

In this Window of Opportunity, What's Your Affiliate Engagement Strategy?

By Anthony Boerbon

A unique window of opportunity exists for large hospital systems and integrated delivery networks to share their Electronic Health Record (EHR) systems with their affiliated independent physician practices. Combining the current availability of stimulus funds with a relaxed regulatory environment related to the Stark law makes this the right time to develop an EHR affiliate physician engagement strategy to examine the level of effort and cost of such a program.

The current Stark safe harbor rules that permit hospital systems and integrated delivery networks to absorb much of the cost of sharing their EHR technology with affiliated physician practices is scheduled to expire on December 31, 2013. It is expected that at that time, once again, there will be a ban on hospital funding of EHR technology for affiliate physician practices. This safe harbor rule, combined with the current stimulus funds available for EHR adoption through the American Recovery and Reinvestment Act of 2009 (ARRA) and heavy vendor marketing, have put a great deal of pressure on independent physician practices to make EHR decisions in 2010.

Why would a hospital system or integrated delivery network want to incur the time and expense of developing a strategy to extend their EHR system to their affiliate practices? Utilizing a shared system can provide multiple benefits, including:

- improved patient care
- streamlined referral processes
- enhanced data integration capabilities
- increased physician and patient satisfaction due to enhanced communications

In addition, hospitals have the ability to differentiate themselves from the crowded EHR vendor market due to their capacity to leverage existing relationships within the community, provide seamless record integration, and offer clinical content and best practices, as well as the potential to provide system support. They also offer the advantage of real-life implementation experience, especially in regards to overcoming potential adoption barriers and addressing concerns about changes to physician productivity during the implementation process.

This article outlines the steps that hospital systems and integrated delivery systems should take to create a successful program for offering their EHR systems to their affiliates. *But reader beware:* this is not intended to be yet another “get your \$44,000 stimulus funding — act now!” article, but rather a pragmatic outline of steps to take in evaluating and implementing an affiliate practice engagement strategy.

GETTING STARTED: INTERNAL ALIGNMENT

In order for any large organization to develop a successful affiliate practice engagement strategy, they must first achieve internal alignment between the C-suite and physician leaders. The question to ask is:

Do we understand all of the perspectives and concerns across the entire span of our leadership organization?

For example, the Chief Compliance Officer will have a very different point of view from the Chief Nursing Officer.

It should, therefore, be the responsibility of the Chief Executive Officer to identify the participants required to develop the affiliate engagement strategy. In addition, the CEO should commission information-gathering sessions, guided by a simple questionnaire, for the purpose of identifying the benefits and risks of the program and the goal of gaining consensus to proceed. The results of these sessions should be documented and shared with the leadership team, who should in turn use this information to identify critical success factors and risks, along with mitigation strategies.

SETTING TARGETS

Once the organization has achieved internal alignment, the next step is to develop a list of potential targets, using a three-step process:

- *Profiling Potential Targets*
The organization needs to identify which of their affiliate practices should be targeted for EHR integration. Essential to this process is the development of a profile for each affiliate practice. The profiles should include metrics such as referral volumes and record request patterns. Both the marketing and health information management departments will be key players in this process.
- *Gauge the Target's Interest*
After developing the profiles, you should try to gauge the level of interest of each target. However, be aware that most independent physician practices are currently receiving numerous calls from EHR vendors and are beginning to feel overwhelmed by the alternatives presented to them. An alternative to direct contact is to try to leverage an existing forum, such as utilizing EHR survey results gathered for another purpose.
- *Understand Existing Relationships*
It is important for your organization to understand the scope of existing EHR relationships in order to ensure that new offerings are in alignment and do not dilute the benefits of current partnerships.

Once the above information is gathered, you can begin to stratify affiliates by strategic attributes such as size, location, implementation requirements, as well as other criteria important to your organization. Also, it is beneficial to approach both the “easy” and “difficult” targets in your initial efforts in order to gauge the accuracy of your profiles and refine future development plans.

RESOURCE AND TIMELINE PLANNING

In many cases, extending your organization's EHR system to affiliate practices is a program that was not on the radar for 2010 and, therefore, was not included in overall resource planning. In fact, this initiative is often viewed as an external activity that competes with critical internal initiatives for key IT and EHR support resources. For these reasons, the development of a comprehensive resource model is imperative, both for the initial rollout and ongoing support. The best case scenario is that this effort becomes an extension of any current EHR ambulatory deployments, utilizing a subset of an existing team. Alternatively, you may need to augment current staff levels for this initiative. In either case, the development of a comprehensive staffing plan is a necessity and should include contributions from both the IT and EHR support teams.

This phase of strategy development should also include a review of other organizational commitments and timelines. Both potential conflicts and opportunities might exist that would allow you to leverage economies-of-scale, such as aligning this initiative with EHR maintenance upgrades.

DEVELOPING A COST MODEL

Development of a complete and accurate cost model is perhaps the most critical component of your strategy. The internal leadership team and affiliate practices will inevitably ask: "how much is this going to cost?" To be effective, the model must include the costs of:

- software licensing options
- third-party software integration options
- one-time implementation
- ongoing support and maintenance

Some organizations are developing "a la carte" pricing models that include a variety of options for integrating their affiliates' existing practice management systems. Others are utilizing a less complex, "one-size-fits-all" pricing model.

An important component of your cost model is deciding how much of the program cost will be subsidized by your organization. This is where a critical review by your finance and compliance teams must take place. Under current Stark laws, hospitals cannot pay for the hardware required to operate these systems, and independent physicians must cover at least 15 percent of the software bill.

In order to present a comprehensive cost model to your affiliate practices, an analysis of their potential ARRA stimulus reimbursements is required. Although much is being written about the \$44,000 per physician Medicare incentive for EHR adoption, the actual incentive is based upon each practice's patient mix and implementation timeline. Large hospital systems are in a position to positively differentiate themselves from EHR vendors because of the understanding they have of their particular market's patient and payer mix. Therefore, they are better prepared to develop a more realistic stimulus reimbursement model.

The interactive ARRA Return on Investment Calculator is a useful modeling tool created by Ingenix Consulting for the purpose of analyzing stimulus reimbursement for physician practices. This sophisticated actuarial model is available at: <http://www.ingenixconsulting.com/Ignite/IgniteARRA/>

PROGRAM PACKAGING AND INTERNAL CHECKPOINT

Once the affiliate practice engagement strategy is complete, it is time for a final program review and approval by your leadership team. It is essential that all key players understand the details of the offering and are prepared to support the program. Upon approval, the EHR program should be treated as any other high-risk, high-visibility initiative within your organization:

- name a project sponsor who has credibility and visibility with the affiliate practices
- ensure that your marketing and compliance departments are fully engaged
- schedule the initial pilot implementation programs conservatively; remember – learn first, *then* accelerate
- actively monitor progress and barriers
- maintain a risk log and make it visible

SUMMARY

Although many independent physician practices are interested in adopting EHR systems, they are overwhelmed by EHR choices and are under tremendous pressure to make timely decisions. Large hospital systems and integrated delivery networks are in a unique position to offer an established EHR system to their affiliate practices, which will provide benefits to each of the organizations and the patients they serve. However, there is a finite window of opportunity for this offering, so organizations should proceed quickly with the careful and thorough development of an affiliate engagement strategy.