



**An aligned physician governance strategy
drives service line improvement**

Engaging and aligning physician decision-making is key for implementing and sustaining meaningful change

Improving performance within service lines and across a system of care is bigger than cost management. A physician-led governance structure with aligned organizational execution is a key strategy for meaningful change in utilization, clinical pathways and more. Health care systems seeking to make lasting improvements of their own can use the following insights and tips for implementation.

This approach at UW Medicine in Seattle is yielding key learnings and big results. As a critical safety net hospital, UW Medicine faced significant financial losses from providing more than \$461 million in uncompensated care, along with decreasing reimbursement from all payers. Sweeping changes were needed, but could only be made by engaging and involving the people at the front lines of care—the clinicians. Partnering with supply chain and Vizient®, the health system created a data-driven structure for sustainable, physician-led governance that is the catalyst for more than \$15 million in annual savings.

1. Identify each service line’s “grasstops” physician leaders

These are the physicians well-respected by medical staff and administrators alike. They’ve earned clinical credibility at the grassroots level among clinicians, while also displaying strong business acumen.

Tip: Seek out physicians with leader attributes

“We set out to identify physician leaders that know how to navigate the politics of an organization, and at the same time, could influence and build consensus with the employees. Consensus is particularly important for making what can be very difficult decisions,” said Andrew Mancuso, consulting principal at Vizient.

2. Create accountability for improvements

This works for UW Medicine by having in place an overarching committee to oversee improvement initiatives. Reporting to this committee are core groups representing different service lines. Each core group is led by one or two physician leaders who are respected, credible and engaged.

Tip: Make goals and metrics clear

Clear communication with physician leaders includes outlining the goals and metrics to evaluate progress toward the goals and who is responsible. Initial improvements at UW Medicine focused on reducing cost per case or discharge. There, the charge for each core group is to evaluate and recommend optimal clinical products and vendors—plus, base each recommendation on cost and outcomes measures such as length of stay, complication rates and readmission rates.

Extra tip: Include bidirectional feedback

Not all decisions will make people happy. An appeals process or other way for physicians to communicate their concerns shows their input is respected.

3. Use data to identify improvement opportunities

Credible data is integral for making the right choices and for convincing others the right choices were made. After analyzing product expenditures over the past year, UW Medicine arrived at its own decision to focus on reducing cost by case. Leadership then compared their costs to spend at other hospitals using Vizient benchmarking data from collective member hospital datasets.

Tip: Make data transparent to physicians

“The Vizient data really shows us where the opportunities lie. Using the ortho service line as an example, our core ortho group was able to discuss sourcing strategies using data that showed us cost and outcomes for different implants. This information also engaged physicians to participate in the sourcing process—and wasn’t information they’d previously had access to,” said Brad Henley, MD, professor of orthopedic surgery and sports medicine at the University of Washington.

Extra tip: Distribute data ahead of strategy meeting

An early look gives physicians time to assess the data insights and prepare feedback to discuss at meetings.

4. Incentivize physicians

An incentive model that can drive improvement and recognize physician input is ideal. Physicians at UW Medicine are provided incentive through a shared-savings model developed with Vizient support. Ten percent of any savings resulting from an improvement initiative goes back to the service lines—but not to physician compensation.

“It’s really to invest in whatever the leaders of both the service lines and the core groups think are appropriate—such as marketing, practice development or capital equipment, which may not be in the capital budget, but the physicians feel are really important to advance quality,” Henley noted.

Tip: Consider the power of shared savings

A shared-savings model demonstrates from the start how important physicians are to decision-making. At UW, the model gives these physicians an opportunity to state what is important to them, by choosing how to spend the savings.

5. Consider pushback part of change management

As expected, some resistance to standardizing products will occur. Standardization requires that at least some physicians change to different vendors’ products and tools, which not every physician is initially comfortable doing.

Tip: Use trustworthy data to validate a new direction

Physicians at their core are scientists and will want to know the data sources and methodology used to score performance insights, especially cost per case. The data should be properly scored to account for the physician’s patient acuity mix.

“Some of the data was really surprising to our physicians, who didn’t realize the amount we were paying for certain supplies. Other data was more or less in line with what they already thought. But in general, physicians have embraced the new process because they have a voice in it, and it’s a voice and role that they haven’t shared in the past,” Henley observed.

Extra tip: Keep supply chain involved

Give supply chain teams access to cost per case data and let this department bring benchmark opportunities to physicians.

A new foundation for data-driven improvements

To date, UW Medicine formed seven clinical service line core groups with an oversight committee. These groups identified 65 clinical supply initiatives that already achieved \$15 million in annualized savings—and this is just the beginning of engaging physicians with reliable, insightful data.

“Once physicians are engaged and part of decision-making, conversations about cost rapidly expand to discussions about the core of what most of us care about, which is really the clinical care. With the doctors now brought together, and with the data in front of them in a way that clearly shows the opportunities, we can turn our sights to driving the best possible care for patients,” concluded Rick May, MD, senior principal at Vizient and former orthopedic surgeon.



290 E. John Carpenter Freeway
Irving, TX 75062
(972) 830-0000
www.vizientinc.com

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For more information, contact
Futureofhealthcare@vizientinc.com

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