



Aggregate, Assimilate, Integrate – Employed Physician Group Evolution  
Becker's Hospital Review Annual Meeting 2013

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2

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Introductions



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**Centura Health Physician Group**

Integrating employed physicians with  
Colorado's largest family of hospitals  
[www.Centura.org](http://www.Centura.org)

**Health System Advisors**

Strategy Consultants to Hospital and  
Health System Leaders  
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3

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The Situation

Health Systems have dramatically grown their employed physician base

- > Specialty private practice model collapsing
- > Need to "fill the hospitals"
- > Competitive market share captures
- > Recently large primary care growth to manage populations and capture attribution



4

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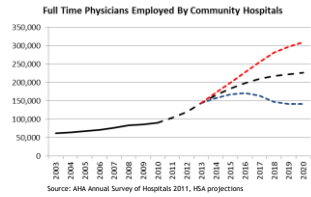
### The Situation

#### Employed:

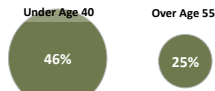
- > 25% of specialists
- > 40% of primary care

#### Employment the preferred by younger physicians

- > Residents looking for hospital employment
  - 2001 = 3%
  - 2008 = 22%
  - 2011 = 32%



#### Employed in 2009



Source: Merritt Hawkins 2011 survey of final-year medical residents



5

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### The Result

Systems now have hundreds of physicians employed without any common culture or common operating standards

- > Huge operational losses
- > Instability
- > Volume leakage
- > Difficult to accomplish any degree of real clinical integration

Financial subsidy of \$100K+ for primary care physicians and more for specialists



6

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### How Did This Happen?

Hospitals have been expanding employment as the solution to physician relationships based off a non-durable vision

- > It's been about filling the hospital rather than about the populations' needs
- > Most are overloaded with specialists relative to primary care

Most have only been focused on getting physicians in the door without focus on future phases of development

- > "Nothing will have to change, you'll just now be employed"



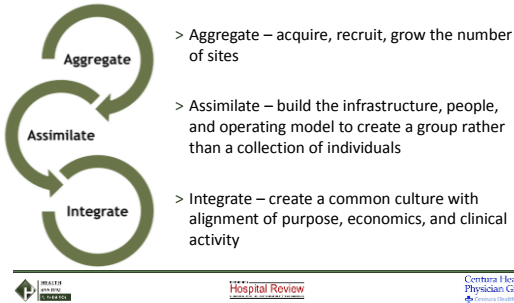
7

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What's the Solution?

Recognize the 3 Major Phases of Employed Physician Development



8

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What's the Solution?

Different Success Factors with each Phase

- > Phase 1: Aggregate
  - Market Position
  - Productivity and Quality
  - Transition from Private to Employed
- > Phase 2: Assimilate
  - Infrastructure
  - Operating Standards
  - Effectiveness
- > Phase 3: Integrate
  - Alignment
  - Culture



9

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So What Now?

Most systems have not planned for future phases of development and **there is no shortcut**

- > Long-term view
- > Must consider the requirements of future phases when going into new physician recruitment/acquisition
- > Requires investment to fix the historical miss-steps

There has to be commitment to make the hard decisions on operational consistency and future integration

10

## Case Study - Centura Health Physician Group

11

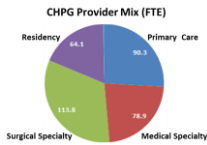
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## Centura Health Physician Group (CHPG)

The employed physician group of Centura Health, the largest health system in Colorado

- > 320 physicians
- > 85 non-physician providers



Developed by the hospitals to fill beds.....



12

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## The Challenge

Create an integrated multispecialty group that advances Centura Health's Vision

1. Grow and Balance the provider mix
  - More primary care, non-physician providers
2. Create effective Operations and Consistency
  - Size of the practice sites, hours, brand, clinical practice, leakage
3. Invest in the Infrastructure and Management Resources
  - Information, management, resources
4. Develop the Multispecialty Culture
  - Act as a single state-wide group



13

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## The Solution

## Systematic approach

- > Move beyond Aggregation to focus on Assimilation and Integration
- > Articulate a strategic plan
- > Build buy-in for change from Centura Health
- > Evaluate each market for timing, priorities, and resources

## Build the sustainable Culture by investing in:

- > Leadership
- > Infrastructure
- > People



14

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## The Cultural Goal

The Culture of CHPG:Achieves **quality outcomes for the population**

(through)

Empowering a **multispecialty group** of physicians, providers, and associates

(to deliver)

**Consistent, evidenced-based** prevention and person centered care

(as a)

**Strategically effective partner** of Centura Health

15

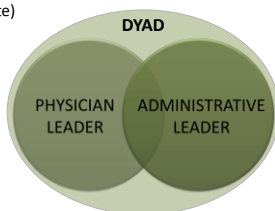
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## The Solution

## Leadership

- > Built a leadership and management structure to not only recruit (aggregate), but also operate effectively (assimilate) and create a multispecialty group (integrate)
- > Dyad model
- > Experienced senior leadership team
- > Ongoing leadership development



16

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## The Solution

### Infrastructure

- > Consistent market-specific plans across the system
- > Direct coordination with the hospital, service line, and managed care direction
- > Creating operating standards
  - Minimum clinic size and components
  - Brand / image
  - Hours
  - Operating model
- > Creating a single clinical model
  - Use of nurse practitioners
  - Patient Centered Medical Home

EXAMPLE: Prototypical Physician Clinic



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17

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## The Solution

### The People to Make it All Happen

- > Restructure the management model
  - Management consistency across the practice
  - Experienced managers
  - Linkages at the local and regional level
- > Add recruiters
  - Growing primary care
- > Building the clinical integration model
  - Associates first
  - Commercial contracts next

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18

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## The Results

Leadership and infrastructure quickly being put into place and having quick impact

- > Strategic plan
- > Reorganize the structure
- > Operational standards
- > Clinical expectations
- > Market / provider mix rebalancing

Changing the culture takes time!

To be continued.....



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Questions and Comments

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Contact Us to Further the Discussion

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