

Hospitalist Programs in the Age of Healthcare Reform

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As hospital leaders position for healthcare reform, they are bombarded with seminars, e-mails, and articles about how to prepare for the coming onslaught of changes. Those who have prepared their organizations for the changes will survive the deep cuts in reimbursement that include payment shifts from volume to value, growing interest in bundled payment, and an increasing focus on accountable care.

Hospitals' primary problem will shift from the many uninsured patients to the lack of beds and too few physicians. Pressure to produce low-cost, high-quality care will increase. Under the new legislation, hospitals will be penalized for readmissions, medical errors, hospital-acquired infections, and inefficient operating systems.

The leaders who thrive will be those with capacity for integrating with physicians, skills in costing and pricing new bundles of services, propensity toward value, ability to manage risk, and willingness to reengineer the clinical process.

To cope with the changes that come with reform, common strategies that have worked in the past will resurface, including expense containment, staffing productivity, effective management of service lines, redesign of the care process, closer alignment of physician practices, and, as I will focus on for the remainder of this column, enhancement of the hospitalist program.

THE CURRENT STATUS OF HOSPITALIST MEDICINE

Hospitalist programs are a growing trend that can improve hospital workflow:

- Two-thirds of hospitals have hospitalist programs.
- Currently 31,000 hospitalists practice, yet there is demand for 40,000.
- 55 to 60 percent of emergency department (ED) unassigned admissions can go to hospitalists.
- 20 to 30 percent of ED unassigned cosurgical admissions can go to hospitalists.
- Private referrals can double a program's volumes.
- Mature hospitalist programs care for over 80 percent of a hospital's non-OB and pediatric patients.

CHALLENGES AND BENEFITS OF HOSPITALIST PROGRAMS

Hospitalist programs have become popular because administrators want to relieve family practitioners of the burden of inpatient care in order to allow them to focus on their outpatient practices. This is especially true in communities in which there is a shortage of primary care physicians. Hospital leaders have also come to realize that an effective hospitalist program can have a significant impact on length of stay and cost per discharge because hospitalists, through their more consistent practice

patterns and expertise, pay more focused attention to the details of inpatient management.

To be effective, hospitalist programs need proper planning, leadership, clear expectations, and a business plan with return on investment analysis. Their effectiveness is threatened by the inability to recruit and retain hospitalists, insufficient hospital financial support, and lack of support systems for the hospitalists. PCP skill loss or dissatisfaction, patient dissatisfaction, upset of the specialty network, communication breakdowns, team burnout, and fumbled hand-offs to the hospitalists are possible complications of a poorly implemented hospitalist program.

A successful hospitalist program can reduce average length of stay, charges or cost per discharge, and denied reimbursement days. Benefits to the ED include assistance with throughput, fewer subspecialty ED calls, and improved responsiveness to ED patients.

Another benefit is earlier discharge times, especially through the hospitalist's concentration on long-stay cases. Staff-related benefits can include assistance with surgical comanagement, enhanced responsiveness to nursing staff, effective utilization of specialists, the ability to attract and retain PCPs in the community, and the opportunity to capture referrals from surrounding markets. Successful programs can also lead to better compliance with core measures, improvements in charting and coding that affect the hospital's case mix index, and the potential to achieve a 200 percent return on investment.

SEVEN TRAITS OF SUCCESSFUL HOSPITALIST PROGRAMS

Successful hospitalist programs have effective leadership, continually exceed customer expectations, never stop recruiting, organize for success, offer maximum value with proper support, use high-functioning hospitalists, and operate as a vital service line. A suboptimal program should be analyzed to see how it performs in each of these seven areas.

1. Have Effective Leadership

The most important predictor of a hospitalist program's success is leadership, as the most common problem in failing programs starts at the top. A medical director who was selected to run a small four- or five-member group may not be effective running a group with 25 or more members. Retraining is possible, but if training efforts fail, it is time to make a change. If the change is done gracefully, the medical director can be moved into another position, allowing the new leadership to take over.

2. Continually Exceed Customer Expectations

Successful programs never accept the status quo. The leader is constantly listening, reevaluating her approach, seeking feedback, and leading for change. Successful leaders have an almost insatiable appetite for keeping abreast of the latest and best practices. These practices are exciting to be around. Electronic charge capture, after-care calls, and innovative communication techniques are just a few examples of new systems used in state-of-the-art programs.

3. Never Stop Recruiting

Hospitalist programs' biggest challenge is accommodating growth. To meet demand, the best programs keep a pipeline full of potential talent; in fact, the best programs have a waiting list of hospitalists who want to join their practice.

4. Organize for Success

Successful programs have state-of-the-art design. These programs comprise more than a doctor and a stethoscope. They feature dedicated full-time hospitalists, fully equipped command centers, and support staffs that include clerical coordinators and dedicated clinical case managers. Thriving programs also have systems for communication and feedback, daily administrative rounds, software systems to track patients and monitor performance, and other methods of performance tracking.

5. Offer Maximum Value with Proper Financial Support

The best programs create a business partnership with the hospital in support of mutual goals. Hospital leadership views the hospitalist program's financial support as an investment rather than an expense. The Society for Hospital Medicine, the national professional organization for hospitalists, reports that the average financial support in the United States for hospitalist programs is almost \$114,000 per full-time equivalent. Properly operated, the program should provide a two to one return on the hospitalist investment.

6. Use High-Functioning Hospitalists

Successful hospitalist programs engage and support physicians who are competent, skilled, and compassionate and who are excellent communicators with entrepreneurial spirits.

7. Operate as a Vital Service Line

Successful hospitalist programs manage expectations and are willing to take risk to effect positive changes. This risk-taking includes assisting with introduction of electronic medical record and computerized physician order entry initiatives. The hospital views the hospitalist program not just as a practice, but as a key service line within the organization.

THE FUTURE OF HOSPITALIST PROGRAMS

Effective hospital leaders understand that the hospitalist program's success will support the core of the hospital's success. Hospitalists are poised to be one of the hospital's most effective partners through quality improvement, patient safety, systems solutions, efficient use of resources, and reduction in variation. When hospital leaders position their enterprises for the new era of healthcare reform, hospitalist programs will be a key component.

For more information on the concepts in this column, please contact Mr. Buser at mbuser@hmrlc.com.