

South Florida Hospital News[™] and HEALTHCARE REPORT

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Prism Healthcare Partners – Helping Healthcare Providers Sustain and Excel Under Transitioning Market Conditions

BY LOIS THOMSON

"We're very focused on helping our clients, which include community hospitals, multi-hospital systems, and academic medical centers, deal with their challenges – especially Value Based Purchasing, Bundled Payments and managing Population Health," said George W. Whetsell. "The challenges can include everything from financial performance to clinical quality, and improving performance in these areas is becoming increasingly imperative as the healthcare market, and our economy in general, transitions. That's where Prism Healthcare Partners LTD is able to help."

Whetsell, along with Ramona Lacy, are Managing Partners of Prism, a healthcare consulting firm founded in 2013. As Lacy said, "We saw a huge need. There was so much change coming to the industry – unprecedented in my nearly 30 years of experience. Mergers are consolidating the industry as providers try to gain more purchasing and operational scale. Many of our clients have been acquiring physician groups, and as a result they now operate physician practices. At the same time, many hospitals now operate surgery centers, imaging centers and an array of other ambulatory services – we work in all of these settings."

Whetsell agreed. "So much change was coming about, and we saw the pressure on the industry to improve performance in a broad range of areas: not only financial performance and productivity, but also clinical performance, especially aligning with emerging reimbursement models such as bundled payments, population health management and capitated payment models. We knew that these, and more, were going to be major challenges. Today, healthcare provider organizations are trying to achieve and maintain financial sustainability in a market where both margin and volume are shrinking, and quality of care is more transparent than at any other time in history."

Lacy noted the elements of a sustainable financial organization: "Accountability is something that must be incorporated into and



George W. Whetsell



Ramona Lacy

cascaded throughout the organization each year, including company and individual goals, incentives of the senior management team, etc." In addition, Lacy added that an organization should be a calculated risk taker. "Management should try new financial cost-reduction and revenue-enhancement strategies," she said, "and should look for help from outside expert resources that are focused on innovative ideas and execution strategies."

Additionally, healthcare organizations need to have a strong focus on performance, and need to continuously monitor actual performance versus goal; involve the appropriate leadership team members (including, crucially, physicians and other clinicians); and verify benefits to ensure that good ideas are more than just good ideas – but actually generate benefits that are realized on the bottom line. Finally, the commitment to improvement must be continuous.

Lacy then explained why performance improvement needs to be a priority, adding that healthcare as a percentage of GDP has been steadily increasing over the past several decades and is approaching almost 20%, which is higher than that of all other developed countries. "That is not sustainable, and something must be done to help our healthcare system reduce costs and increase quality in order to remain competitive and, most importantly, survive." At best, increases in Medicare reimbursement will be limited – and reimbursement might be reduced.

"Additionally," she said, "several industry movements are negatively affecting reimbursement, including Value Based Purchasing, the Accountable Care Act, and emerging payment models. Concurrently, healthcare costs continue to increase, which is creating even more of a storm."

"One of the characteristics of our firm is that probably 95% of our staff are very experienced, with 20 to 40 years in healthcare, healthcare consulting and/or healthcare operations," said

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Whetsell. Prism is able to assist organizations reach sustainability by focusing on six core areas – clinical performance, physician operations, workforce, non-labor, revenue cycle and strategy. Whetsell explained that Prism has specialists in each of these areas.

For example, the revenue cycle team focuses on how hospitals charge and get paid for their services. The workforce team is composed of experienced labor experts, including nurses, pharmacists, and those with backgrounds in surgical services, laboratory, and radiology, many of whom Whetsell said are former directors of hospital departments. The non-labor group deals with issues such as contract terms, or everyday things such as how much the facility is paying to do laundry. The clinical performance and physician operations teams help clinicians and physicians improve documented clinical quality and outcomes by leveraging a client's own internal expertise, with processes and project management that facilitate rapid and sustainable improvement. All of these efforts align to reduce global cost per case, a key success metric in the new world of healthcare.

Lacy said that she, Whetsell and many of these specialists previously worked together, and she commented how the nature of their work has changed since their early days in healthcare. "In the past, we would help clients with a broad financial

improvement program, and then move on. Now, providers are engaging us for more focused improvement projects. However, as one targeted project concludes, they often request additional, but still focused, assistance. So maybe as they buy a new hospital, we help integrate it into the system. After that, they may want us to help improve the quality metrics that impact their reimbursement. They are increasingly asking us to migrate from one area to another that might be a hot spot for them."

Whetsell added in closing, "We have the background and expertise to help clients face challenges – new and old. We're an implementation firm, which means we have boots on the ground throughout our projects. That means that we transfer operational knowledge – not just savings – to our clients. That is the key to sustaining the improvements far beyond the life of our project. We are proud to have a long list of clients that have continued to perform, and continued to improve, long after their engagement with Prism concludes. That's the most rewarding part of our work."

To learn more about how taking a proactive approach to performance improvement can benefit your organization, contact Prism Healthcare at (954) 200-7050; email results@prismhealthcare.com; or visit www.prismhealthcare.com.