

## Performance Driven Provider Performance Improvement



Which is more impactful to an athlete's success: training or will to win? Clearly it's the combination of both. With the Affordable Care Act's (ACA's) major provisions taking effect in 2014, health care provider organizations are being challenged in new ways to enhance performance — for each patient and for the organization. Given lower reimbursement rates across the board, dramatically increased administrative requirements, and the anticipated flood of new patients, provider performance will require a potent combination of operational transformation and focused leadership aimed at providing quality care at reduced costs.

By redesigning the way care is delivered to decrease utilization, improve the ability to vary care according to need, and improve patient outcomes, provider organizations can elevate their performance while driving higher levels of clinical effectiveness. Physician involvement is critical to successfully implementing care redesign, and those that embrace and promote this transformation can differentiate themselves in the marketplace.



As pay-for-performance, or value-based, contracts become more common, providers are having to demonstrate the quality of care provided while delivering services at a lower unit cost.

# Provider performance is a critical lever in efforts to bend the health care cost curve.

## How we can help

Deloitte's Provider Performance Improvement practice works with administrators and clinicians in their efforts to reduce operating costs, improve margins, and still deliver quality care. Our focus is on helping providers create sustained operational excellence through transformative changes to their infrastructure. With experienced clinicians on staff — specialists who have helped leading hospitals and health care systems transform their operations — we apply effective practices, tools, and training to help our clients elevate the delivery of cost-effective patient care and help make the operational changes stick. Our services include:

- **Margin improvement** — Identifying ways to reduce operating costs and improve process efficiencies.
- **Clinical effectiveness** — Redesigning clinical care in concert with providers to reduce unnecessary variation and cost and improve outcomes utilizing evidence-based methods.
- **Physician enterprise and ambulatory services** — Whether the driving force is clinical integration, market share growth, or both, enhancing investments in physician relationships and ambulatory services, as well as improving operational and financial performance within the physician and ambulatory enterprise is an integral component of a health system's overall margin improvement portfolio. Powered by our Network Insight guided analytics tool, we can answer whether your health system has the right physicians and services, in the right locations, with the right performance. Our services focus on top-of-mind issues to achieve measurable impact related to practice and ambulatory performance improvement, ambulatory footprint, physician compensation and contracting, network development, patient retention and physician loyalty, and the physician and ambulatory enterprise operating model and decision rights.
- **Shared services design and implementation** — reducing operating costs and streamlining operational performance through the consolidation of back-office operations, such as supply chain, human resources, finance, and information technology.

## Potential bottom-line benefits

Our services often help provider organizations:

- Improve profit margins by up to 30 percent
- Improve alignment between administrators and physicians to achieve quality and margin goals
- Enhance clinical outcomes and quality
- Reduce costs and dramatically improve efficiency through shared services
- Improve supply chain efficiency for additional cost savings
- Increase the value delivered by vital assets, such as operating rooms

### Learn more

Operational excellence is a cornerstone of health care reform, requiring transformative efforts from health care providers. To learn more about how Deloitte can help, visit [www.deloitte.com/us/hcperformanceimprovement](http://www.deloitte.com/us/hcperformanceimprovement).

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## Ways to get more value now

- **Refine the accountability structure of the provider organization.** Driving results does not happen without a clear understanding of your performance improvement objectives — whether they are quality, cost, revenue or satisfaction — and having clear accountability within your leadership team for those results is key to driving improved performance.
- **Enhance the organization's measurement and monitoring methods.** Real time monitoring and measurement is critical to driving long term, sustainable improvement. High performing organizations combine the right balanced measures with the accountability structure for driving results. There are plenty of metrics that can be measured — focus on the critical ones linked to your performance improvement objectives.
- **Re-energize senior leadership attention to clinical effectiveness and operational excellence.** Many healthcare systems have been caught in the annual 5–10 budget reduction cycle with not a lot to show for it. Most of the low hanging fruit has been picked and it now time the next wave of improvement will be driven based on improvement in clinical processes and taking advantage of scale. This requires a different type of leadership and a commitment to thinking about performance improvement in a different way that will help to re-energize your leadership team.
- **Engage and involve clinicians to help drive transformation efforts.** As we move into the era of value based care and reimbursement tied to clinical outcomes, understanding where your clinical variance occurs and addressing unnecessary variance to improve outcomes and reduce will become a differentiator for healthcare systems in the future. Engaging your physicians and clinicians in both the governing of these efforts and driving results can help keep your organization and your clinicians aligned to achieve these results.



### The big idea

By implementing transformative clinical and process improvements, providers will be able to demonstrate significant value to the market and use this value as a key differentiator in this new healthcare world.