



The Four Keys to A Successful Physician Relationship Management Program

How building bridges with physician alignment initiatives help boost hospital volumes

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THE STRATEGIC APPROACH TO STRENGTHENING RELATIONSHIPS

In recent years, relationships between hospitals and physicians have presented challenges to hospital executives. Current dynamics exacerbate the divide as hospitals are forced to compete with physician-owned facilities like imaging, cath labs and ambulatory surgery centers. And while many have attempted to form hospital/physician joint ventures, a significant percentage has fallen flat. In many cases, neither hospital nor physicians have had positive experiences with these alliances.

Other sources of potential friction include recruitment and retention, quality and allegiance. As recruiting and retaining top physicians has become increasingly difficult, many facilities are contracting with hospitalists and intensivists. Established physicians may view this trend with apprehension because of its potential to erode their patient base.

Another key factor impacting relationships is the drive to “measure quality.” Quality can be quite subjective, and no doctor wants to be told how to treat their patients; however, hospitals are now charged with achieving very specific quality and clinical protocols to meet performance expectations.

In addition, physicians – especially those under 40 – are less hospital-centric

than doctors a generation ago. These physicians want more autonomy, balance and family time, and aren’t always eager to join a hospital staff. Many hospitals are responding to these challenges by employing more physicians. Though employment does not guarantee loyalty and the hospital has to work just as hard to maintain alignment on goals and strategy, it has become very clear — building bridges with your physicians today, is now more important than ever.

Despite the impact of these issues on the relationship, physician alignment is still the lifeblood of a hospital. A strong physician liaison program makes good business sense for physicians as well, particularly because of the uncertainty posed by healthcare reform. Indeed, there are an equal number of challenges hospitals and physicians share — declining reimbursement, rising costs, pay-for-performance arrangements, and the ever-present Stark and antitrust laws. All hospital leaders have realized that now is the time to forge stronger physician relationships. And yet their outreach programs often are not the best they can be because they don’t include four essentials required for any successful Physician Relationship Management (PRM). In this paper, we’ll examine these four key components in detail.

WHY “SALES” IS NOT A DIRTY WORD

There are also four core values at the heart of an effective physician relationship management revenue growth model: strategy, effective use of technology and data, results-driven accountability and most importantly, sales intensity/focus. A sales-focused program is not only fundamental, it is essential. Without it your hospital is missing the opportunity to capitalize on the current healthcare dynamic while laying a strong foundation for emerging trends like the evolution of payment reform and getting ahead of the Medicaid reduction curve.

Hospitals that have achieved the best PRM results have removed the stigma from the word “sales.” Nurturing physician relationships is a sophisticated sales process – and requires a highly professional Physician Relations Specialist (PRS) well-versed in both healthcare and sales. Hospitals that hire people to simply conduct physician “meet and greets” have no measureable accountability and generally get weak results.

Disciplined and accountable sales relationships with physicians uncover barriers to true alignment and, in return, create meaningful bonds between primary care physicians and specialists while offering physicians a coveted voice in the organization. A properly trained PRS helps the hospital achieve success by tapping into a triad of alignment elements.

Strategic Alignment Principles



A properly trained PRS helps the hospital achieve:

Referral alignment allows hospitals to build stronger relationships between primary care physicians and specialists that directly impact a hospital's market share. It helps identify problems that both groups may be having with accessing and delivering services at the hospital. These issues might include not having the right equipment, problems with nursing care, and the need for additional surgery suites. Referral alignment also ensures that PCPs are comfortable with hospital-based physicians (such as hospitalists, intensivists and E.D. groups).

Strategic alignment can be achieved by educating physicians about the benefits of associating with the hospital and urging them to become more involved at the leadership level. This ensures that both hospital and medical staff leaders are working toward the same three goals: cost efficiencies, enhanced patient experience and better quality.

Economic alignment means finding new ways for physicians to grow their income. Hospitals can help identify gaps in services within the community and, where appropriate and economically desirable, partner with physicians to fill those voids and drive hospital market share growth. Some hospitals have aided loyal medical groups by strategically forming medical foundations or recruiting new physicians on their behalf. A number of hospitals are creating co-management agreements where medical staff members manage hospital services, with incentives for cost efficiencies and high quality. In short, a unidirectional sales approach isn't enough. There needs to be a two-way street to demonstrate to every physician "what's in it for us?"



Four Keys to PRM Success:

- 1 Strategic Deployment of Resources
- 2 Gaining Executive and Operational Support
- 3 Maintaining Sales Focus and Intensity
- 4 Accountability and Measuring Results



KEY #1: STRATEGIC DEPLOYMENT OF RESOURCES

Many hospitals have one or two Physician Relationship Specialists (PRS) or physician liaisons calling on as many as 600 doctors. Thus, resources must be targeted to the right physicians based on sound data. Whether your PRS is calling on 100 or 1,000 physicians, true program effectiveness must have an established baseline, from which to create your business plan.

The first step is to assess the hospital's current physician volumes. This is not a quick and easy task. It requires comprehensive data-gathering first. In many cases, a PRS will have to integrate state data, health plan numbers as well as outpatient volume reports. This provides an accurate snapshot of where the hospital is losing volume – and where it has the potential to grow.

Armed with this data, it becomes easier to identify the greatest opportunities for market share growth. At a large west coast hospital, an Aegis-trained PRS identified three service areas poised for growth — cardiovascular services, orthopedics and general surgery. Moreover, all had the capacity to handle additional volume. These service lines were chosen for four specific reasons: all had experienced a decrease in market share, they offered high revenue potential, each had the capacity to grow, and the hospital was willing to contribute resources and capital investment to drive expansion.

Identifying Loyal and “Splitter” Physicians

While identifying key service lines as potential growth areas for the hospital, it is also essential to analyze the scope and blueprint of your physician referral patterns.

Surprisingly, many hospitals don't know which physicians are the most consistently loyal in utilization and patient referral. In our work, we define “loyal” physicians as those who refer 85 percent or more of their available patients to the hospital. “Splitters” are those who refer between 35 and 85 percent of their patients, while “disloyal” doctors refer less than 35 percent of their business. The goal: focus on splitter physicians – who have no firm allegiance to any one facility. This is where the best opportunity for growth exists. One of the key methods for moving splitters into the loyal category is by identifying and addressing key obstacles. It is equally important to keep “loyal” physicians satisfied by strengthening an already solid connection, just because you employ them does not make them loyal.

Delving Deeper Into Physician Issues

Sometimes a physician may appear satisfied with the hospital relationship, but there are nuances that need to be explored. A skilled PRS digs deeper to uncover the less obvious issues and attitudes among doctors in the hospital's service area:

1. Are physicians fully satisfied with the skill level of the nursing staff?
2. How willing are they to get involved in hospital leadership roles and educational events?
3. Is the patient registration process (at both inpatient and surgery centers) satisfactory?
4. Is the communication and customer service among service lines consistent?

Some of the harder questions that go even deeper and demonstrate a powerful commitment:

1. What are the physician's goals/values?
2. How can the hospital assist in helping the physician meet them?
3. What are the barriers and how do we address them together?

Physician satisfaction surveys are also an excellent tool for measuring physicians' short- and long-term goals and how they can advance the mission and values of your organization. Additionally, they provide physician ratings (of services), opinions and valuable opportunities for deeper engagement and involvement.



Aegis's PRISM software includes:

- » A platform that is browser-based, user-friendly and customized to fit.
- » Detailed and robust physician practice profiling.
- » Issue identification and management that is linked to an email system.
- » Data gathering, tracking and real-time data reporting (activities, physician issues, referral recovery and physician market intelligence).
- » Direct and indirect costs compared to reimbursement.
- » Frequent reporting that guides the PRM process to be responsive and results-oriented.
- » Links to hospital data, enabling hospitals to track PRM efforts with results that demonstrate ROI.
- » Physician compliance/performance tracking, useful when targeting areas for procedure and process improvement. As this information is shared with the doctors, it opens up a new avenue for dialogue and collaboration.

KEY #2: GAINING EXECUTIVE AND OPERATIONAL SUPPORT

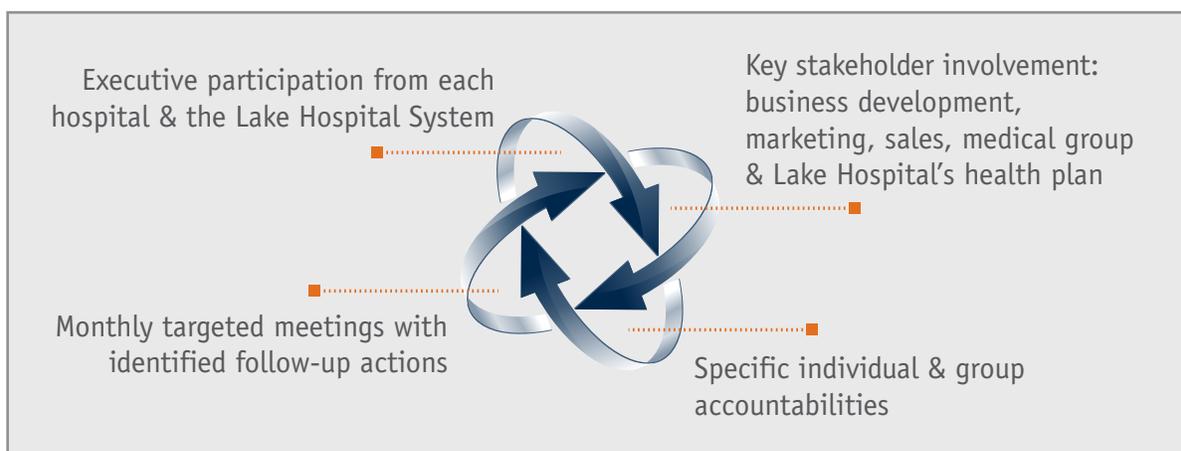


An effective PRS has the ear of the C-suite and engages hospital leaders in staying actively involved in managing physician relationships. The PRS is very familiar with physician issues and attitudes – information that can be extremely helpful to hospital executives. This further leverages the “insider view” that can only come from a professional PRS and a well-defined, disciplined Physician Relationship Management program.

For a Physician Relationship Management program to be successful, hospital executives must be formally involved as early as possible. They are a vital resource for establishing goals, determining tactics, and assessing how well key objectives are being met along the way.

One of the best strategies for ensuring long-term buy-in is to create a hospital growth council or steering committee. With strong C-suite involvement, a growth council becomes the ideal forum for resolving physician issues and fostering greater teamwork between service lines. A well-rounded growth council will also include physician champions and representatives from the hospital-managed health plan, where one exists.

Growth Council: *Structure & Organization*



Jack McNamara, a healthcare consultant based in Norfolk, Virginia, advocates that council members have a roster of physicians to call on as well as the Physician Relationship Specialist. He recommends the CEO and each council member call on 15-20 targeted doctors each month. This quickly communicates to their internal community that the hospital is “physician-centric.”

Growth Council Objectives

An effective growth council is a team effort by hospital management and targeted service lines with one common goal: to achieve volume growth by creating and supporting a physician-focused, sales-oriented culture.

This requires ongoing assessment of physician volume data, coupled with a continual effort to uncover and evaluate physician issues. The council directly tackles any issues and operational deficiencies that stand in the way of a cohesive, hospital-wide physician initiative. The growth council must be nimble, adapting its plans quickly to improve results.

At growth council meetings, a PRS must ask tough questions such as:

- »» Why are we experiencing X percent leakage outside our medical staff or health plan? An interesting example, there is a large hospital with its own health plan and close to 70 percent of the doctors using that health plan do not go to the hospital physicians. This is an excellent opportunity to impact market share with a directed initiative that is being monitored for results.
- »» If doctors are complaining about issues like operating room availability or poor responsiveness in radiology, what operational changes are needed?
- »» Are physician issues being resolved in a timely manner? Are they being tracked and trended?
- »» What are the barriers to deeper physician engagement?
- »» How do we align program objectives and activities to support physicians’ growth goals as well?
- »» Are we clearly communicating to the physician community who we are, our goals and vision for the future, and the role each physician plays in that vision?

The growth council also offers an excellent opportunity to review market share data, sales team metrics, and ROI analysis as well as future strategic directions.

Defined Process For Resolving Issues

As important as executive support is to the success of the Physician Relationship Management program, the other end of the spectrum is equally critical – this is having a defined, fully operational process for resolving issues and tracking that resolution to full closure. Customer Relationship Management (CRM) software is a valuable tool and many versions let users track issues, but only Aegis’ web-based PRISM solution is designed for and fully customizable to the needs of hospitals.

For a well-trained PRS, issue resolution is a top concern. To assure optimal effectiveness there must be a systematic, defined process that includes:

- »» Establishing priorities (with timelines for issue closure)
- »» Assigning a point person for each hospital department
- »» Closing the loop with physicians
- »» Maintaining a database of all physician issues
- »» Tracking and trending issues over time (by category, department and closure rates)
- »» Identifying (and responding to) operational deficiencies

Throughout this process, the PRS is the “hub of the wheel” in issue management – the lead in determining a point person in each relevant department (billing, IT, etc.) responsible for responding to physician issues and designating timeframes for resolution. For example, a high-priority issue is one that requires action within 24 hours, showing a firm commitment to the physician involved. They also recognize and respond to operational deficiencies.

It is the PRS’s unwavering focus that often helps eliminate small problems before they become huge obstacles to physician alignment, and the PRS can spot trends that may significantly impact/improve current processes and physician satisfaction.

One example, primary care physicians don’t always have strong relationships with specialists. They often don’t know whether the patients they refer are satisfied with the specialist’s care. So the PRS finds avenues for deepening the PCP/specialist bond, which can significantly impact targeted service line revenues.

KEY #3: ESTABLISH AND MAINTAIN SALES FOCUS AND INTENSITY

As well as a laser focus on handling the issues resolution, essentially the PRS's customer service feature, excellent salespeople must manage the "big picture" – constantly managing time, information and expectations. They must "direct" the strategic deployment of resources, secure internal support (executive and operations) and maintain sales focus and intensity. The genesis of this activity and the success of every PRM program, hinges on having a written sales plan – one that clearly establishes goals and benchmarks to actively manage the sales process.

The written plan contains physician market intelligence, a comprehensive summary of physician issues/barriers, precise and consistent physician messaging, and upfront commitments for follow-up and measuring results. The sales plan is not set in stone. The PRS must continually adjust tactics and reassess goals in reaction to the marketplace and hospital/physician dynamics. Furthermore, as milestones are achieved, it is important to be looking toward the next "goal level."

Finding The Right Sales Specialist

Here are some key considerations in staffing a PRM program:

- »» Before hiring, determine the geographic distance each PRS must travel to contact 48 – 60 physicians monthly in your service area.
- »» Establish initial goals, i.e., building relationships with primary care physicians to drive specialist referrals.
- »» The PRS should have a minimum of 3–5 years' experience in direct-to-physician sales, familiarity with technology, and a proven ability to build relationships.
- »» For highly technical service lines (oncology, transplant, neonatal, etc.), consider hiring a nurse or clinician who has sales experience.

KEY #4: ACCOUNTABILITY AND MEASURING RESULTS

Effective selling always involves measuring the results of a written sales plan. With a PRM program, it's important to have metrics for both the program and the individuals who run it.

Program metrics should include both “hard” data like market share growth and physician volume increases, plus “soft” measures like physician satisfaction. This gives the hospital actionable information about which physicians are content or disgruntled, which doctors are gaining or losing volume, identification of physicians who are planning to retire, take on a partner, expand their practice as well as which physicians are considering alignment elsewhere (with your competitor), etc.

Establishing the Physician Relationships is Key

To be effective, any PRM program requires regular face-to-face interaction with the physicians. Meeting with other staff members also is important, but should be viewed as a secondary goal. Metrics for sales team performance should include criteria like number of physician sales visits per month and speed of issue resolution with a method for tracking. Generally a physician liaison can make 48 to 60 in-person contacts with physicians each month. This may not sound like a lot, but it's the quality of these interactions and the time spent on market intelligence and issue resolution that are so valuable. Consider one hospital's summary statistics recapping their annual physician relationship outreach results:

- »» Made contact with 736 physicians in the community
- »» Had face-to-face meetings with 370 physicians
- »» Identified and resolved 73 key issues on behalf of the medical staff and community physicians
- »» Created more than 50+ new referring physician partners to the hospital that hadn't existed previously

Regular reporting ensures the highest level of accountability. Many physician liaison professionals provide quarterly reports to hospital management. The Aegis PRM program offers two types of monthly reports: a detailed report (up to 20 pages) covering all activity - issue resolution and interaction with each and every doctor for the given period, plus a two-page executive summary with topline market intelligence, key provider activity, issues overview, growth opportunities and a next-steps section. Our experience has been that C-suite executives read – and act upon – these monthly summaries. After 12 consecutive months of measurable and results-oriented activity coupled with straightforward yet insightful reporting, the hospital has a roadmap and critical view of key ingredients for future PRM program planning.

A Successful PRM Program is Not Complicated

A successful PRM program is not complicated, but achieving success requires a tireless focus on its four keys. The hospital needs to have the right data to direct its deployment of resources wisely and strategically. Then it is essential to get early and enthusiastic buy-in from hospital executives and operational leaders. The sales effort should exhibit intensity and keen focus. Finally, the sales team needs to rigorously measure results – and be accountable for continuously improving upon those results. With intensity, focus and follow-through, a PRM program can become one of the hospital's most effective physician alignment tools. And an optimized physician relationship program can become a major factor in helping boost a hospital's volume.

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For more than two decades, Aegis Health Group has helped hospitals enhance bottom line results through aggressive top line growth. Aegis is the North American leader in Physician Relationship Management (PRM) and Employer Relationship Management (ERM) programs and software solutions.

Aegis' PRISM product is a web-based software solution that helps Physician Relationship Specialists create effective strategic plans, see relevant data in realtime, and document measurable results. PRISM is the only CRM program that is fully customizable to meet hospitals' needs.

