



Clinic Outreach and Network Development

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Developing the Strategy

- Understand your organization's strategy
- Partner with your strategic executives
- Knowing “why”
 - Downstream revenue
 - Competitive advantage
 - Joint Ventures, affiliations, LLCs
- Set your budget to align with strategic plan
- Potential conflicts may exist between strategy and finance
- Determine whether outreach will be through acquisition of practices or opening new locations or combination
- Decide if the strategy includes primary care
- Does the strategy include pediatrics and adults?

Market Assessment

Things to consider:

- Demographics of area – number of children – trend line; growing or not
- Market share of competitors
- Understand referral patterns from the area under consideration for inpatient and outpatient services to your organization
- Identify specialty practices located in the area
- Ascertain the most commonly referred to specialties from primary care. We find this to be dermatology, GI, neurology, orthopedics/sports

Additional Considerations

- Where will procedures be performed? At the main hospital or locally?
- Onsite laboratory and radiology services or proximity to these services?
- Assess whether there are enough physician clinical FTE's to expand identified specialties
- Depending on the size of the proposed clinic is there value in hiring physicians from the local area

Internal Communications

Get everyone on board early

- Real estate services
- Design and construction
- Compliance
- Legal
- Privacy
- IT
- Licensing
- Billing
- Pharmacy for 340 B pricing
- EMR team

Physician Selection

Characteristics of successful physicians

- Flexible
- Interest in marketing when there are not enough patients to be seen early on
- Willingness to travel
- Strong producers
- Connections in the community; i.e. sports medicine with connections to high schools in the area
- Time to be in the satellite and still have coverage for patients at main campus

Development of Revenue Assumptions

- Historical E & M data by MD
- wRVU - history of production in the clinic for cost centers unique to the outpatient enterprise (no procedures)
- 8 clinic sessions as full time equivalent over 46 weeks
- Assumption is that if you have a clinical appointment of 0.4 that you will work 0.4 (some are over their clinical appointment others are under)

Expected Sessions Template

Clinical Sessions Required by Specialty			
Department	Patients/Session	Expected Sessions	Total visits at YE1
PED GI	5	46	230
CHILD NEURO			
PED ORTHO			
PED DERM			
Total:			

Physician Expense

- Physician Expense historical wRVU based on expected sessions
- Calculate by number of expected sessions x wRVUs x assigned cost/wRVU = physician expense

Physician Expense based on expected sessions

Physician Expense - Minimum Coverage				
Department	Expected Sessions Ext.	wRVU	Physician Exp/wRVU	Physician Exp.
PED GI	46	276.00	\$78.00	\$21,528.00
CHILD NEURO				\$ -
PED ORTHO				\$ -
PED DERM				\$ -
Total				\$ -

Clinic Expense

Patient volume expectations and type of services to be provided drive total square foot requirements:

- Number of exam rooms
- Vitals Station
- Reception and waiting
- Clean and soiled utility rooms
- Provider room for documentation (hub room)
- Procedure room (if necessary)
- Storage closet for medical supplies
- IT closet
- Space for copier, printer

Clinic Expense

Proposed staffing model for a start up in a new location

- One admin assistant
- One medical Assistant/LVN depends on scope of what they can and cannot do
- Depending on volume and services perhaps an RN

Financial Projections

Projected Operational Costs

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Labor Expense					
Salaries					
Benefits					
Total Labor Expense					
Non Labor Expense					
Misc. Operating Expense					
Rent					
Physician Expense					
Total Non-Labor Expenses					
Total:					

Projected Income

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Operational Costs					
Revenues					
Net Income					

Clinic Operations

- Referral management – physician calls
- Centralize or decentralize handling these calls
- Pediatric access center versus local phone number
- Advantages of an Access Center
 - Single number for all referral sources
 - More likely that referrals will be responded to within one business day
 - Curb side consult available
- Advantages of local phone number
 - Makes local referral sources feel a commitment to the community
 - Relationship that patients develop with the local office – more personal

Clinic Operations

- Call Center for follow up patients – we have a mixed model in our satellite locations where some locations use the call center and others call the local practice
- Migration occurs over time as often initially staff are present part time, requiring that most calls come to the main campus location
- Centralized scheduling (for procedures)
- Centralized authorization unit
- Create pod structure with assigned specialties to one area, if large enough. Front desk staff and medical assistants are shared for all specialties

Tips and Tricks to ensure your success

- Physician champion
- Communicate and over communicate with your providers about every detail
- Listen to them and set expectations
- Communicate with local referring providers – hear what they are saying or requesting - not once but return to them frequently
- Develop work flows – include providers

Tips and Tricks

- We often take for granted the ancillary services. Plan to set up your own contracts for sharps, medication delivery, oxygen, facility maintenance, medical supplies
- Identify those from IT that can support the location
- Hiring can be challenging in local markets
- Ready for conflict and listen to both sides and get back to what is best for the patient and/or the strategic objective
- Management – as soon as large enough need on site supervision to handle day to day issues including staffing, patient complaints, audits, facilities issues

Metrics

Measures of success

- Has access improved?
- Visit volumes increasing?
- Patient Satisfaction surveys (especially the comments)
- Physician Satisfaction
- Slot utilization
- Exam room utilization
- Are we meeting strategic objectives?
 - Is market share increasing?
 - Financial performance expectations?
 - Are downstream benefits occurring?

Conclusion

- Takes time – up to 2 years to determine success
- Takes attention – can't open and assume they will come
- Realize there are referral patterns that may take time to change
- You are new to their community and have to earn your way

Thank You

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QUESTIONS?

