The Next Generation of Service Lines
Adapting to Change

A New Heights Group White Paper

New Heights Group

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Creating service lines around select hospital service groups has been a successful strategy for fostering growth and performance improvement. As the market changes - accountable care, bundled payment, etc. – so too must our service line strategy(s). This white paper highlights some of the key steps to update your service lines and keep them valuable in tomorrow's environment. Specifically:

- Clarify service line definitions;
- Establish a continuum of care;
- Address chronic care;
- Enhance physician alignment opportunities; and
- Rethink organizational structure.

Clarify service line definitions. The original strategy behind most service line development was to promote growth in the most profitable hospital services, and usually involved no more than 4-6 service lines (defined as patient groups such as cardiology or orthopedics). With the success of this model, organizations began assigning service line status to multiple other areas of the business. Today, it is not uncommon to find service lines that have overlapping definitions – patients may be in a service line defined by demographics (e.g., women's), a disease (e.g., cardiology) and/or a setting (e.g., ambulatory). Creating a clear definition of what a service line is, and isn't, is pivotal as these areas take on greater scope and complexity. Lack of clear definitions leads to confusion that can ultimately compromise performance.

Questions like the ones below will help determine if your service lines need clarification.

- Under what service line would an 84 year old with CHF and severe arthritis fall?
- What service line manages the female patient with chronic arrhythmias?
- How do you determine service line 'placement' for other patients with multiple morbidities?

Many other examples exist of overlapping service lines; clarity is needed before taking on greater risk for cost, quality, and/or population health. This task is the responsibility of senior leadership to ensure consistency across the organization.

Establish a continuum of care. Providers are increasingly accountable for care across the full continuum, yet most service lines still focus on the inpatient episode. Because no single service line uses the continuum of care the same way, service line leadership must identify the key elements of the care continuum for their unique population. The following questions can help:

- How do my patients move across the full continuum, from prevention to post acute/chronic care management?
- What services and settings are used most often and for what purpose?
- Where are prevention and/or screening services provided?

- At what point in their care do they use each service or setting?
- What are the key attributes affecting use (e.g., location, hours, IP vs. OP, subspecialty care, etc.)

Many organizations have access to the continuum, but this isn't enough in a value-based environment. Service lines need to integrate each service and setting of the continuum to ensure patients receive seamless care. An integrated continuum means:

- Uniform admission and discharge criteria across all settings to facilitate patient movement in a consistent fashion.
- Consistent patient education materials and disease management approaches.
- Consistent and integrated quality assessments, using the same measurement tools. Outcomes measure entire episode of care rather than specific setting.
- Regular team meetings include representatives from each setting of the continuum.
- Consistent medical direction across all settings (not necessarily one medical director, but consistency in direction).
- Mechanisms in place for ongoing communication on patient progress (possibly a single electronic record).
- Patient navigators/care coordinators responsible for the full continuum.

Simply identifying the continuum and establishing relationships with the different settings will not be enough; service lines must work with these settings and services to integrate the services offered. This does not suggest that organizations must own all the settings of the continuum. Integration can be attained through informal relationships, formal contracts, and/or bundled payment initiatives.

Address chronic care. Most organizations recognize the importance of managing patients with chronic diseases that drive higher utilization of healthcare services. Establishing a chronic care service line, where the service line is defined by healthcare utilization and/or cost, is an approach taken by many. Unfortunately, this approach can further fragment the system of care by creating yet another patient "silo" when an objective of service lines is to break these down.

A more integrated approach is to shift chronic care management to existing service lines; this would fit the majority of the chronic care patients/high users. In this structure, the responsibility for managing CHF patients falls under the cardiovascular service line. Patients with chronic conditions resulting from cancer would continue under the oncology service line. Those patients that do not fit existing service lines can still receive targeted care management, but it would not be a separate service line. Integrating chronic care can facilitate the shift from episodic care to population health within the service lines, and minimizes the potential for patients to fall through the cracks between acute and chronic care.

Integrating chronic care into the relevant service lines may better position organizations to manage both acute and chronic health successfully, a needed skill set for future success.

Enhance physician alignment. Aligning physicians with service line efforts is an ongoing challenge that is critical to success. Many approaches to physician alignment have been used over the years, from participation in informal advisory boards to employment, and the one lesson learned is that there is no 'silver bullet' for successful alignment.

Providers often focus on one alignment strategy, yet, as the market evolves and service lines become more complex, the value of multiple alignment initiatives will be recognized. One easy to implement and successful model is to expand the traditional medical director role to encompass multiple medical directors. This approach provides physicians with multiple leadership opportunities where they can have substantial input in service line performance.

There are several ways to organize multiple medical directors, including:

- **Specialty.** Medical directors for each specialty within the service line can be very helpful as service lines become more and more subspecialized. In even the most basic service line, medical and surgical medical directors can help identify and implement clinical improvements and potential cost reductions.
- **Disease/program.** Many large programs will have a medical director for each of their major program and/or disease areas.
- **Population.** Most service lines cross multiple age groups; assigning a medical director to each key age group is useful for a better understanding of the unique non-clinical needs of the population segments.
- **Function.** Medical directors can be assigned to select key service line functions. Functions may include quality, technology, utilization, continuum management, marketing, etc.. Some of these, such as quality, can be segmented even further, such as measurement tools, continuum quality, patient satisfaction, and outcomes, each with separate medical directors.

The examples given below offer ideas on how the *simple* position of medical director can be refined to provide multiple physicians the opportunity for meaningful involvement in service line initiatives.

- **By specialty**
  - Medical – inpatient, outpatient, chronic disease, critical care
  - Surgical – inpatient, outpatient, new techniques/technologies
- **By disease/program**
  - Neurology – movement disorders, stroke, spine, brain tumor, home health
  - Orthopedics – joint replacement, sports medicine, trauma, rehab, education
- **By population**

- Oncology – men (prostate, lung, colon), women (breast, uterine, lung), children
- Cardiac – geriatric, women, children

- **By function**
  - Quality, technology, patient satisfaction, continuum management, operating efficiency, post-acute care

Engage primary care in your service line initiatives. Primary care providers are involved with all patients at some point, and can provide a very different perspective from the core specialists running the service line. Primary care providers can play a role as medical director in some of the examples above, and should be represented in any advisory board.

The successful service line of tomorrow will engage physicians through multiple approaches – advisory boards, medical directors, joint ventures, and potentially co-management. Before undertaking any alignment initiative, make sure your objective is clear – what do you need the alignment to achieve?

Rethink organizational structure. Previous New Heights white papers have addressed different service line organizational models. Whatever your current organizational structure, it's time to review it to see if it will support the market changes ahead. If your service line is not a dyad (physician and admin) or triad structure (physician, admin and nurse), that is the logical next step. Strong physician leadership is pivotal to service line success.

Service line leaders that are responsible for program performance, but do not have the operational authority to make change happen, will be challenged to adapt the service line quickly enough to meet market demands. A better model for the future environment gives service line leadership both the responsibility AND authority to enact needed changes in a timely fashion.

To accomplish this shift, the "next generation" of service line leaders will need a greater range of skill sets than most own today. These include skills in strategy development, operations/management, change management, financial management, process re-engineering, partnership development, and entrepreneurialism. Similarly, tomorrow's physician leaders will need to broaden their skill sets to include physician engagement, recruitment/retention, quality, evidence based practice, and utilization management. Think of your service lines as "mini hospitals" and your service line leadership as the future hospital system leaders.

The service line model will continue to offer value to provider organizations, but it is not a stagnant strategy. Service lines must evolve as the market evolves, and understanding key evolutionary steps will help you stay ahead of or at least current with your market.