Successful hospital-physician integration is considered a core element of any successful response to mounting demands for higher-quality, lower-cost patient care. Turn the page to find a challenging—and rewarding—route to this still elusive destination.
Hospital-Physician Integration Strategies

For more in-depth descriptions of the following strategies, visit hfma.org/leadership, Fall/Winter 2013 issue.

1. Hospitalists and professional service agreements (PSAs). Some hospitals directly employ hospitalists. Others use PSAs. The Portland, ME, Franciscan St. Francis Health added a citizenship score to its physician compensation model, according to an August 2012 hfm article.

2. Comanagement. Under the Stark and anti-kickback laws, any compensation paid for achieving service line and other targets are subject to risk and reward. Some hospitals share savings agreements with upside and downside risk. The Advocate and Blue Cross Blue Shield of Illinois worked together to develop a three-year episode of care, according to a November 2010 hfm article.

3. Gainsharing. In gainsharing, hospitals share savings with affiliated physicians as an alignment strategy. In some cases, these services are provided through MSO services for free or at market rates to affiliated physicians as an alignment strategy. Health systems can offer MSO services for free or at market rates to affiliated physicians as an alignment strategy. In some cases, these services are provided through MSO services for free or at market rates to affiliated physicians as an alignment strategy. In some cases, these services are provided through MSO services for free or at market rates to affiliated physicians as an alignment strategy. In some cases, these services are provided through MSO services for free or at market rates to affiliated physicians as an alignment strategy.

4. Shared savings. It is a shared savings agreement that would reward physicians based on their performance. A comanagement agreement that included a performance improvement activity with physicians. According to a July 2013 article, St. Luke’s HealthCare piloted a medical home delivery model, about how to succeed in an accountable care framework, according to a case study in the Summer 2013 hfm article.

5.全身管理. 2012年と2012年。UnityPoint Health is transitioning more than 900 employed physicians into an aligned medical group, according to a Summer 2013 hfm article.
THE HOSPITAL-PHYSICIAN INTEGRATION CHALLENGE

The exact journey to hospital-physician integration will depend on a number of factors, including the amount of consolidation in your marketplace and your organization’s mission, vision, and values. The following route reflects common strategies pursued by many hospitals and physicians across the country as they experiment with varying degrees of integration (loose, partial, and full).

### DRIVING FORCES FOR HOSPITALS & HEALTH SYSTEMS

- **Develop integrated organizations:**
  - More than 70% of health systems are involved in joint contracting, and 50% have employed physicians; 40% have an MSO or IPA/PHO that provides MSO services

### CURRENT STATUS

**THE PLAYERS:**

**CURRENT STATUS**

**THE HOSPITAL-PHYSICIAN INTEGRATION CHALLENGE**

- Regularly Share Performance Data with MDs
- Create Shared Performance Improvement Teams
- Improve value equation for purchasers
- Ensure patient access to continuum of care
- Pursue better work-life balance
- Increase or secure consistent income
- Lessen administrative and IT burden
- Pursue value-based contracting

### CONSIDER QUESTIONS TO CONSIDER

- How will we need to change over the next five years to adapt to marketplace changes?
- What are our major strategic goals?
The exact journey to hospital-physician integration will depend on a number of factors, including the amount of consolidation in your marketplace and your specific strategic goals. The following section highlights common strategies pursued by many hospitals and physicians across the country as they experiment with varying degrees of integration (loose, partial, and full).

**DRIVING FORCES FOR HOSPITALS & HEALTH SYSTEMS**
- Pursue better work-life balance
- Lessen administrative and IT burden
- Increase or secure consistent income

**EXAMPLES**
- A competitor aligns with hospital's first-choice IPA for future MSO services
- A well-established PHO model to handle ACO projects
- A healthcare delivery system/MSO interested in affiliation with MDs; 40% interested in affiliation with physicians; 50% employed in health system

**CURRENT STATUS**
- A large health system structure
- A health system or hospital that owns an IPA/PHO that provides joint contracting and is positioned for MSO services
- A competitor aligns with hospital's first-choice IPA for future MSO services

**THE PLAYERS:**
- IPA leaders named to health system board and Medical Executive Committee
- A physician advisory committee is chaired by hospital and IPA CEO's

**INTEGRATION**
- Full
- Partial
- Loose

**DESTINATION**
- OFF-RAMP
- ON-RAMP
- SCENIC BYWAY

**TRANSPORTATION STATIONS**
- 85%-95% of medical staff members involved in patient care
- 10% of total medical staff involved in hospital ancillary services
- 100% of total medical staff working in physician order entry
- A competitor aligns with hospital's first-choice IPA for future MSO services
- A health system structure
- A health system or hospital that owns an IPA/PHO that provides joint contracting and is positioned for MSO services

**QUESTIONS TO CONSIDER**
- How will we need to change over the next five years to adapt to marketplace changes?
- What are our major strategic goals?
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