

Developing a single source of truth for your health system: Engaging physicians through shared metrics



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## Section 1. Executive summary

Many hospitals are turning to consolidation to stay competitive in today's market, but few are truly realizing the benefits of being part of a system, or achieving what we call "systemness." System leaders have identified the four integration initiatives they find most challenging:

- 1 **Driving clinical standardization**
- 2 **Creating system-wide physician alignment**
- 3 **Increasing IT interoperability**
- 4 **Integrating assets post-M&A**

This paper provides strategies and considerations for implementing a best practice that helps systems tackle the first two challenges — engaging physicians through shared metrics by developing a single source of truth.

## Section 2. Big systems, big potential: Understanding the importance of ‘systemness’

The number and size of health systems has grown rapidly across the last few years due to emerging market pressures. Accordingly, most United States hospitals are now part of a health system. But health systems that continue to operate as individual entities with shared overhead costs risk losing opportunities to health systems that have aligned themselves across their organization.



In order to reap the benefits of being part of a system, there must be cross-facility collaboration. At its essence, systemness is about integrating all aspects of a health system’s governance, operations and workflows — across all technologies, clinicians and locations.

### Anticipated benefits from systemness create an attractive proposition

An organization that has achieved systemness is more than the sum of its parts. It leverages the strengths from each of its individual facilities to create a world-class organization. True systemness enables an organization to deliver seamless, cost-effective, high-quality care. Systemness can be a differentiator — patients treated at this type of system have a better experience and are likely to want to return.



#### Higher quality of care

- Opportunities for clinician specialization
- Wider exchange of clinical expertise, knowledge
- Standardized care pathways, episodes of care



#### Lower cost of care

- Access to economies of scale through streamlined purchasing, negotiations
- Maximized operational process efficiency
- Broader participation in value-based payment models



#### Market share and revenue growth

- Expanded set of lower-acuity care sites, referral streams
- Coordinated program rationalization
- Improved patient access to comprehensive set of services

1. As of January 2015.

2. Defined as all nonfederal, short-term general and other special hospitals. Excluded are hospitals not accessible by the general public, such as prison hospitals or college infirmaries.

3. “System” is defined by AHA as either a multihospital or a diversified single hospital system.

Sources: “Health Care Deal News, March 23, 2015 — Trends in Hospital M&A,” Irving Levin Associates, [levinassociates.com/healthcare/health-care-deal-news-150323](http://levinassociates.com/healthcare/health-care-deal-news-150323); “Fast Facts on US Hospitals,” American Hospital Association, January 2015, [aha.org/research/rc/stat-studies/fast-facts.shtml](http://aha.org/research/rc/stat-studies/fast-facts.shtml); Service Line Strategy Advisory interviews and analysis.

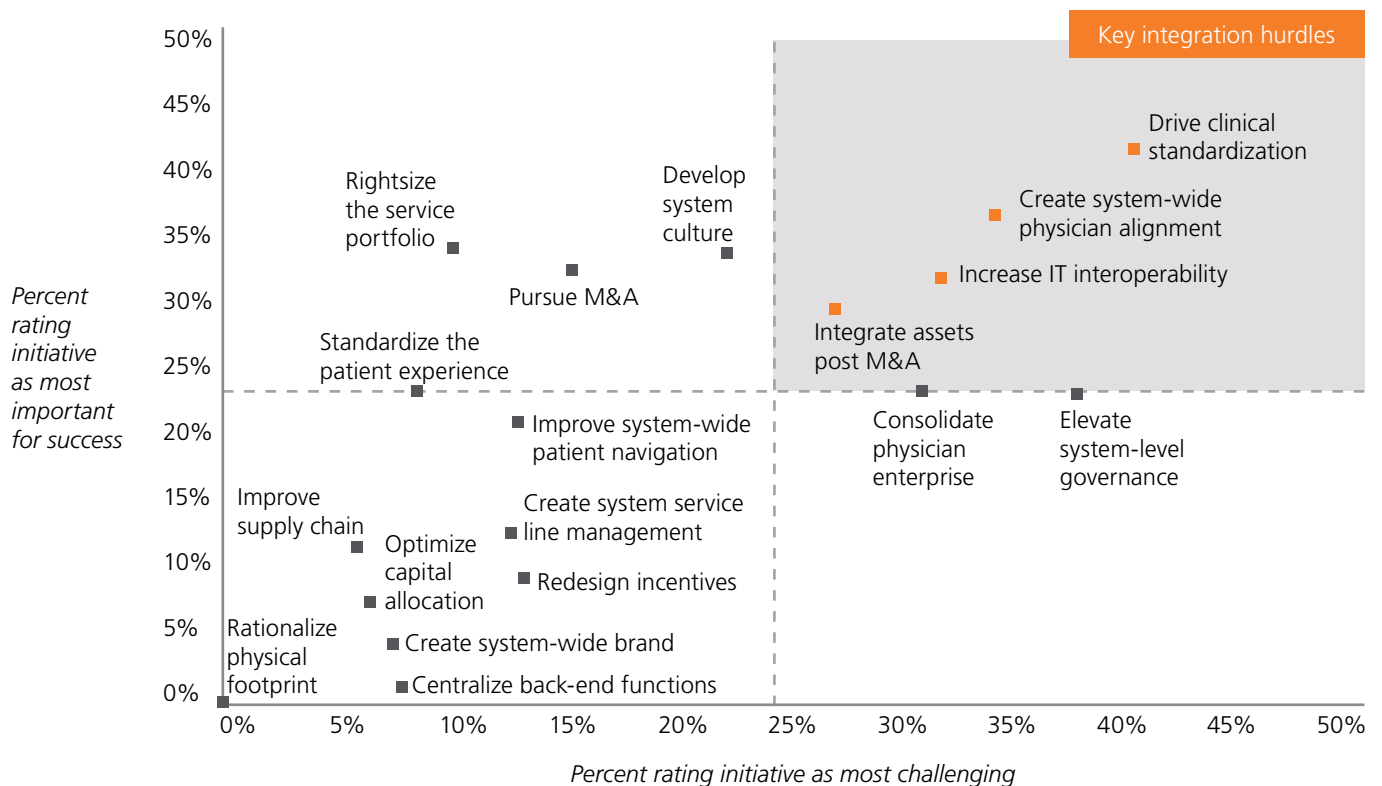
## Section 3. Bigger doesn't automatically mean better: Identifying the challenges of health systems

Health systems are growing larger and larger, bringing more and more hospitals under their umbrella. However, most are only scratching the surface of the potential their scale offers. Too often, they have not prepared for or addressed the new challenges that come with their larger size. The most successful systems are leveraging purposeful integration and cohesive effort — what we call “systemness.” While the benefits of systemness are significant, it’s also very challenging to achieve.

To better understand which elements of systemness are keeping providers up at night, we surveyed more than 160 of our clients. We asked them to rank a list of 18 integration initiatives by level of difficulty and importance to the future success of their organizations. Four distinct initiatives rose to the top, with more than a quarter of survey respondents selecting those initiatives as one of their top three picks against both vectors.

### Percent reporting initiative as most challenging and most important for organizational success<sup>1</sup>

n=160 C-suite executives



1. Of the initiatives selected as “underway,” which of the following are most challenging? Of the initiatives selected as “underway,” which of the following are most important to your organization’s success? Source: The 2015 provider-supplier alignment survey initiative, Advisory Board research and analysis.

## Section 4. What keeps them up at night



### Driving clinical standardization

Reducing clinical variation was the single most popular selection by both measures. This isn't surprising; in a marketplace where payment is increasingly tied to value rather than volume, providers are looking to improve quality across their entire enterprise.

As systems double down on margin improvement, they see a significant opportunity to reduce cost through improved and consistent care processes. For systems that have already targeted obvious cost-saving opportunities such as reducing staff and centralizing of back-office functions, clinical standardization represents the next frontier of potential cost savings.



### Creating system-wide physician alignment

Physician alignment has been a perennial issue for hospitals and health systems, especially efforts to optimize referral streams. But today's physician alignment aspirations extend far beyond that: hospitals and health systems view engagement with and leadership from physicians as a crucial linchpin to success on a wide range of cost, quality and experience initiatives.

When it comes to driving clinical standardization, for example, best-in-class organizations put significant time and energy into building clinical governance structures that empower physicians to lead the charge on creating and deploying care standards. Physician alignment is similarly crucial for many cost-improvement initiatives and patient experience initiatives.



### Increasing IT interoperability

Much like improvements in physician alignment, increasing IT interoperability can significantly affect success across a wide range of system goals. In our conversations with provider executives, they often cite breakdowns in communication and the exchange of meaningful information as key barriers to achieving system goals.

Furthermore, IT interoperability is crucial not only for sharing information but also for enabling internal benchmarking and allowing organizations to identify strengths and improvement opportunities.



### Integrating assets post-M&A

Although for most organizations, this aspect of integration tends to be more sporadic than others, its appearance near the top of the list in both vectors suggests that it's likely to become a perennial — rather than temporary — priority. As long as health systems continue to grow through consolidation, the path toward systemness will be an ongoing challenge and in many cases, hospitals and health systems will need to repeat processes and integration initiatives time and time again.

At times, organizations anticipating future consolidation have used that as a reason to table integration initiatives in the near term. But rather than putting off integration indefinitely, top performers recognize the need to continually evolve and modify processes and structures to account for growth and integrate new assets into the organization.

## Section 5. Three steps to a single source of truth

Driving clinical standardization and creating system-wide physician alignment efforts go hand in hand. Below, we provide you with some of the strategies to tackle these two up-at-night issues by **engaging physicians through shared metrics**.

### 1 Create friendly competition

We have found that the best way to encourage physicians to change any practice, including adopting system-wide standards of care, is to share data comparing their performance to those of their peers. Clinicians are naturally competitive and none want to see that their cases have the highest costs or worst outcomes. In order to sustain improvements over the long term, hospitals can build an expectation for data sharing and performance measurement into the fabric of physician relationships.

### 2 Establish shared goals

In order for a system to truly act like a system, it must establish shared goals and track progress toward these goals using shared data. It must also have set standards that everyone is expected to uphold — outcomes and costs for care at one hospital in the system should not be dramatically different from outcomes and costs at another hospital.

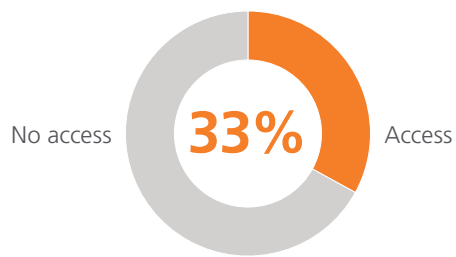
### 3 Invest in a technology

The only way to achieve this is to have a tool in place that can consolidate and normalize data from all facilities, creating an “apples to apples” comparison so leadership can pinpoint opportunities. The data in this system must be ironclad. If anyone — leadership, clinicians, front-line staff, do not trust the data, no one will adopt any recommendations that come from it. Unfortunately, this is what we see more often than not.

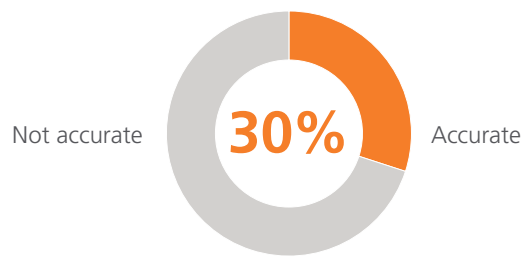
## Section 6. The power is in the data: Importance of selecting a transparent, trustworthy tool

We recently asked a large group of surgeons whether they even had access to performance data, and if they did, if they felt it was accurate. The results indicated that most organizations have a long way to go. Only a third responded that they had access, and only a third of those actually believed the data they had access to.

Physicians with access to performance data



Physicians views on accuracy of data



If you don't currently have a tool in place that gives you trustworthy data, finding one should be a first priority. When selecting a tool, look for one that meets each of the following criteria:

Suggested capability	Yes	No
Ability to rapidly consolidate data from across all facilities in the system, in one language		
Ability to show metrics at the national, system, individual facility, department and individual clinician level		
Ability to tie together cost and outcomes data		
Ability to quickly and easily generate reports comparing all levels of data		
Ability to create documents such as score cards that can be used to share data with stakeholders		



## Section 7. A tool that tells the story: Example analyses to generate the greatest revenue

Below are just a few examples of the types of insightful analyses a tool should be able to perform. These examples focus on surgical cases, which tend to both generate the greatest revenue and have the highest costs.

### Hospital vs. hospital



Compare cost per case for one procedure at one hospital vs. another hospital. If cost per case is substantially higher at hospital A, you'll want to dig deeper to determine why.

#### Things to consider:

- Are surgeons at hospital A using more expensive supplies?
- Are their cases taking longer?

### Individual surgeon at two different locations



Compare an individual surgeon's performance at two different locations. If a surgeon is performing the same procedure at two different locations, the cost and outcomes should be essentially the same. If not, this should immediately raise a red flag.

#### Things to consider:

- What are the supply differences between the hospitals?
- What are the outcome differences between the hospitals?

### Compare surgeon against peers



Compare an individual surgeon to peers. In addition to 1:1 comparisons, you need to be able to compare one to many.

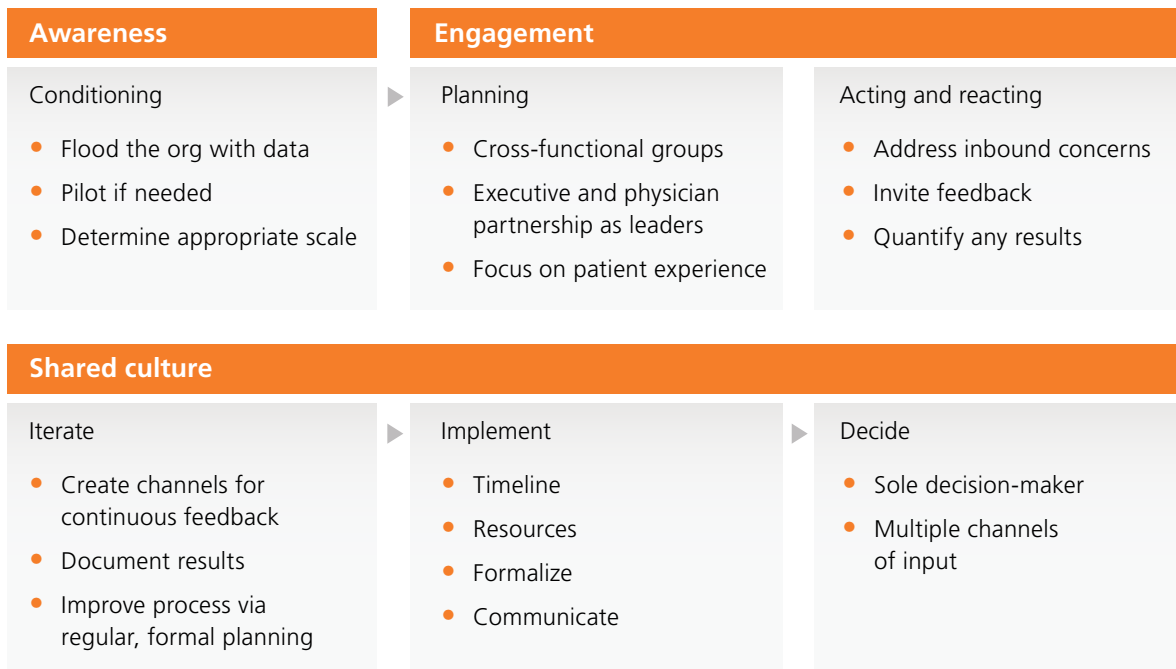
#### Things to consider:

- How is a surgeon performing relative to peers in the hospital?
- Across the system? Across the country?

## Section 8. It takes a village: Creating a cultural shift

Finding and implementing a great tool is just the beginning. Having your data in one platform isn't the same as having a single source of truth. Once you have it, you need to work to create a system-wide culture of transparency where everyone has access to the data, trusts the data and is working together toward the same goal. A culture built around a single source of truth is one where leaders are constantly looking to create opportunities to effectively communicate what the data represents to people who can actually impact change.

Creating this culture takes time — most organizations work for two years or more before a true transformation can happen. Below is a general timeline of the stages most organizations pass through on the way, from raising awareness that the data exists to ultimately having sole decision-maker who integrates multiple channels of input. The further along an organization is in this process, the better the communication.



## Section 9. What you can do today: Strategies to engage physicians across the health system

**1 Embrace transparency about data and design a plan that establishes a long-term shift in organizational culture.**

*Action steps*

- Create awareness and conditioning by sharing data as informational only.
- Engage with key stakeholders and gather feedback on how the data can be leveraged.
- Ensure a cross-functional, iterative process for developing and modifying action plans.

**2 Design principles, goals and strategies that are simultaneously aligned with current culture and a desired future state.**

*Action steps*

- Identify and leverage areas where you have strong, functioning principles already in place.
- Create an accountability structure that will enforce individual and organizational discipline.
- Use technology as an enabler — principles are always first.

**3 Create opportunities to effectively communicate what the data represents with people who can impact change.**

*Action steps*

- Foster an understanding that data is directional and encourage participation and interpretation.
- Establish multi-functional communication channels and balance system and hospital priorities.
- Focus every interaction on maximizing total value of care and long-term system viability.

### Summary

Although developing a shared culture grounded in a single source of truth is only one piece of the systemness puzzle, it can be a great place to start. Achieving systemness is a challenging process that requires significant resources and commitment. But, if you are willing to put in the time and effort, your system will reap the rewards.

### Achieve true systemness

Looking for a technology to help you achieve true systemness?

Visit: [optum.com/surgicalprofitabilitycompass](https://optum.com/surgicalprofitabilitycompass)



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