

If your practice is integrating with a hospital, don't duck and run. Instead, keep yourself in the spotlight and let your value shine through with these strategies.



# AVOIDING PITFALLS

Integration survival techniques for the practice manager

**a**t a time when we see an increase in hospital and physician practice integration, it is important to question the welfare of group practice administrators and their future status as group leaders.

Although administrators are often the sole management professionals in freestanding ambulatory practices, autonomy becomes a question and concern during integration. The unknown or gray area during transitions can be overwhelming for practice administrators, even those who have proven themselves as valuable leaders with long tenures who manage efficient organizational operations and make sound business decisions.

The integration process can threaten the strong role that practice administrators play; it can also provide personal and professional development, learning and leadership growth for those who seek

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to establish themselves as equally valuable employees in the integrated environment.

### Take a lead role

Practice administrators, like other healthcare executives, are not revenue-generating employees, which is why it's crucial that their leadership skills, management decisions and strategic focus are a demonstrated value — and are visible — to the leadership team.

This is especially true during merger discussions, when you can highlight the unique skills that you bring to the team and also act as your own playwright to redefine your role.

You can look at the previous practices of businesses involved in mergers outside the healthcare realm to substantiate this claim and to identify best practices and management techniques for success. By looking at merging institutions as living laboratories, you can assess collaboration efforts and employee willingness to lead in times of change.<sup>1</sup>

In fact, this is where you can grab the spotlight in the merger casting call. If you do not try out for the lead role, you risk not being considered at all.

Medical group administrators and hospital leadership often discuss how admitting

procedures, referrals and scheduling processes affect group practice operations. But the act of incorporating the group practice and its associated support services under a hospital umbrella presents a new networking opportunity.<sup>2</sup>

Administrators who actively solicit feedback and offer their perspectives can ensure an optimal transition, help facilitate the adoption of new support services and protocols (outlined in Table 1) and establish a valuable role for themselves during the integration transition. They can also identify tasks that group physicians would rather not pursue. The more these hospital leaders recognize your name, position and efforts to follow their organizational protocols, the more value you bring to the table during and throughout the merger process.

Grab the spotlight in the merger casting call. If you do not try out for the lead role, you risk not being considered at all.

### Exploit incentives

Integrated delivery systems that capitalize on quality initiatives improve clinical performance metrics and overall patient value, according to research.<sup>3</sup> And while the medical group provides a referral stream to its hospital network, it is also important for practice administrators to highlight overall organizational efficiency and avoid competition between the recently merged facilities.<sup>4</sup>

Although almost 95 percent of hospital networks involve some type of merger with physician outpatient programs, almost a quarter of the networks compete with hospital





**Table 1:** Demonstration of differences in support steps between a nonintegrated group practice and a hospital-integrated group practice.

services, a challenge that requires attention and strategic direction that practice administrators can provide.

The overall decision to merge with a larger hospital network might or might not involve practice administrators, but healthcare reform calls for drastic changes in delivery methods, which require healthcare leaders who possess specialized experience in leading different industry segments. All of the stages of integration require focused leaders who understand medical group practice management. Consider yourself in that role and continue to lead through the integration process. 🌐

Notes:

1. Ashkenas, R., Francis, S., & Heinick, R. (2011). The Merger Dividend, *Harvard Business Review*, 89(7/8), 126-133.
2. Bohlmann, R. (2010). The pain points of integration: 7 areas that contribute to the problem. *MGMA Connexion Medical Group Management Association*, 10, 23-24.
3. Budetti, P., Shortell, S., Waters, T., Alexander, J., Burns, L., Gillies, R., Zuckerman, H. Physician and Health System Integration. *Health Affairs* (21)1, 203-210.
4. Cantlupe, J. (2012). Leadership, physician alignment, and service line success. *HealthLeaders*, 15(3), 20-24.

Nonintegrated group practice example of support protocols	Hospital-integrated group practice example of support protocols
<b>Task #1: We need more expendable medical supplies ASAP.</b>	
<ul style="list-style-type: none"> <li>• The practice administrator will have most likely established an automated or regular internal process for ordering medical supplies from a local vendor.</li> <li>• Delivery of the supplies and the corresponding bill are sent directly to the medical practice.</li> <li>• Contractual arrangements are negotiated at the practice/administrator level.</li> </ul>	<ul style="list-style-type: none"> <li>• The medical practice might not order supplies directly from the medical supply vendor.</li> <li>• Use of the hospital's materials management department and accounts payable process could be necessary.</li> <li>• New processes and ordering forms might be involved to properly communicate with various hospital support departments.</li> <li>• Supply delivery might or might not come directly to the group practice from the medical supply vendor.</li> </ul>
<b>Task #2: I have questions about my payroll stub/employee benefit plan.</b>	
<ul style="list-style-type: none"> <li>• Although some group practices may have an administrative assistant who helps with payroll and employee benefits documentation, the practice administrator often answers questions related to accrued employee benefits.</li> <li>• If an error or discrepancy is found in the employee's benefit plan, it is the administrator's responsibility to fix the situation and retain proper supporting documentation for the change.</li> </ul>	<ul style="list-style-type: none"> <li>• The medical practice's employee and physician benefits might now be administered by a central office, such as the human resource department at the hospital.</li> <li>• The practice administrator could have to discuss the employee's discrepancy with the human resource department or complete forms to properly submit the inquiry for additional research.</li> <li>• Evaluating the employee's question and corresponding action is the human resource department's responsibility, and the practice administrator ensures effective communication throughout this process.</li> </ul>
<b>Task #3: What clinical outcomes should we be tracking, and what's the correct method to record the data?</b>	
<ul style="list-style-type: none"> <li>• The group practice leadership team (including the practice administrator) evaluates local, state and national reporting requirements.</li> <li>• Based on the identified reporting requirements, the practice administrator works with employees to develop an internal data collection and reporting method.</li> </ul>	<ul style="list-style-type: none"> <li>• The hospital will most likely have a quality control/quality improvement department that dictates what quality measures should be evaluated and what specific data is to be collected.</li> <li>• Based on the hospital's data collection method and information technology infrastructure, the reporting method will be provided to the practice administrator for immediate implementation.</li> </ul>
<b>Task #4: The clinic's A/C unit is broken.</b>	
<ul style="list-style-type: none"> <li>• The practice administrator is notified.</li> <li>• The practice administrator directly contacts a commercial maintenance company and establishes a work order and time for repair that does not impede clinic operations.</li> <li>• The practice administrator reimburses the maintenance company directly for its services.</li> </ul>	<ul style="list-style-type: none"> <li>• The hospital's physical plant department might be informed of the broken A/C unit.</li> <li>• The administrator could need to complete hospital forms to establish a work order with the physical plant department.</li> <li>• The hospital's maintenance personnel will repair the unit, possibly expediting the request over other open hospital maintenance work orders.</li> </ul>