Not simply a trend, clinical services outsourcing has become standard practice among hospitals today. And for good reason: Outsourcing firms provide clinical and financial results that often elude providers caught in the minutiae of a complex healthcare system.

“Outsourcing is about getting rid of waste and barriers that impede doctors from doing what they do best, which is caring for patients,” explains Theresa Tavernero, vice president of client services with clinical outsourcing services provider TeamHealth.

Emergency department (ED), hospitalist, and anesthesia are among the most popular services outsourced to well-established staffing and management firms. More noteworthy, however, is the growing idea among hospitals that their outsourcing services provider should not
"Outsourcing firms have the ability to provide the necessary leadership training to ensure their clinical departments operate at their highest level."

simply be another vendor—common of early arrangements in which the outsourcing firm was paid by the hospital for their services—but a true partner that assumes both clinical and financial risks associated with the service or department.

Outsourcing Addresses Common Problems Head-On

A hospital’s top priority is to recruit and retain not only top-quality clinicians but true physician leaders that can help achieve a successful balance between the delivery of high-quality medical care and sound fiscal performance.

“Acquiring the expertise required for a high-performing clinical team is very expensive and difficult for healthcare providers,” says Sarah Sinclair, executive CNO with the Cleveland Clinic Health System. “Outsourcing firms have the ability to locate top talent and provide the necessary leadership training to ensure their clinical departments operate at their highest level and with lower overall operating costs.”

And when factoring in the uncertainty that healthcare reform promises, including the limited capacity to absorb additional lives in the system and more anticipated visits to already overcrowded EDs, hospitals will be required to add resources including staff, technology, and infrastructure… but at what cost?

“The bottom line is healthcare organizations are required to do more with less,” says Dr. Lynn Massingale, executive chair of TeamHealth. “It’s imperative that clinical service outsourcers commit significant resources to infrastructure development, administrative operations, and organizational improvement tactics to help providers navigate the ever-more-complex healthcare system.”

Operational Improvements Begin in the ED

With more than 100 million patient visits annually and growing at 2 to 4 percent, the ED has become a hospital’s “front door,” largely the result of higher numbers of uninsured or underinsured patients. Healthcare providers, anxious to increase admissions, cannot eschew these individuals. Rather, they must find better ways of accommodating them.

Tips for Selecting the Best Partner for your Hospital

1. Assemble your team. The selection committee must be a “who’s who” in your hospital or health system, including C-suite administrators and clinicians.

2. Identify your goals. What improvements do you hope to achieve through an outsourcing arrangement? Solicit specific objectives from the selection committee, such as lower door-to-doctor time in the ED or improved patient satisfaction scores.

3. Define your process. Make sure everyone agrees upon the selection criteria, such as number of candidates to review and what to include in an RFP.

4. Identify qualified candidates. Utilize colleagues, healthcare consulting firms, or state hospital associations to help determine which candidates are most qualified to handle your organization’s needs.

5. Evaluate responses. Thoroughly filter RFP responses through an evaluation template that allows each member of the selection committee to rate the candidates on standard criteria.

6. Look beneath the surface. Don’t make a hasty decision based on a single factor, such as price. In order to be competitive in the bidding process, some groups may underestimate physician compensation, only to find that later they are unable to recruit at those rates.

7. Finalize the transition. Make arrangements for a formal transition to ensure minimal disruption. This may include timelines for recruiting (if required), communication to key constituents, and transition of billing operations.
with the resources they currently have in place.

The Cleveland Clinic Health System has approximately 440,000 ED visits per year at its northeast Ohio facilities. To improve patient throughput and decrease door-to-doctor time, the organization recently implemented the “split-flow” model to gauge the acuteness of a patient’s sickness or injuries and process him or her accordingly. At the health system’s first site operating under this model, ED volume has increased by 10 percent.

“Efficiencies in the emergency room are bringing increased revenue to the organization,” Sinclair says. “Not only are we seeing more patients, but satisfaction levels have increased. Word has circulated in the community that patients’ needs are being addressed more quickly.”

Witnessing improvements in one service line that a healthcare organization outsources to a third party, more and more hospitals are bundling multiple service lines from the same firm to leverage synergies and best practices. Additionally, outsourcing firms increasingly offer a national presence, allowing them to more easily gather and implement best practices for their clients, regardless of the operating environment and market.

Measures of Success

Healthcare providers face the dual pressures of performing at the highest clinical levels—as demanded by patients and regulatory bodies—while keeping costs in check. Achieving results is largely dependent on the outsourcing firm’s ability to balance these issues.

“Like any company, we are continually striving to reduce operating and overhead costs by working smarter, without, obviously, sacrificing the quality of patient care,” according to Massingale. “This involves leveraging the right methods and technology across the company.”

Successful firms are those that display several distinguishing characteristics:

➤ The resources to recruit and retain quality physicians aided by large numbers of recruiting staff and good relationships with medical schools and regional providers. Successful outsourcers have the ability to select quality clinicians who are not only at the top of their game medically, but understand the need for their involvement in the operational improvement of their organization or department.

➤ An emphasis on cultivating physician leaders with advanced training resources and techniques. The goal is to help individuals primarily trained in medicine improve their managerial skills and become effective in implementing process improvements.

➤ The right infrastructure and information technology in place to ensure that nothing slips through the cracks—from admissions to collections and from clinical decision support to work flow.

➤ A desire to listen to their client’s needs and develop actionable objectives in cooperation with key medical and administrative staff.

➤ The ability to quantify an organization’s expectations with advanced metrics. Whether tracking patient satisfaction scores, ED wait times, or Medicare core measures, objectives should be realistic and measurable.

Franciscan Health System in the Seattle area focused heavily on decreasing door-to-doctor time as well as improving staff efficiency to lower overall patient length of stay. With help from its ED outsourcing provider, Franciscan implemented process improvements via Lean methodology that emphasizes improving the customer experience via an efficient use of available resources.

Within a year of steadily working with lean principles in the ED, Franciscan was able to drop its divert rate by 38 percent, lower the average number of patients that left without being seen from about 3.3 percent to 2.3 percent, decrease the length of stay for admitted patients by 14 percent, and reduce door-to-doctor time by 26 percent, according to Tony McLean, president of St. Francis Hospital, one of five Franciscan Health System hospitals.

“We are seeing more patients with the same levels of staffing we had previously,” McLean says. “I attribute this largely to the consistency in leadership and focus on achieving the few goals we established with our outsourcing partner.”

Tony McLean
President
St. Francis Hospital
Franciscan Health System

Sarah Sinclair
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Enumclaw (WA) Regional Hospital (ERH) was experiencing challenges posed by lack of both emergency department (ED) and inpatient beds. Due to hospital space constraints, outpatient procedures were being performed in the ED, further reducing ED capacity.

These limitations, compounded by growing patient volumes, resulted in long wait times and an increasing number of patients leaving without being seen (LWBS). When ERH reviewed the worsening metrics and identified the current state as posing a potential patient safety risk, the hospital turned to TeamHealth for help.

The Lean Solution

ED leadership first formed a multidisciplinary team comprising physicians, nurses, unit secretaries, and staff members from registration, laboratory, and radiology departments. The team also included a hospital supervisor and an administration representative.

Individuals received training in Lean healthcare strategies, which included concepts and principles related to reducing waste and improving efficiency. After specifying patient safety goals and metrics, the team designed a patient-centric flow plan that streamlines and eliminates all steps in the patient flow process that do not add value to the patient and ensure safety. The resulting design was a “split-flow” model that builds efficiencies through:

- Quickening front-end processes (triage and registration)
- Segregating flow processes for the vertical and horizontal patients (not sick vs. sick)
- Hardwiring teamwork (provider and nursing conducting joint assessments and discharge)
- Promoting flow by not parking patients and creating a results waiting area

The new design was aimed at getting the patient to the provider as quickly as possible, eliminating the steps that can cause queues in traditional flow models. The design also allows the nurse and physician to function as a team, reducing the number of repeated questions and promoting safer communication.

Following the redesign of the flow, all patient safety process improvement team members took an active role in rehearsing and testing the new equipment, and supplies were present to reduce wasted motion and enhance visual cues that help reduce errors and delays. The team collaboratively educated and coached the rest of the ED staff in the new process.

Impressive ED Results

ERH achieved immediate metric improvements with the new flow process. Door-to-doctor time dropped from 52 minutes to 17 minutes, the LWBS rate declined from 5% to 1.5%, and the average length of stay dropped from 291 minutes to 145 minutes. The hospital also realized unanticipated successes such as improvements in turnaround times of imaging and lab results. But the most important impact was improving patient safety.

Without reducing thoroughness, the team eliminated waste and improved processes that allowed it to expedite care to patients with serious illness. As a result of this commitment to patient safety, ERH’s emergency department received the 2010 William O. Robertson Patient Safety Award from the Washington State Medical Association.
As Lakewood Ranch Medical Center (LRMC) in Bradenton, FL, was preparing to open its doors for the first time, the hospital was searching for a partner who could help position LRMC as the community’s hospital of choice. This community is known for its high expectations of excellent medical care delivered quickly and cheerfully. LRMC chose TeamHealth as its emergency department (ED) staffing and management partner for its reputation of service excellence and high-quality administrative leadership.

Success Hinges on Teamwork and Communications
To jumpstart the effort, TeamHealth recruited an experienced ED medical director who set high standards, along with the pace for the ED. From the earliest stages, the medical director worked with the physician and nursing staff to create a culture of teamwork and communication while maintaining a focus on clinical excellence and patient satisfaction. The team instituted a number of successful initiatives for the ED, including:

> A concierge program to enhance communication between the emergency physicians and the attending medical staff. This program provides physicians who wish to refer patients to the ED with direct access to an emergency physician for discussion of patient testing and disposition. Patients are also recognized by name on arrival and feel as if they are receiving personalized service.

> A new program to improve patient turnaround times. Patients bypass triage and are placed directly in an empty bed when available. The provider and the nurse see the patient together to expedite the front-end metrics. The ED staff also works with the hospitalists and inpatient nurses to move patients out of the ED as quickly as possible once a decision to admit is made.

> The “Got questions…We have answers” campaign, where patients are encouraged to ask questions and are instructed not to leave the ED until all of their questions are answered. This campaign is reinforced with signs posted in patient rooms and the ED exit. The slogan is also displayed on the nurses’ badge holders.

> A vital signs at discharge program to improve the quality of care and service excellence outcomes.

Exceeding Expectations
The dedication and teamwork of the physician and nursing staff has resulted in stellar metrics for the ED. Patient satisfaction rates are consistently in the 99th percentile. The percentage of patients who leave without treatment is consistently in the range of .5 to .8 percent, and the average length of stay remains between 88 and 92 minutes, both well below the hospital’s goals. Core measure compliance is at a uniformly high level.

Additionally, with the assistance of the ED medical director, the hospital became designated as a chest pain center and a heart failure center, making LRMC one of the few hospitals in Florida to receive both designations. “TeamHealth is properly focused on the issues that are important to this hospital,” explained Susan Domagala, RN, director, ED and critical care at LRMC. “They recognize that every ED is different, and they apply the right resources to meet our individual needs rather than treating every ED as the same.”
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