Before jumping into an integrated delivery system (IDS) — or adding physicians to your IDS — ask yourself and your organization’s leaders a few important questions to ensure a lucrative and successful union.

ACME Hospital (fictitious name), located in the Midwest, is a 250-bed hospital with 40 employed physicians that recently acquired a four-person urology group called ACME Care. Prior to the acquisition in 2012, the hospital had 30 primary care physicians, four general surgeons and six hospitalists. The hospital chief executive officer asked to meet with the executive director of ACME Care’s physician group and told her the hospital would be adding four urologists to the group in the next week.

She had less than a week to orient the office; onboard the physicians; meet with staff; inventory and transition the offices to an ACME Care satellite; and provide administrative, billing and staffing support for providers and 15 staff members. Sound familiar?

Hidden dangers

On the surface, adding more physicians may seem like a financially sound idea, especially when the group has no competition for internal referrals, the town only has one other large group and a community needs assessment has indicated the capacity to add two urologists. Yet the hospital administrator in this case needed to consider some additional factors to ensure a successful integration. A few of the hidden dangers are revealed with answers to the following questions:

• Why are you adding this group to ACME Care?
• Are you responding to a service need?
• Is the group falling apart?
• Is the group at risk of losing partners, or does it need help recruiting additional partners?
• Does this group fit into your (hospital) strategic plan and the strategic plan for your physician division (ACME Care)?
• Does your physician’s division have a strategic plan, and if so, is there strong integration between the hospital and employed physicians?
• Is this a high-quality medical group?

One of the things you are counting on is that your primary care physicians will refer to this urology group. Answer these questions to make sure:

• Do you know the current referral patterns and whether this group is a high-quality group?
• Do they have good interactions with your employed physicians and community physicians?

If your employed group does not currently send the majority of its patients to this urology group, find out why. If your primary care and community physicians tell you that the urology group does not provide high-quality care or does not communicate well, then you are entering into an uphill battle and might never change.

Take the time to involve key stakeholders in your acquisition process to ensure a thoughtful, well-planned approach. If you hear that a deal must be made in a week, it’s usually too good to be worthwhile.
referral patterns, which could be a disaster for you.

Who made the decision to hire these doctors, and was the decision made in isolation? Could you have approached the administrative and physician leaders in ACME Hospital group to help evaluate the proposal?

Have you considered how long it will take to completely onboard the group and ensure the practice conforms to your (ACME Care) policies and procedures, EHRs, practice management system, credentialing and billing requirements?

A critical flaw in many integration efforts is that hospital professionals do not provide enough transitional time to address the changes that are needed to take this office from a private practice to a hospital-owned practice. The process can take anywhere from three months to one year.

The dangers of missing the mark in any of these areas could lead to members of the group practice not feeling like they are part of your medical division. They might not make a profit, or even worse, the process could alienate the new physicians and they will leave the organization. The other unfortunate loss is that you may alienate your employed group and community physicians in the process.

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