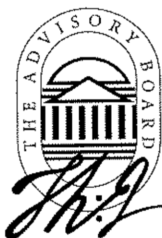

CLINICAL ADVISORY BOARD

# Clinical Strategy Watch

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News in Review

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PATIENT SAFETY

## Quantifying quality, part 1: Hospitals navigate sea of metrics as public reporting requirements grow

Pennsylvania last month became the first state to publish hospital-reported nosocomial infection rates, joining a growing field of public and private groups championing disclosure as a catalyst for quality improvement. Yet the recent proliferation of reporting requirements has proven resource-intensive for hospitals struggling to keep pace with a spectrum of quality metrics.

Page 4

### On Our Watch

- Coalition aims to curb surgical complications
- Patients over 65 have decreased SSI risk
- Minn. hospitals seek to be 'Safest in America'
- *Washington Post* questions reliance on JCAHO inspections

Page 7

CLINICAL INNOVATION

## Technology: Kentucky hospital aims to improve rural cardiac care through wireless EKG

Wireless, 12-lead EKG transmission systems—installed in more than a dozen advanced life support ambulances that serve Ashland, Ky.-based King's Daughter's Medical Center—have helped the hospital eliminate ED admissions for MI and have reduced door-to-drug and door-to-lab times.

Page 10

INPATIENT SPECIALISTS

- Hospitalist-inspired 'laborists' focus on deliveries

Page 12

POLICY, RULES & REGULATIONS

## Reimbursement: Proposed OPPS rule increases payments by 1.9%

CMS's proposed outpatient prospective payment system rule for calendar year 2006 includes a 3.2% market basket update and a 5.4% increase to aggregate payments, resulting in a total budget of $27.5 billion—an increase of approximately $1.4 billion over CY 2005 payments. Among the rule's many changes, CMS suggests raising the fixed-dollar threshold for outlier payments, revising the payment system for Part B drugs to one based on manufacturers' average sales prices, and reducing payments for same-session imaging procedures performed on contiguous body areas.

Page 2

### On Our Watch

- President Bush signs voluntary medical error reporting law
- Report cites flaws in Medicare reimbursement system

Page 4

RECRUITING

## Physician recruiting: Hospitals retool strategies to attract scarce specialists

With physician supply predicted to wane in coming decades, hospitals are rethinking their recruitment strategies and trying to distinguish themselves—and their regions—from competitors. The tight market has driven some hospitals to enlist professional recruiting assistance, while others have taken alternative approaches, such as pooling resources on a regional level or prioritizing in-house recruiting efforts.

Page 8

MEDICAL STAFF AFFAIRS

- Boston hospitals consider malpractice disclosure policy
- Presbyterian/Carolinas (N.C.) partner with physician groups

Page 12

RESEARCH HIGHLIGHT

- Pay for performance programs drawing substantial payer interest

Page 13

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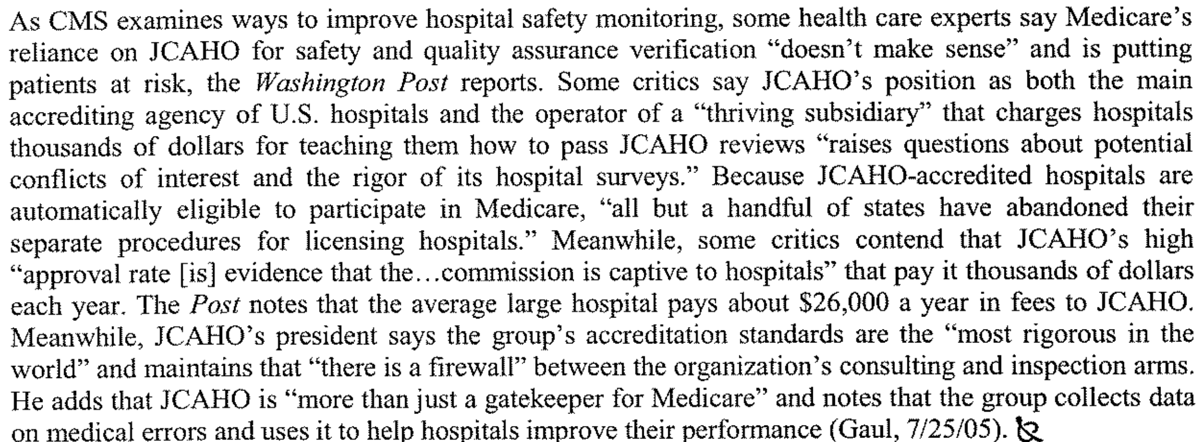
## *Washington Post* questions reliance on JCAHO inspections



As CMS examines ways to improve hospital safety monitoring, some health care experts say Medicare's reliance on JCAHO for safety and quality assurance verification "doesn't make sense" and is putting patients at risk, the *Washington Post* reports. Some critics say JCAHO's position as both the main accrediting agency of U.S. hospitals and the operator of a "thriving subsidiary" that charges hospitals thousands of dollars for teaching them how to pass JCAHO reviews "raises questions about potential conflicts of interest and the rigor of its hospital surveys." Because JCAHO-accredited hospitals are automatically eligible to participate in Medicare, "all but a handful of states have abandoned their separate procedures for licensing hospitals." Meanwhile, some critics contend that JCAHO's high "approval rate [is] evidence that the...commission is captive to hospitals" that pay it thousands of dollars each year. The *Post* notes that the average large hospital pays about $26,000 a year in fees to JCAHO. Meanwhile, JCAHO's president says the group's accreditation standards are the "most rigorous in the world" and maintains that "there is a firewall" between the organization's consulting and inspection arms. He adds that JCAHO is "more than just a gatekeeper for Medicare" and notes that the group collects data on medical errors and uses it to help hospitals improve their performance (Gaul, 7/25/05).

RECRUITING

## Physician recruiting: Hospitals retool strategies to attract scarce specialists

With physician supply predicted to wane in coming decades, hospitals are rethinking their recruitment strategies and trying to distinguish themselves—and their regions—from competitors. The tight market has driven some hospitals to enlist professional recruiting assistance, while others have taken alternative approaches, such as pooling resources on a regional level or prioritizing in-house recruiting efforts (*Watch* interviews, 7/29/05; 8/1/05; Merritt, Hawkins & Associates website, accessed 8/1/05).

### Study shows heightened hospital competition for specialists as shortage looms

Adding another voice to recent warnings of an impending physician shortage, the American Medical Association in June acknowledged that demand for physicians will soon outpace supply in 13 specialties and across eight states, with additional shortages likely in the future (AMA release, 6/21/05; Croasdale, *AMNews*, 7/11/05). Data from physician recruiting firm Merritt, Hawkins & Associates' (MHA) 2005 report "Review of Physician Recruitment Incentives" indicates, however, that "physician recruiting challenges are no longer regionalized" but are already "prevalent" nationwide (MHA website, accessed 8/1/05). An analysis of 2,687 physician searches conducted by MHA from April 2004 through March 2005 revealed that even desirable coastal communities, mountain resorts, and "some of the most recognizable health care institutions in the world"—which typically have not required recruiting assistance—are enlisting help as the market constricts. And although rural areas with fewer than 25,000 residents once represented the largest segment of MHA's clientele, regions with populations above 100,000—often assumed to be more attractive destinations—now account for the "plurality" of searches.

A separate 2005 MHA survey of 312 in-house hospital recruiters confirms the widespread hunt for physicians. Eighty-eight percent of facilities reported "actively recruiting" physicians, and 62% considered physician recruitment "a top priority" for their institutions. Moreover, as hospitals' recruiting efforts intensify across the board, institutions find themselves chasing after the same specialists.

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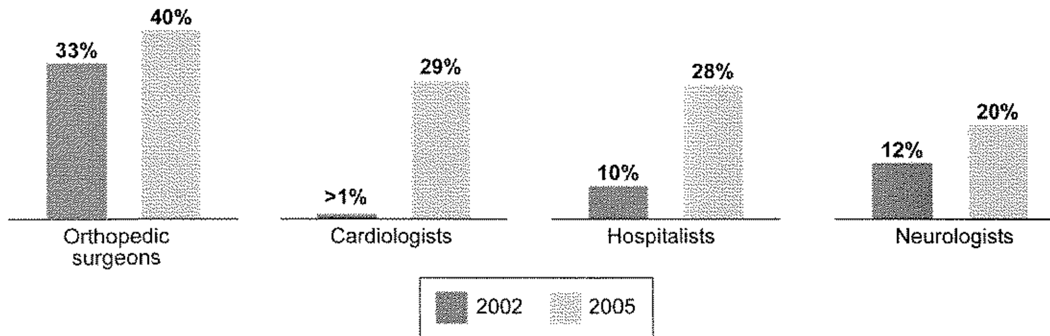
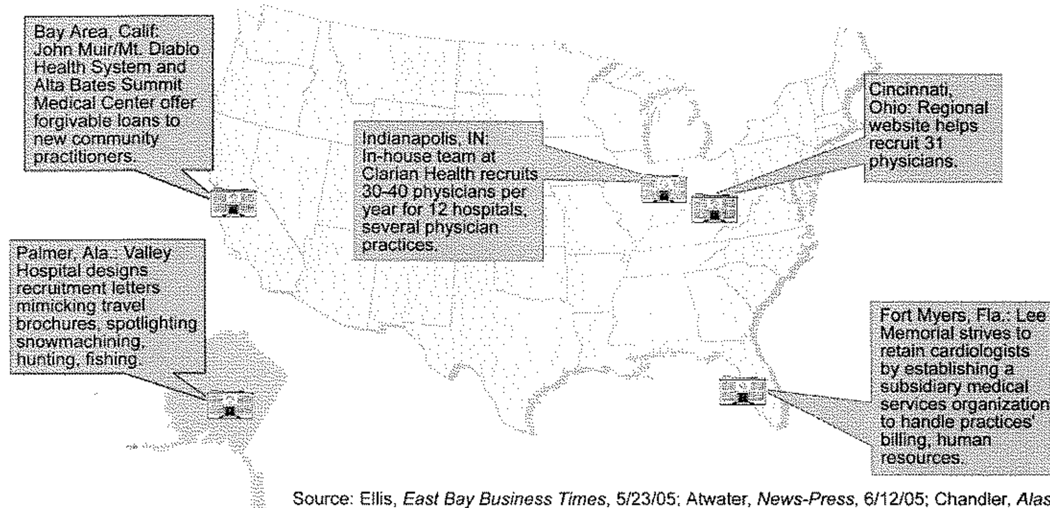
**As candidate pool narrows, hospitals increasingly compete for the same specialists**
*Percentage of hospitals actively recruiting select specialists (n=277 facilities)*




Source: MHA, "Survey of Hospital Physician Recruitment Trends," 2005.

MHA notes that the competitive recruiting climate has also driven base physician incomes to "spike" nearly 30% across the past three years for some specialists such as cardiologists, orthopedic surgeons, and radiologists; meanwhile, vacation time, work hours, and other lifestyle factors have become more important "negotiation points." Sayre, Pa.-based Guthrie Clinic, for instance, is developing an internal database of physicians' hobbies and those of their families in an effort to match up colleagues with similar interests. Other hospitals are using similarly creative methods to "romance" physicians and sway them to settle in their respective communities (MHA website, accessed 8/1/05; Hawkins, *HealthLeaders*, 6/20/05; Malugani, *HealthLeaders*, 6/27/05).

**Hospitals adopting varied strategies to lure physician candidates**




Source: Ellis, *East Bay Business Times*, 5/23/05; Atwater, *News-Press*, 6/12/05; Chandler, *Alaska Journal of Commerce*, 4/3/05; Bonfield, *Cincinnati Enquirer*, 7/17/05.

## Cincinnati takes regional approach to physician recruitment

After a 2003 study showed Cincinnati had fewer, and older, physicians than comparable Midwestern cities, regional health care stakeholders "banded together" to launch the Cincinnati MD Resource Center, charged with recruiting and retaining more than 100 physicians over five years. The project's centerpiece—a recruiting website called CincinnatiMDjobs.com—has been credited with helping recruit 31 physicians to the Cincinnati area since the site went live in August 2004, "far and away" exceeding organizers' goal to recruit 15 physicians during the initiative's first year (*Watch* interview, 7/29/05; Bonfield, *Cincinnati Enquirer*, 7/17/05; *Clinical Strategy Watch*, 1/12/05). As of late July, the website—

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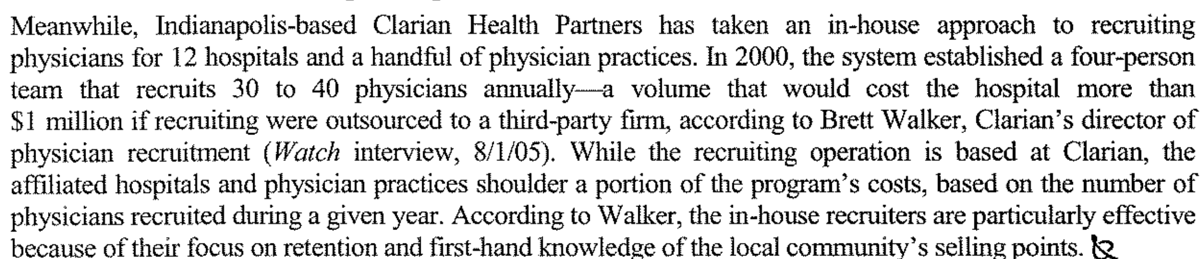
which is currently free of charge—listed 100 physician employment opportunities; 10 were posted directly by hospitals, 35 were posted by hospital liaisons offering recruiting assistance to physician practices, and 55 were posted by physician practices. Nearly 40% of the openings were for one of the region's 19 undersupplied specialties.

In addition to connecting candidates with employment opportunities, the Resource Center also prioritizes physician retention, Executive Director Lisa Adkinson told the *Watch* (interview, 7/29/05). "You can recruit all day but if you don't retain, it's a never-ending cycle," she says. To that end, the organization has forged partnerships with banks, realtors, movers, and hotels to facilitate candidate relocation; it plans to offer similar support, including succession planning and help writing job ads, to physician practices. And in a show of support for the initiative, three of the region's major health care stakeholders—Mercy Health Partners, TriHealth, and the Health Alliance of Greater Cincinnati—have all committed to three-year funding deals, under which they will supplement the center's grants. Adkinson notes that she is also currently in negotiations to secure funding from two additional hospitals.

### Clarian centralizes recruiting through in-house resources



Meanwhile, Indianapolis-based Clarian Health Partners has taken an in-house approach to recruiting physicians for 12 hospitals and a handful of physician practices. In 2000, the system established a four-person team that recruits 30 to 40 physicians annually—a volume that would cost the hospital more than $1 million if recruiting were outsourced to a third-party firm, according to Brett Walker, Clarian's director of physician recruitment (*Watch* interview, 8/1/05). While the recruiting operation is based at Clarian, the affiliated hospitals and physician practices shoulder a portion of the program's costs, based on the number of physicians recruited during a given year. According to Walker, the in-house recruiters are particularly effective because of their focus on retention and first-hand knowledge of the local community's selling points.

CLINICAL INNOVATION

## Technology: Kentucky hospital works with EMS to improve rural cardiac care through introduction of wireless EKG

Wireless, 12-lead EKG transmission systems—installed in more than a dozen advanced life support ambulances that serve Ashland, Ky.-based King's Daughters Medical Center (KDMC)—have helped the hospital eliminate ED admissions for MI and have reduced door-to-drug and door-to-lab times. Because the 385-bed KDMC serves as a regional referral center for rural areas of southeastern Ohio, eastern Kentucky, and western West Virginia, MI patients often face transport times of 30 to 50 minutes, increasing the risk of heart muscle damage. Wireless EKG transmission allows ambulance crews to send MI and heart rhythm-disturbance diagnoses to KDMC physicians before patients reach the hospital, improving in-transit treatment and speeding care once patients arrive, Kristie Estep, vice president of KDMC's heart and vascular center, told the *Watch* (interview, 7/19/05).

### Hospital partners with local EMS to improve cardiac care 'in the field'

Recognizing the care challenge posed by long transit distances, a multidisciplinary group of KDMC physicians, nurses, and administrators in the fall of 2004 proposed a wireless EKG program to local EMS companies. KDMC agreed to pay $215,000 to equip 17 ambulances in neighboring counties with 12-lead EKG systems and an additional $15,000 to fit ambulances with satellite antennas so that paramedics could use satellite phones to send and receive data en route to the hospital; the second expenditure was necessary because of "non-existent or intermittent" cellular coverage in the rural area served by the hospital, says Estep. The EMS companies in four counties agreed to have their paramedics go through six hours of 12-lead EKG training to learn how to use the satellite system, where to place the 12 leads on the body, and how to interpret a 12-lead EKG; in addition, the EMS also agreed to develop new protocols for in-transit chest pain treatment to incorporate the 12-lead EKG.

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