



# Lowering Cost & Improving Care: After Hours Answering Services Consolidation

PURCHASED SERVICES

# For your information

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- Today's webinar is being recorded
- All telephone lines are currently in listen-only mode
- Use the Q&A feature for questions or comments

# Today's Speakers

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**Mark Ferraro**

Consulting Director,  
Purchased Services

*Vizient*



**Ryan Bowcut**

Executive Director of Operations

*Piedmont Healthcare*

# Problem Statement

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Third party services can represent 15-20% of annual spend

- “Purchased services” are crucial to operations
  - E.g. IT and telecom, clinical services, security, maintenance, etc.
- Not always “top-of-mind” when evaluating costs and budget
  - If its working well, typically overlooked (pain threshold)
  - Volume of opportunities to address
- An often untapped source of savings across the supply chain
- Presents opportunities for standardization of processes and technology

# Physician Employment, Practice Consolidation

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- The trend of hospital acquisition of physician practices continues nationwide, as part of a larger movement toward healthcare consolidation
- According to the Physician Advocacy Institute
  - From July 2015 to July 2016, 5,000 independent physician practices, representing 14,000 physicians, were acquired
  - In July 2016, 42% of physicians were employed by hospitals



# Purchased Services Success Strategies

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## Step 1: Gather the data

- Gaining visibility can be a challenge
  - Often managed by various people throughout the organization
- Conduct a thorough assessment
  - Speak to stakeholders
  - Review contracts
    - Rates, scaling terms, auto renewals, termination clauses
  - Gather financial data
    - Accounts Payable / Purchase Orders
    - General Ledger to uncover variable costs
  - \*Aggregate spend to tell the larger story



# Purchased Services Success Strategies

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## Step 2: Gain executive buy-in

- Engage them in the discussion
- Educate using the data
- Understand the “sacred cows”
- Navigate surmountable road blocks
- Provide coaching on building the business case



# Purchased Services Success Strategies

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## Step 3: Analyze performance

- Compare spend
  - Historical spend, trends, variability
  - Regional benchmarks
- Compare utilization
- Evaluate quality and efficacy
  - Outcomes
  - Stakeholder satisfaction
  - Vendor performance / metrics
  - Ease of doing business





# Purchased Services Success Strategies

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## Step 4: Evaluate standardization options

- Address stakeholder needs and goals
- Enterprise contract opportunities
  - Impact on overall spend
  - Service standards and agreements
- Corporate direction
  - Service expansion / platform
  - Best practices identified in the analysis phase
- \*Make a recommendation based on the analysis, strategic imperatives



# Case Study: Piedmont Healthcare

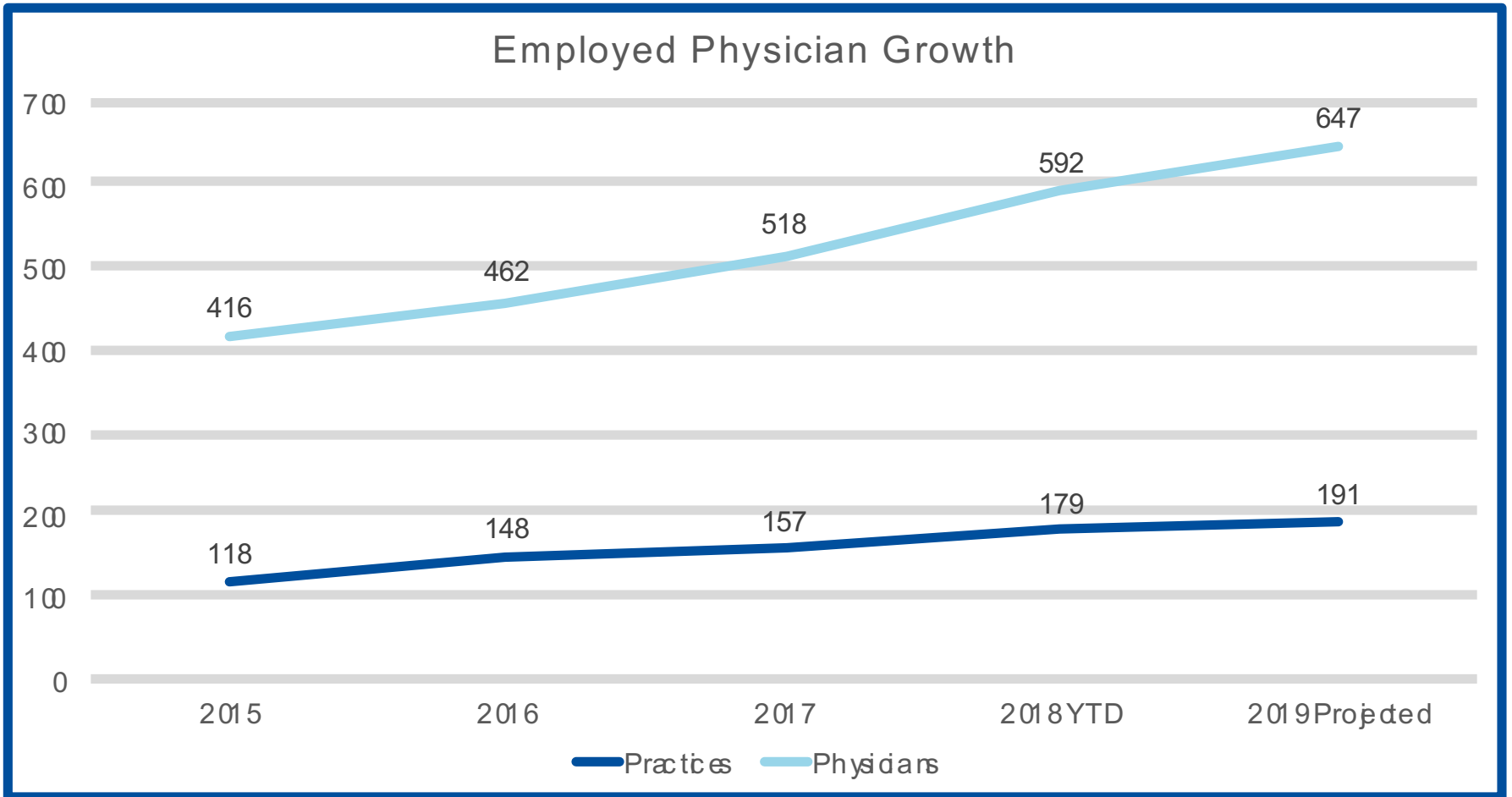
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## ABOUT PIEDMONT

- Private, not-for-profit
- Founded in 1905
- Service locations
  - 11 hospitals
  - 24 urgent care centers
  - 28 QuickCare locations
  - 179 physician practice locations
- Serves 2 million patients across Georgia
- 22,000+ employees
- Provided \$215 Million in uncompensated care in 2017



# Physician Employment at Piedmont



# Purchased Services Initiative

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- Goal: To consolidate after hours answering services across our rapidly expanding employed physician base, to reduce the overall cost of those services
- Great variability
  - Base rates
  - Usage / volume accelerators
  - Service quality
  - Patient experience



# Step 1: Gaining Executive Buy-in

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## TWO INITIATIVES OCCURRED SIMULTANEOUSLY

- Cost cutting
- Operations: better after hours answering services
  - Had inherited and tried a number of different providers, with variable levels of service and quality
  - Challenges
    - Variable processes
    - Inconsistent ways of communicating with patients
    - Inconsistent patient communication with physicians



# Step 2: Gathering the Data

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## REQUIRED INFORMATION

1. Total number of employed practices
2. Each practice that has an answering service
3. Names of the service organizations currently begin used
4. Nature of service (human-centric or automated?)
5. General Ledger Accounts Payable spend on monthly fees, including per click charges



# Step 3: Analyzing the Data

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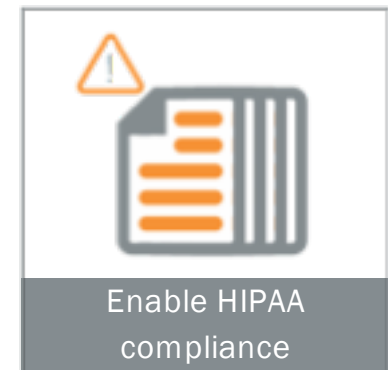
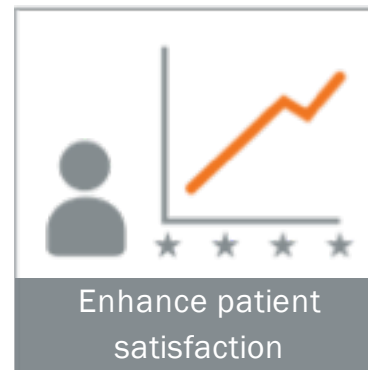
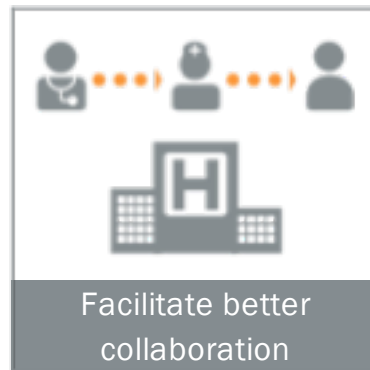
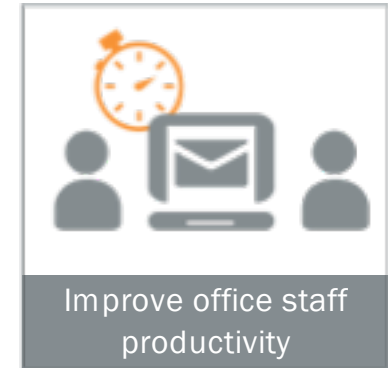
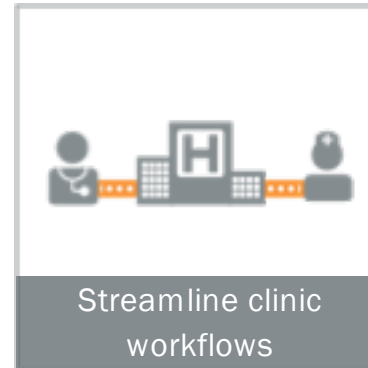
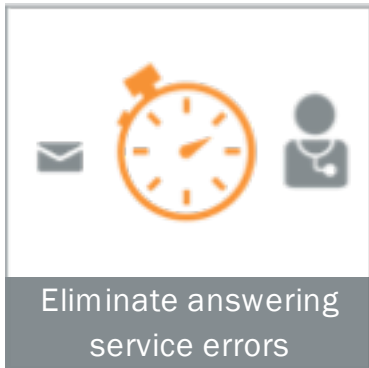
## Operational goals superseded the cost-cutting initiative:

- Eliminating manual steps in identifying on-call providers/schedules
  - Extremely confusing, inconsistent, and often led to erroneous contact
- Improving physician satisfaction and response time
  - Expediting the delivery of messages and making it easy for providers to act upon the information
- Addressing patient frustration with process and service
- Ensuring consistent, secure management of PHI in all communications
- Scaling after hours service to grow and expand with our organization's growth

# Step 4: Evaluate Standardization Options

## AFTER HOURS ANSWERING SERVICE: PURCHASED SERVICES GOALS

- Consolidate vendors, scale with growth
- Eliminate variable costs with a fixed pricing model





# Making a *Platform* Decision

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## PRIORITIES

- Resolves fragmentation
  - Supports all devices and modalities (smart phones, VoIP devices, LAN lines, web browsers, pagers)
- Cloud-based, easily accessible
  - Cross-continuum communications (outside the “walls” of the system)
- Scalable
- Supports growth and expansion of communication strategy



# Step 5: Maintain the Gain

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- Monitor and report metrics
- Support optimization post go-live
- Gather feedback / check-in with users
- Build upon communication improvements (beyond After Hours)
  - 24x7 communication management
  - Expand to affiliated outpatient service providers
  - Incorporate the patient and family



# Closing Thoughts

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- The analysis is relatively simple
- An “easy win”
  - Repurposes existing spend while achieving greater value
- Supports strategic imperative to improve clinical communication safety
- A best practice for acquiring a communication platform technology
  - Change culture
  - Simultaneously move all providers to a single communication platform



Questions?



# Thank you!

Please take a moment to complete a short survey.

