Moving from a Productivity-Led Cardiology Practice to a Physician-Led Heart & Vascular Service Line in an Integrated Delivery System

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President, OhioHealth Physician Group
Columbus, Ohio
WE’RE RATED

TOP 15 HEALTH SYSTEMS & TOP 5 LARGE HEALTH SYSTEMS
BY TRUVENT HEALTH ANALYTICS
OhioHealth is the only health system in the nation to receive this honor six of seven times.

NATIONALLY RANKED
A
SIX OF OUR HOSPITALS HAVE RECEIVED A SAFETY SCORE OF A

97TH PERCENTILE IN PHYSICIAN SATISFACTION
BY PRESS GANEY

$2.5b IN OPERATING REVENUE
FINANCIAL STRENGTH RATINGS
AA+ BY STANDARD & POOR’S
AA2 BY MOODY’S
AA BY FITCH

100 BEST COMPANIES TO WORK FOR™
BY FORTUNE MAGAZINE
9 YEARS IN A ROW

Represents Fiscal Year 2015 Data

BELIEVE IN WE™
OhioHealth

AMGA 2016 Annual Conference
Early History of Heart & Vascular at OhioHealth

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2006</td>
<td>All cardiologists and cardiac surgeons in private practice move to Competitor 2</td>
</tr>
<tr>
<td>November 2007</td>
<td>OhioHealth Doctor’s Hospital-based private acquired by OhioHealth</td>
</tr>
<tr>
<td>December 2008</td>
<td>OhioHealth Riverside Hosp-based private group (− EP) is acquired by OhioHealth</td>
</tr>
<tr>
<td>December 2008</td>
<td>OhioHealth Cardiology Service Line declared (central Ohio)</td>
</tr>
<tr>
<td>November 2009</td>
<td>OhioHealth Grant Medical Ctr–based private group is acquired by OhioHealth</td>
</tr>
<tr>
<td>May 2009</td>
<td>Private cardiology group at OhioHealth Riverside Hosp splits with majority of Physicians moving to Competitor 1</td>
</tr>
<tr>
<td>August 2011</td>
<td>OhioHealth <strong>System</strong> Service Line Leader for Heart &amp; Vascular named</td>
</tr>
<tr>
<td>November 2011</td>
<td>Last OhioHealth Riverside-based private cardiology group joins Competitor 2</td>
</tr>
</tbody>
</table>
Characteristics of the Cardiology Service Line 2008 to 2011

- **Service Line Leadership Committee Membership**
  10 cardiologists representing 3 legacy cardiology practices
  4 OhioHealth administrative executive leaders
  3 hospital heart & vascular leaders

- **Service Line Committee Focus**
  (1) Quality and (2) Supply Chain

- **Practices functioned independently practices and competed for volume**

- **No strategic alignment between practices, hospitals, system**

- **Organization volume was stagnant.**
### Compensation Plans Negotiated During Affiliation Lacked Alignment

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Riverside Group</th>
<th>Grant Group</th>
<th>Doctors Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>wRVU Table Year For Compensation</td>
<td>Static Year</td>
<td>Current Year</td>
<td>Current Year</td>
</tr>
<tr>
<td>wRVU Modifiers</td>
<td>Unadjusted</td>
<td>Adjusted</td>
<td>Adjusted</td>
</tr>
<tr>
<td>wRVU Sharing Between Physicians</td>
<td>65% Equal Share</td>
<td>100% Equal Share</td>
<td>0% Equal Share</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Patient Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>By Clinical Service (Practice Patient)</td>
</tr>
<tr>
<td>Patient Attached to a Physician (My Patient)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>wRVUs</th>
<th>302,075</th>
<th>99,189</th>
<th>49,594</th>
<th>450,858</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Total</td>
<td>67%</td>
<td>22%</td>
<td>11%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Physicians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invasive/General/Imagers</td>
</tr>
<tr>
<td>Invasive Interventional</td>
</tr>
<tr>
<td>EP</td>
</tr>
<tr>
<td>Total Headcount</td>
</tr>
<tr>
<td>Breakdown by Hospital</td>
</tr>
</tbody>
</table>
Physician Preference was to Modify the Old Plans

- Fix Fairness Issues – wRVU table, CPT modifier adjustment issues
- Create preferred RVU rates for evaluation and management services to incent evaluation and management services not just procedures
- Align compensation by clinical subspecialty as opposed to by historic group
- Desire to increase compensation

- Kept adding even more complexity to an already complex plan
- Resulted in winners and no losers – historic better performers saw no gain
- Left in place a goal of personal volume protection rather than system growth
- Quality remained secondary to volume
- Did not promote recruitment of new physicians who were seen as competition
- Compensation re-design was stuck in the quagmire of revisions
Finally, A New Model Discussion Around Key Principles

- Physician compensation will be protected while transitioning to a new model of collegiality, and a commitment to overall growth, service and quality
- The model will be physician led and governed, not compensation driven
- Success will be measured at a system level – quality, service, growth
- Coverage will be coordinated by sub specialty and be organized across OhioHealth hospitals and geographic area
- Alignment around specific hospitals may change based on the service offerings at each hospital and the clinical programs being established for patients.
- There will be established citizenship requirements that all cardiologists will be expected to meet that will involve required meetings and non clinical time. These will not result in additional compensation.
- Hard work will not go away.
## New Compensation Plan 2012

<table>
<thead>
<tr>
<th>Historic Compensation Plan</th>
<th>New Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Base Salary</td>
<td>(A) Base Salary @75th %ile (A)</td>
</tr>
<tr>
<td>Production Compensation</td>
<td>(B) None</td>
</tr>
<tr>
<td>Balanced Scorecard</td>
<td>(C) Quality &amp; Service Incentive Fund (C)</td>
</tr>
<tr>
<td>Administrative Compensation (if any)</td>
<td>(D) None</td>
</tr>
<tr>
<td>Teaching Compensation (if any)</td>
<td>(E) None</td>
</tr>
<tr>
<td>Other Compensation (if any)</td>
<td>(F) Service Line Compensation Fund (H)</td>
</tr>
<tr>
<td>example - outreach incentive</td>
<td>- new phys recruitment incentive</td>
</tr>
<tr>
<td>- medical directorship</td>
<td>- lead physician activities</td>
</tr>
<tr>
<td>Total Compensation</td>
<td>(G) Total Compensation (G) + $50,000</td>
</tr>
</tbody>
</table>
2012: Heart & Vascular Call to Action

Regional proliferation
Align with our physicians

Local competition
Create enterprise-wide Heart & Vascular strategy

Competing internally
Compete as a system
Role of the Heart & Vascular Service Line at OhioHealth

- Growth
- Strategy development
- Clinical program development
- Funding and operationalize system strategy
- Coordinating strategy deployment across the system
- Integration, coordination, & deployment of services throughout the enterprise
- Physician recruitment, alignment, and leadership development
And We Have Continued to Grow

January 2012  Cardiology compensation plan adopted with new employment agreements
Jan-July 2012  Heart & Vascular System Service Line organization structure developed and Implemented. Goal Deployment Planning implemented across the service line
October 2012  OhioHealth acquires 70 Physician Smith Clinic (includes Cardiology Services)
July 2013  OhioHealth Riverside Hosp-based cardiovascular-thoracic surgeons employed
January 2014  Mansfield, Ohio private cardiology group acquired
April 2014  Heart & Vascular service line leadership and goal deployment model implemented in OhioHealth Mansfield Heart & Vascular Division
July 2014  OhioHealth Mansfield, Ohio Cardiothoracic Surgeons employed
August 2014  Incorporation of OhioHealth employed vascular surgeons into the service line and compensation model
September 2014  Former Smith Clinic cardiologists incorporated into the service line and Compensation model
February 2015  Mansfield vascular surgery private practice acquired and integrated into the Heart & Vascular System Service Line
Heart & Vascular Service Line Today

- Physicians (multispecialty) 90
- Practice clinic locations 35
- Hospitals Covered 10 member, 2 affiliate
- Hospital Volume (total cases) 113,474
- Practice: total visits 104,304
But Growth Alone is not Enough –
We Must Lead with Value

- Quality
- Experience & Access
- Cost Efficiency

System scorecard
System projects and programs
Population management

Care
Communication
Collaboration

Lean Methodology
Cost per Unit Care
# H&V Service Line Structure and Resource Support

## Service Line Structure
- Sets & executes service line vision & strategy by engaging stakeholders to determine initiatives which will achieve identified objectives by collaborating with process owners to identify best courses of action
- Ensures progress of teams, removes barriers, & resolves issues as needed

## Physician Leadership
- Provides clinical program leadership and oversight
- Accountable for physician engagement in setting & executing service line vision
- Removes barriers & resolves issues associated with physician engagement

## Business Unit Accountability
- Represents business unit by contributing subject matter expertise and/or customer perspective
- Responsible for the execution of specific plans, in collaboration with key stakeholders, to achieve identified strategies at the business unit

## System Support
- Provides subject matter expertise to execute specific strategies which will accomplish the vision & identified objectives, including Finance, Strategy, Business Development, IT, Marketing, Communications, Physician Practice, Hospital Practice, Quality, HR, and others as required
## Heart & Vascular Service Line Roles & Responsibilities

<table>
<thead>
<tr>
<th>Roles</th>
<th>Responsibilities</th>
</tr>
</thead>
</table>
| System VP         | - Sets vision and strategy for the service line structure  
                   - Removes barriers to making progress  
                   - Drives acceptance across functions and business units                                                                                   |
| Medical Chiefs    | - Engages peer physicians in executing the vision  
                   - Develops service line Balanced Scorecard metrics and actions  
                   - Identifies opportunities for innovation, growth, improvement, and potential barriers to success  
                   - Removes barriers and resolves issues associated with physician engagement  
                   - Drives acceptance among the physicians                                                                                                   |
| Senior Director   | - Engages associates and physicians in executing the vision  
                   - Identifies strategies to executing the vision  
                   - Develops competencies within the service line to meet customer demands                                                                   |
| Directors         | - Engages associates, physicians and other key stakeholders in executing identified strategies  
                   - Develops tools and techniques to monitor progress  
                   - Utilizes service line resources to best leverage strengths/skills/competencies                                                              |
| Program Managers  | - Facilitates specific teams through developing & executing plans  
                   - Drives day-to-day activities for project teams, divisions, and programs  
                   - Monitors the progress of the team and assists in resolving bottlenecks and barriers  
                   - Communicates regularly with associates, physicians and stakeholders to ensure buy-in and enlist support |
OhioHealth Heart & Vascular Division Chiefs Committee

Chair System VP Heart & Vascular SL
Teri Caulin-Glaser

Chief, EP Greg Kidwell
Chief, Structural Heart Steve Yakubov
Chief, Vascular Gary Ansel
Chief, Imaging Kanny Grewal
Chief, Business Value Andy Chapekis
Chief, Hospital Relations Bruce Fleishman
Chief, Practice Clinical Integration Peter George
Chief, Quality Nick Davakis
Chief, Cardio Thoracic Surgery Steve Duff
Chief, HV Mansfield Greg Eaton

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Service Line Team is Relatively Small

- 1- System VP of Service Line
- 1- System Senior Director
- 2- System Directors: Clinical Programs; Business Operations
- 4- System Program Managers
- 1-Executive Assistant
- 0.3- Data Analyst

Total 9.3 FTEs
How Do We Work Within the Organization?

- Matrix
- Shared vision…and how each care site or business unit fits
- Engagement and active participation…in developing the plan and in execution
  - Playbooks to guide our growth
  - Goals & metrics
  - Quality management
  - Program development
  - Leadership development
  - Education
  - Operational Improvement
  - Growth and business development
  - Innovation, technology, and research
  - Recruitment
- Effective communication…then communicate some more
H&V Service Line Partners: The Dotted Lines

- **Operations**
  - Physician Practice VP and Directors
  - Hospital Presidents, VP’s COO’s,& Directors
  - Outpatient testing and Therapy Leadership
  - Home Health Care Leadership

- **Growth & Development**
  - Strategic Planning
  - Business & Regional Development
  - Marketing & Communications
  - Physician Relations

- **Support**
  - Decision support/finance
  - Performance Excellence
  - Information Technology
  - Supply Chain
<table>
<thead>
<tr>
<th></th>
<th>I.A</th>
<th>II.A</th>
<th>III.A</th>
<th>IV.A</th>
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<tbody>
<tr>
<td>1</td>
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<tr>
<td>2</td>
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<tr>
<td>3</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

We Execute Following a Goal Deployment Model

Focus Areas (Strategies)

Annual Targets

Tactics / Initiatives

3 - 5 Year Strategic Goals / Objectives

Metrics to be defined by end of FY16 Q1

Focus Area Primary Owner(s)

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We Monitor our Progress Through a Balanced Scorecard

### Quality

1. Quality Improvement Process for PCI and CABG Mortality
2. Percent CR Utilization

### Service

2. Physician Engagement: Documented participation in activities within options below.
   - Research: PI/Enrollment/Presentations, abstracts and papers
   - Hospital Functions: Medical Director, Committee meetings (including CPIT, COC, Department, Peer review, M & M)
   - Service Line: mentorship, program development
   - Community: Medical Presentations, Screenings, Volunteering
   - Medical Education: resident/Med Student/Nursing Teaching, Lectures

### Financial

1. Bundled Payment Project: CABG/Valve
2. Supply Chain: Participate in supply chain initiatives to drive value and cost savings.

### Quality of Worklife

1. Satisfaction Survey of Staff: Result of the Associate Engagement Survey for H&V service line physicians
2. Meeting Attendance: Attends 80% of the Service Line and assigned Division meetings if not on Vacation, Call or CME.
Service Line Division Meetings
## Cardiology Only Changes 2012 - 2015

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2015</th>
<th>FTE Change</th>
<th>Production Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Central Ohio (Steady State)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invasive/Genl/Imagers</td>
<td>15.2</td>
<td>165,728</td>
<td>15.5</td>
<td>149,582</td>
</tr>
<tr>
<td>Invasive/Interventional</td>
<td>15.9</td>
<td>200,082</td>
<td>18.2</td>
<td>203,291</td>
</tr>
<tr>
<td>EP</td>
<td>6.0</td>
<td>85,048</td>
<td>8.8</td>
<td>95,339</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37.1</td>
<td>450,858</td>
<td>42.4</td>
<td>448,212</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2015</th>
<th>FTE Change</th>
<th>Production Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional Additions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invasive/Genl/Imagers</td>
<td>-</td>
<td>-</td>
<td>8.8</td>
<td>71,609</td>
</tr>
<tr>
<td>Invasive/Interventional</td>
<td>-</td>
<td>-</td>
<td>3.4</td>
<td>30,691</td>
</tr>
<tr>
<td>EP</td>
<td>-</td>
<td>-</td>
<td>2.0</td>
<td>17,497</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>14.2</td>
<td>119,797</td>
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<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2015</th>
<th>FTE Change</th>
<th>Production Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cardiology Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invasive/Genl/Imagers</td>
<td>15.2</td>
<td>165,728</td>
<td>24.3</td>
<td>221,191</td>
</tr>
<tr>
<td>Invasive/Interventional</td>
<td>15.9</td>
<td>200,082</td>
<td>21.5</td>
<td>233,982</td>
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<tr>
<td>EP</td>
<td>6.0</td>
<td>85,048</td>
<td>10.8</td>
<td>112,836</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37.1</td>
<td>450,858</td>
<td>56.6</td>
<td>568,009</td>
</tr>
</tbody>
</table>

Medical Cardiology Marketshare 46.0% 54.4% (+8.6%)
Cardio-Vascular Marketshare 45.1% 51.1% (+6.0%)
OhioHealth earning market success

OhioHealth has increased leading market share position over the last 4 years

OhioHealth: +3.7%
Competitor 1: -3.3%
Competitor 2: -0.4%

Leading growth services are Heart & Vascular and Neurosciences

FY15 Market Share² (Inpatient + Observation)
OhioHealth: 45.7%
Competitor 1: 28.0%
Competitor 2: 26.3%
QUESTIONS?