Showcase your results!

Representative Scorecard

<table>
<thead>
<tr>
<th></th>
<th>Goal #1: Mammo TAT¹</th>
<th>Goal #2: ED² TAT</th>
<th>Goal #3: Wrong Events</th>
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<tbody>
<tr>
<td>Opportunity for improvement</td>
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<td>Impact on system</td>
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<td>Financial impact</td>
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<td>Number of patients impacted</td>
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<td>Total score</td>
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¹ TAT: Turnaround Time
² ED: Emergency Department
Emergency Radiology: a Win-Win
Average & Median TATs for ED Exams Complete to Final (RADNet)

- Birth of a New Division

Summary
Alignment with Hospital Requires:
- adaptability
- “bifocal vision”
- proactive innovating on patient care issues

loss of autonomy vs security and shared risk