



Service Lines

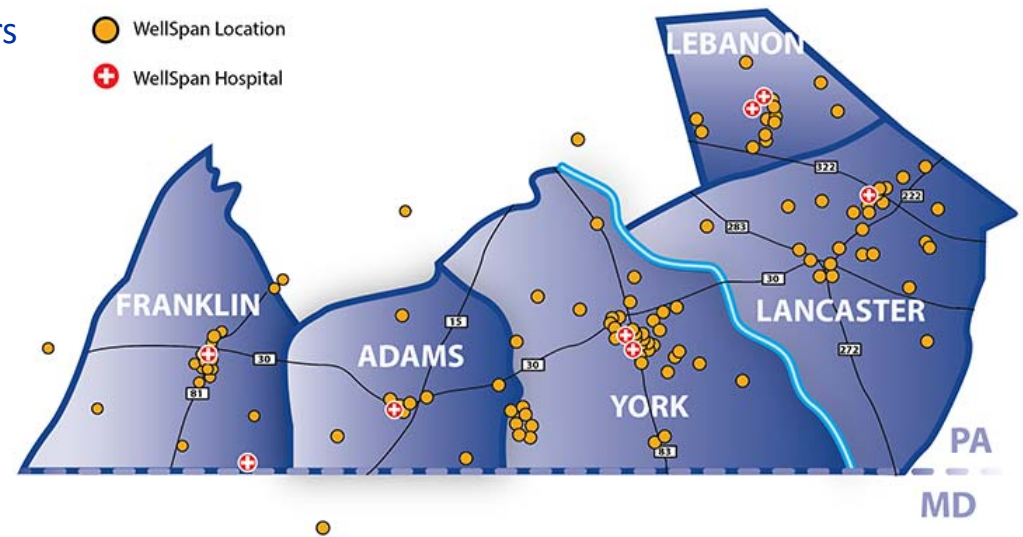
“Decisions made together are better than those made alone.”

Leadership Institute – May 15, 2019

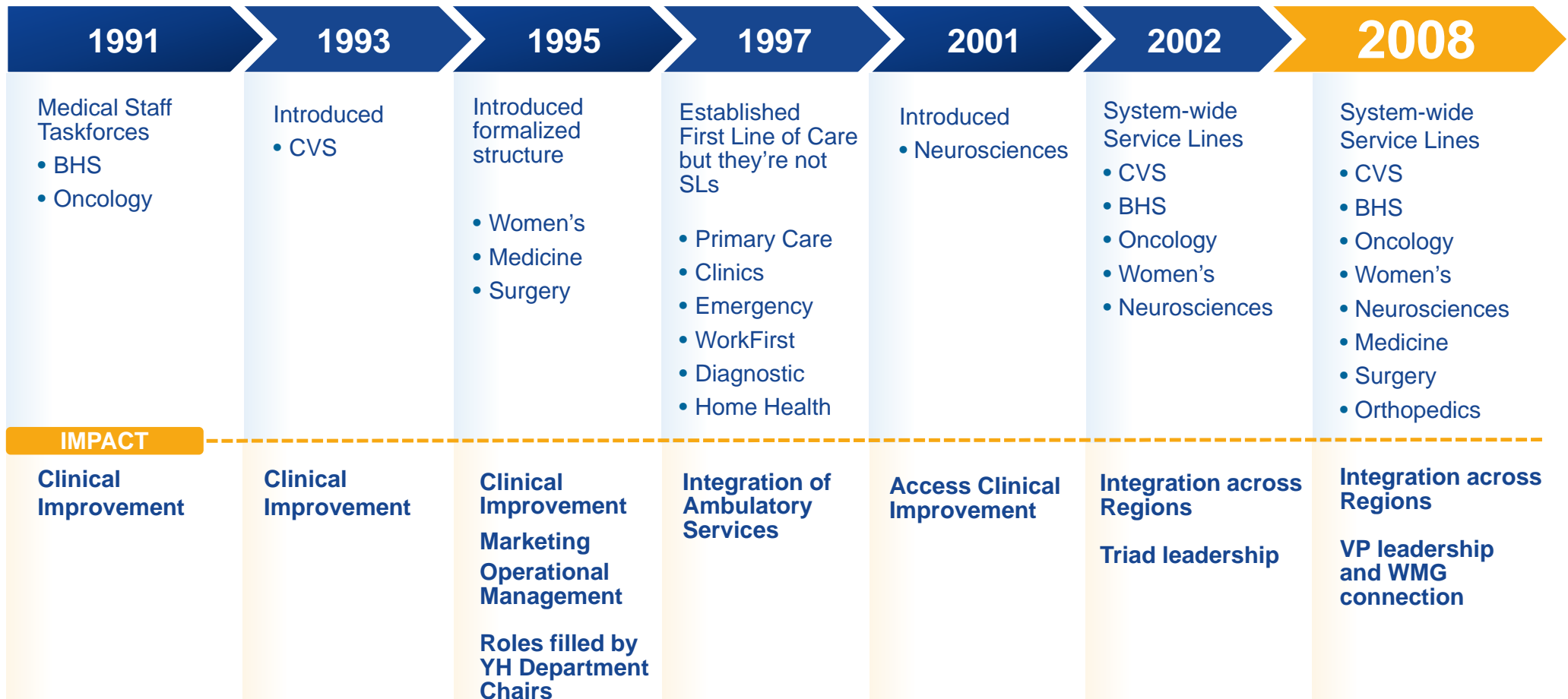
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Executive Vice President, Clinical Practice**

WellSpan Today:

- 170+ patient care locations
- A provider network that includes 1,600+ members
- 1,500+ employed physicians and advanced practice clinicians
- 8 hospitals
- A regional home health program
- A regional behavioral health organization
- 19,000 employees and 3,600 volunteers
- \$2.75 billion in revenues (2018)
- \$246.4 million in community benefit (2018)



History of Service Lines



A WellSpan Service Line



A service line is a (1) **population - oriented** approach for planning, organizing, delivering and improving the health of individuals with common health needs, clinical conditions and expectations.



All services which provide care for a Service Line's population are “part of that service line.” However, on a daily basis, most of the hospital services are provided by departments or leaders who may report directly to an individual operating unit or entity.



WellSpan Service Lines, as part of a (2) **patient centered medical neighborhood**, create an (3) **organizational matrix structure** to develop and align a continuum of integrated clinical and support services.

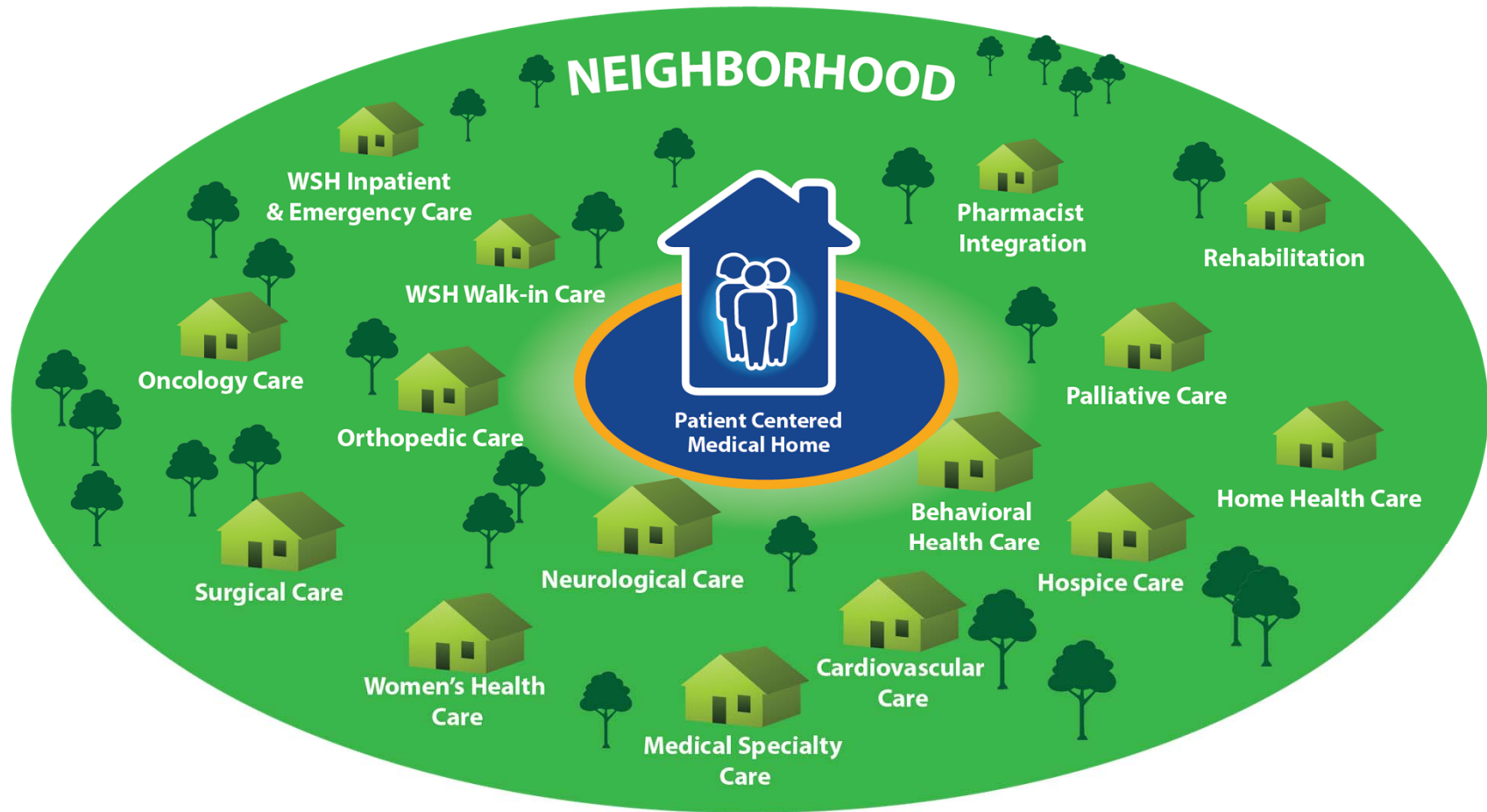
(1) Population-Oriented

The eight service lines meeting certain criteria

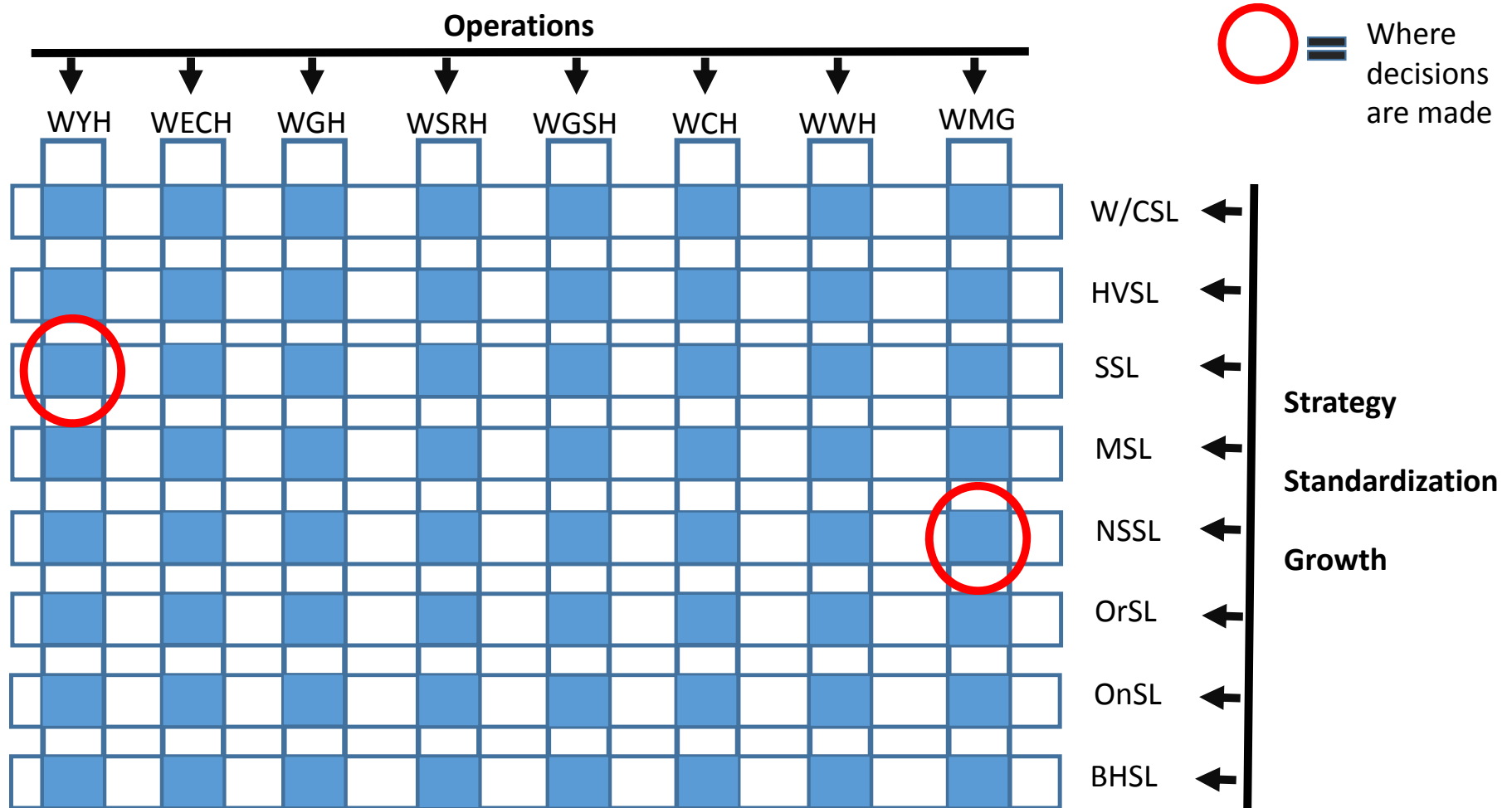
- ✓ Definable patient population
- ✓ Market relevant
- ✓ Continuum of services and providers
- ✓ Involving multiple subspecialties
- ✓ Multiple sites of care
- ✓ Integral to population health
- ✓ Sufficient size to justify focus



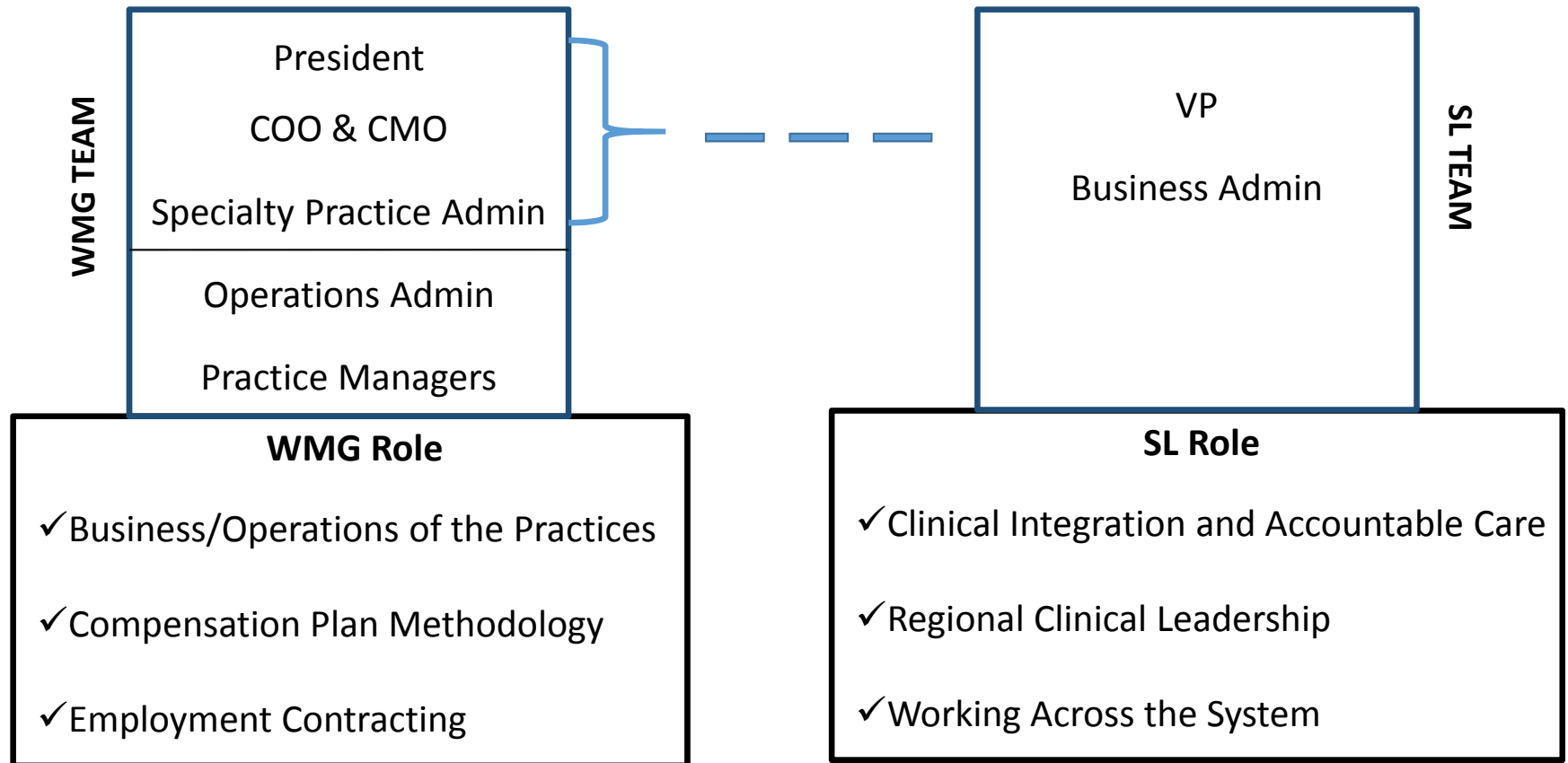
(2) Patient-Centered Medical Neighborhood



(3) Organizational Matrix Structure



The Service Line – Medical Group Connection



The Role of WellSpan Service Lines

1. STRATEGY

Think ahead to the next 3-5 years, understanding and planning for the changes in specialty practice, advances in care and community needs that will need to be addressed.

2. STANDARDIZATION

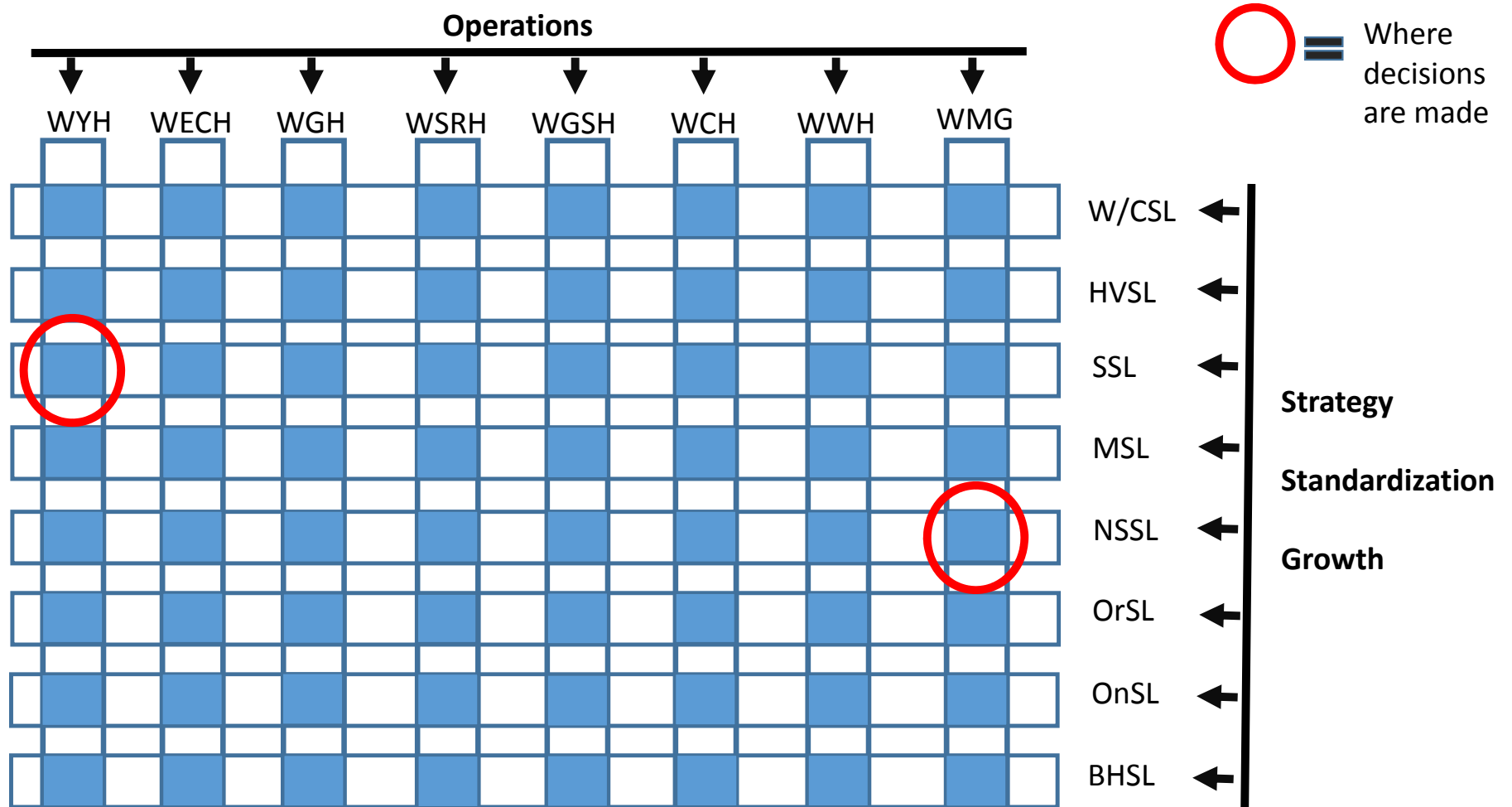
Lead redesign and performance of specialty services across the system to integrate with patient centered medical home and all parts of the continuum and deliver more accountable care (exceptional, patient centered, efficient).

3. GROWTH

Develop a regional, distributed network of diversified specialty care that meets the needs of our communities and is vertically integrated with WellSpan. Some services may be provided by or in partnership with others.



Budgeting and Monthly Financial Performance Management



Budgeting and Monthly Financial Performance Management

- WellSpan Health (WSH) budgets by Entity (parent, hospitals, WellSpan Medical Group (WMG), etc). Each entity has it's own operations leadership group managing the entity financial performance. Very Standard.
- The Specialty practices are budgeted in the WMG. The practice performance is managed by both the WMG ops leadership (clinic operational performance) as well as the Svc line leadership (volumes, market access). The WMG specialty losses are reimbursed by the hospital in the region the specialty practices support. So the loss shows up in the Hospitals' financial performance.
- Accordingly, we identify the specialty practice losses and carve them out during the budget process. Svc line leadership are charged to manage to their budget targets.

Budgeting and Monthly Financial Performance Management

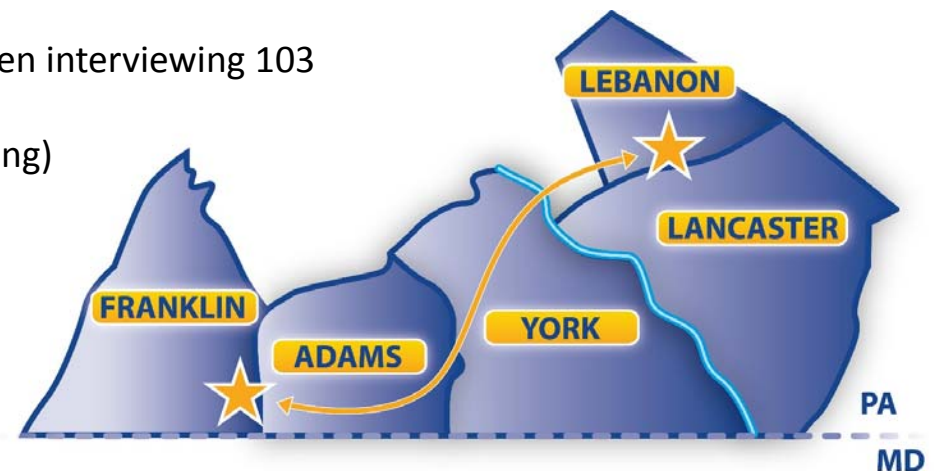
- So although actual vs budget variances flow thru the hospital entities, Svc line leadership are responsible for reporting their svc line variances to our Financial Performance Council on a monthly basis. This reporting includes not just the specialty practice explanations, but they also have accountability to understand and report on the impact to hospital volumes for depts under their direct influence
- Beyond the monthly performance management, Service Line leadership are charged with program development and market growth. It is within these initiatives that the Svc Line leadership are charged with measuring the full financial impact to the system, including the prof practice as well as the impact to the hospitals or other WellSpan entities. Accordingly, service lines understand the downstream CM generated at the hospitals and other entities relating to the professional practices they oversee

Challenges

- Dependent on relationships building (64 different!)
- Efficient decision-making in the matrix (prioritizing growth opportunities)
- Recruitment of SL leadership (hard for those rules driven)
- Time spent on physician recruitment (i.e. 21,639 miles driven interviewing 103 candidates)
- Strategy versus operations (particularly in the practice setting)
- Realizing true Systemness... **Jane's "Oh" Story**
- Balancing cost reduction with market growth
- Operating Entity leadership in a matrix environment

Ongoing Improvements

- Define the roles of SL *and* Entity Leaders
- Monthly meetings at each intersection of the matrix
- Planning strategy and budgets together
- Annual performance evaluation structure
- LDMS roll out
- Recognized as advanced in the industry
- Collaborative decision making
- Becoming a Team of Teams
- System prioritization of capital and resource strategy



Questions

