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## 7 Steps to Achieve Physician-Hospital Alignment, Collaboration and Trust

**H**ealthcare's second curve is coming fast. Hospital and health system leaders know they won't survive it without improving alignment, collaboration and trust with physicians.

The first curve was all about pay for volume. Physicians had to crank RVUs and hospitals needed heads in beds. For the most part, a hospital's success on the first curve could be a byproduct of physician success, even if their incentives weren't fully aligned.

The same won't hold for the second curve. It will be about pay for performance, outcomes, population health management, the Triple Aim and other forms of pay for value. This means physicians and hospitals must work together to transform their business model from providing services to achieving health.

"Hospitals, physicians and healthcare systems are trying to figure out when to jump to the second curve. If they jump too soon, they leave money on the table. If they jump too late, someone else will be ahead of them on the learning curve," says Rick Sheff, MD, principal and CMO of The Greeley Company, a healthcare consulting firm based in Danvers, Mass.

"The imperatives to succeed on the second curve are to improve quality and reduce costs at a pace and magnitude nobody knows how to do today. But somebody's going to figure this out. And if that somebody isn't you, they'll be eating your lunch," Dr. Sheff adds.

Getting onto the second curve requires experimenting with different models of reimbursement. Hospitals and health systems are entering alternative payment models, including bundled payments, shared savings agreements, pay-for-performance contracts, accountable care organizations and patient-centered medical homes.

As of February 2015, 42 percent of hospitals reported that 10 percent or more of their revenue stemmed from value-based contracts, according to a survey from Kaufman, Hall & Associates. Another 22 percent expect 50 percent or more of their revenue from value-based contracts by 2017.

According to Dr. Sheff, "For every one of these new arrangements, part of the solution has to be the doctors – getting physicians to change how they practice medicine and are rewarded. Now comes the hard part."

Here Dr. Sheff outlines seven steps to improving physician-hospital alignment, collaboration and trust so both sides can make the jump together successfully.

### 1. Acknowledge the past.

"This step is critical where trust is low," says Dr. Sheff. "It's

usually low because of events in the past that have left a scar. You need a time-sensitive and efficient way to address the past, and leave it in the past." When trust is low, hospitals and physicians must listen to each other and acknowledge the impact their previous actions have had on the other. If trust isn't low, organizations don't need to spend much time on this first step, he says. But if it is low, naming and acknowledging the most impactful events from the past are critical to success. This holds true even when the current players weren't involved in the past events. "If we don't do that work, the past keeps coming back to poison the present."

### 2. Reframe the challenge to align physician, hospital and patient interests.

"If each party focuses on its own success and neglects the success of the whole, then both the whole and the parts suffer," says Dr. Sheff. It's neither sustainable for the physicians nor the hospital to focus solely on their own interests. Reframing current challenges can be helpful for physicians and hospitals. "One of the most helpful reframes is, 'How are we going to achieve physician success, hospital success and good patient care at the same time?'" says Dr. Sheff. This reframing can help physicians and hospitals realize they are on the same side of the negotiating table and their success is not mutually exclusive.

### 3. Consider the process an interest-based negotiation.

The proven track record of interest-based negotiation has shown that parties are much more likely to come to a mutually satisfactory outcome when their respective interests are met than when one "position" wins over the other. This means reframing your physician-hospital alignment efforts by focusing on interests to be satisfied rather than positions to be won. Once physicians and hospitals are seated on the same side of the table, both parties should share a list of their respective interests. Meeting the interests of both parties then becomes a shared challenge rather than a competition of one side against the other.

### 4. Create a new vision for physician-hospital collaboration and alignment

Once all parties are unstuck from only maximizing their personal interests, the group must decide what a successful future looks like. That vision must be specific and simple enough to articulate a goal or set of goals so the organization can measure progress. This vision should be a "touchstone for every major decision," according to Dr. Sheff. This should be distinct

from the hospital or health system vision statement, he notes, as those usually do not adequately include physician interests.

### 5. Brainstorm initial collaboration opportunities.

"Insanity is doing what you have always done and expecting a different result," says Dr. Sheff. Hospitals and physicians cannot continue to not collaborate and expect different results. "You don't build trust by standing around and singing Kum-baya. You build it by doing a substantive piece of work together and in the process demonstrating trustworthiness." This step involves deciding what that substantive work will be. It requires being creative in coming up with projects that meaningfully help achieve both physician and hospital interests.

### 6. Create early successes by implementing a small number of initial collaboration projects.

In this step, both parties have the chance to show they can walk the talk and make their aspiration statements become a reality, according to Dr. Sheff. Once trust begins to build, momentum follows suit. He compared it to a flywheel of heavy metal. "To get it going takes an initial push.

The next push gets it going some more. That's what the early projects accomplish. Then each successful project becomes another push that gets the fly wheel going more, and the momentum grows until it starts to carry the organization forward. That's what happens when you complete the initial projects well," says Dr. Sheff. Short-term projects should be prioritized early on, while longer-term, higher-value projects should be added once trust builds.

### 7. Repeat with ever-higher value collaboration projects.

Repeat the process again with bigger projects as trust begins to build. "Continuously push the flywheel further and faster – it is self-perpetuating," says Dr. Sheff. Once you make the needed changes together you can move to higher-value projects and begin to complete them in a shorter timeline.

"We have done this with a medical staff and hospital where trust was low. We've done this between a group practice and hospital where trust was low. We've done it with a very large physician group and a multi-hospital system. Each time the results have transformed relationships, achieving more alignment, collaboration and trust than anyone thought possible," says Dr. Sheff. "This methodology can be used in a lot of different settings and in different ways to help physicians and hospitals collaborate better." ■

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*–Rick Sheff, MD, Principal and CMO of The Greeley Company*

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