

## Ambulatory Enterprises: The Patient-Centric Redesign

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Perhaps the most consistent trend in healthcare is the steady rate at which outpatient spending growth has outpaced inpatient spending since CMS introduced prospective payments in the 1980s, more than three decades ago. The outpatient spending growth rate has increased by nearly double that of inpatient among privately insured populations in the past five years alone. This trend shows no sign of slowing as the healthcare industry transforms to a value-based model of care and reimbursement. For health systems, this means outpatient services will represent both an increasingly important component of the Operating Statement and an increasingly important strategic venue in the world of population health management, satisfaction-based reimbursement and increased healthcare consumerism. The bottom line: providers must transform their ambulatory enterprise in a manner that aligns organizational structure, financial performance and the patient experience.

FTI recently assisted a renowned health system to jump-start its patient-centric ambulatory services redesign. Of particular challenge was an existing enterprise model reflective of varied historical approaches to multispecialty development and geographic strategies layered over the years. However, the organization rallied around the challenge in the face of three major catalysts – macro reimbursement changes, heightened local market competition and the organization’s upcoming major clinical system installation. FTI worked closely with multiple levels of the organization to create momentum around moving from its historic ambulatory delivery system and processes to a transformed future model through:

- Employing a proven, systematic approach to aligning people, processes and technology, focusing on revenue cycle and related activities;
- Evaluating patient experience, satisfaction and supporting measurement tools and metrics;
- Illustrating the existing funds flow and identifying inconsistencies, inefficiencies and non sequiturs; and
- Recommending specific operational changes for improvement.

	Generalized Historical Ambulatory Structure	Transformed Future Model
Organizational Structure	Unclear vision of future state and tactics for capturing outpatient growth	Strategic plan to create a patient-centric model with decision making and responsibilities clearly defined
	Complexity and duplication in reporting structures between ambulatory clinics and hospital departments	Realignment of operational reporting structures to ensure clear accountability
	Multiple IT systems with limited interface, manual reconciliations and various bolt-on applications	Standard, enterprise-wide IT platform that supports all functions through automated interfaces
Patient Experience	Mix of individual and centralized scheduling by clinic	Centralized call center allowing patients to schedule multiple appointments in one call
	Inconsistent provider-patient communication and interactions	Care coordination (e.g., patient-physician electronic portal, test results within 24 hours, nurse navigators)
	Patient satisfaction assessment through anecdotal evidence and periodic surveys	Patient experience measurement tools and reports, including immediate feedback mechanisms and management action plans
Financial Performance	Inconsistent Revenue Cycle policies and procedures with high variability by clinic and insurance type	Training enhancements to ensure consistent Revenue Cycle knowledge, policies and processes (e.g., insurance verification, co-pay collections up-front)
	Cost allocation based on numerous historical methodologies not reflective of current state and generally opaque	Cost allocation methodology that is clear, holistic and well-understood by constituents, with a formal process for revisions
	Clinic profit and loss (P&L) statements that are incomplete due to division of expenses between clinic vs. entity level	Stand-alone P&Ls for each clinic reflective of all actual and allocated revenues and resources

**To learn more about how FTI may assist you with your Ambulatory Redesign efforts, contact one of our practice leaders:**

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