



# Innovative Healthcare Providers Seek Targeted Partnerships in the Value Era

In the great race toward reform, traditional healthcare delivery and financing models are evolving rapidly. The implementation of the 2010 Affordable Care Act, along with growing government regulation and a sharpened focus on the healthcare trifecta—quality, patient outcomes and financial health—have left hospitals and health systems with critical knowledge and operational gaps as they forge into new territory.

The fact is hospitals and healthcare systems are facing an endless stream of disruptive change as value-based care takes hold. They continue to be challenged by expensive government mandates, like Meaningful Use legislation, which requires them to have electronic medical record (EMRs) systems to submit clinical quality and other measures. They must prepare for major shifts in reimbursement and clinical care practices as new coordinated care models, such as accountable care organizations (ACOs), become reality. At the same time, competition is growing to attract the “super healthcare worker”: One who is highly skilled, patient-focused, and able to work in different care environments.

## Healthcare’s New Business Strategy

Never has the call for strategic collaboration been stronger in healthcare. As hospitals redirect their time and resources to emerging areas, success hinges not only on their ability to start or change initiatives, but to target operational and clinical support that can be turned on and scaled up quickly.

Simply put, collaboration has evolved to become more than a leadership philosophy. In the value era it is a key business strategy that can trim costs while providing seamless direction and solutions in areas vital to a healthy bottom line, including technology, workforce, revenue cycle and supply chain.

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## Collaboration Brings Four Key Advantages

A successful collaboration with a trusted advisor produces synergy and results that neither partner could achieve alone. The prerequisite to a successful partnership is that all parties share a common interest in getting things right the first time. As healthcare providers focus on providing value-based care, collaboration with a full-service healthcare enterprise management partner offers some of the following benefits:

**1. Strategic direction built around an organization's most pressing hotspots.** Collaboration enables organizations to work from an operating blueprint that includes solutions and programs derived from proven innovations, benchmarks and productivity data from other hospitals and health systems. In the rush to implement immediate changes and quick fixes to reduce costs and gain efficiencies in key areas, providers can inadvertently miss future opportunities gained by studying insights into critical trending data.

A good example is the intensifying use of information technology. Many providers have hurried to comply with Meaningful Use Stage One attestations without the foresight of deploying crucial components along the way that could help expedite Stage Two. The consequence is costly. The right partner with the right experience integrates its expertise and advanced methodologies within an organization to help achieve more effective financial and clinical results. In the Meaningful Use example that means rapid Meaningful Use attestation and incentive payments within a few short months, while reducing IT spending in the long run. A playbook of best practices shared by an experienced partner enables organizations to model successful efforts and more quickly achieve results.

**2. Integration leads to financial improvements.** One clear competitive advantage of collaboration is improved financial gains, from net revenue yield to cash flow improvement. These gains are achieved multiple ways, such as streamlining processes and aligning disparate functions. A good case in point is within revenue cycle management, which is truly a collection of separate, but related functions. Each function is responsible for effectively managing crucial aspects of a patient's hospitalization, from admission to final account resolution. With an integrated cross-departmental approach in place, organizations identify root cause issues more readily and implement proactive changes in processes, technology and resource allocation. The cost savings can be profound.

**3. Access vetted clinical and business technologies at a lower cost.** The right collaboration can result in high-ROI applications and programs that make it easier to share information, create centralized systems, and standardize practices across the entire continuum of care. For example: A recent partnership with a 45-hospital group—looking to improve physician and patient satisfaction caused by a fragmented scheduling system—led to the creation of a centralized scheduling system that reduced call abandonment rates by 39 percent and improved average hold time by 32 percent.

**4. Improved economies of scale in high-cost areas.** Get access to greater market clout and savings in everything from technology to labor management and supply chain solutions. Resource optimization is fueling the need for greater collaboration to gain sustainable savings across different areas.

One area yielding considerable economies of scale is in the supply chain. Today's progressive approach recognizes the supply chain should serve as business consultants and data analysts for physicians in a similar way they do for hospitals. This evolving role as a conduit between operational and clinical teams sparks innovations in the decision-making processes, resulting in operational improvements that streamline workflows and reduce waste, automate processes and contain costs, and improve contract compliance.

Take medical device sourcing, for instance. Working directly with physicians and clinicians to develop custom contracts, a strategic partner evaluates and identifies physician preferences as well as the integrated delivery network's cost-savings initiatives. By prioritizing existing vendor relationships and establishing rules of engagement for vendor contract negotiations, experience shows an organization can realize millions in savings in the first year alone.

## **Finding the Right Partner**

The key to any successful collaboration is having a strong partner. While there are many points to consider, it boils down to operational breadth and experience and the three Rs: Can they deliver the right services at the right time for the right costs? If the answer is yes, dig deeper and ask them to map out a solution to an actual problem your organization is experiencing. Ultimately, it's important to look beyond expertise, results and costs, and ask the most telling question of all: "Is this someone I want to be with in a committed long-term relationship?"

### **Key qualities in a healthcare enterprise management partner include:**

- Wide-ranging operational experience at hundreds of diverse hospitals and health systems over a long period of time, nationwide.
- Wide scope of services across operational areas, such as revenue cycle management, healthcare technology, supply chain performance, group purchasing, and workforce management.
- Dedicated, on-the ground specialists.
- Cross-discipline teamwork (such as using Computer-Assisted Coding to improve revenue cycle management).
- A toolkit of proven best practices.
- Strong data and business intelligence capabilities.

High-performing hospitals and healthcare systems understand that given today's complex healthcare landscape, choosing 100 percent homegrown business and clinical solutions does not always lead to strong bottom-line results or best practices. As healthcare continues to face new uncertainties, those hospitals that develop long-term, strategic collaborations with results-driven partners are more likely to stay on top of their weaker areas while freeing up time and resources to innovate and improve in their core specialties.

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