



The Role of Patient Data in Physician Deployment

By Matt Montgomery

Taking a more scientific approach to physician placement can lead to better decisions for your organization.

An emerging trend in the health care industry is the movement by hospitals and health systems to employ physicians. For many networks, this is a smart strategy, allowing them to add service lines and staff facilities, all while working to close the loop in the referral network.

However, simply putting physicians on the payroll will not lead to long-term success. Hospitals need a viable strategy for the deployment of physicians in order to maximize this opportunity. How can health care executives ensure that they are adding physicians and/or acquiring practices that will complement existing services, extend their system reach and increase the quality of care?

The science of patient analytics, the study of patient data and demographics, can provide the answers that many organizations are searching for. An analysis of hundreds of potentially relevant variables—from market demographics and demand for services to physician supply and the organization's own patient data—can all result in a scientific solution that mitigates the risks inherent in practice acquisition and physician employment/deployment.

Patient Analytics in Action

Like many other organizations, a 450-bed hospital in the southern United States set out on an outpatient growth/expansion strategy, with acquisition of existing primary care practices being a key component. Initially, the hospital acquired practices without considering the segmentation of the patient population surrounding each practice. With executives beginning to question the lack of hard data utilized in the decision-making process, a more scientific approach was sought.

The solution was to develop a model (consisting of those variables important to that hospital's strategy) that could be applied in the evaluation of all future locations of interest—whether these would be for practice acquisition or physician deployment purposes. Implementation of this approach enabled the hospital to evaluate any geography of interest, with data to support how each potential location scored based on the criteria set forth. This process has already led the hospital to decide against acquiring one practice, and gives them the scientific assurance that future locations will be vetted properly.

Answering Your Most Critical Questions

Every day, physicians and hospitals use medical data to develop best practices and decide on treatments. However, hard data is less frequently used when making decisions concerning where to locate physicians or what practices should be acquired. Millions of dollars are at stake; yet these decisions are often made based primarily on subjective criteria.

By analyzing patient data, health care leaders can drive answers to many important questions surrounding the “employ and deploy” strategy:

Does this acquisition make sense for our health system? Before you acquire a medical practice, first look at the patient population surrounding it to determine the demand for its services. Study the profile of potential patient

households to determine the extent to which said profile might diversify your patient base in the desired direction. Will this acquisition take business from existing practices? Aggressive health systems are acquiring multiple practices within the same geographic areas. Without the proper insights, these practices may actually begin “cannibalizing” visits between facilities, resulting in a net loss versus a net gain. Patient data will help to define the optimal distance between your facilities.

Should we relocate a practice or increase our marketing efforts? Some practices are in poor locations, while others simply lack proper marketing. Through an analysis of your patient data, you can determine whether a focused marketing expenditure will drive the patient visits needed to maintain profitability, or if practice relocation (or consolidation) is the right solution.

How can we optimize our presence in the market? Larger health systems want to take advantage of operational efficiencies to increase their footprint without affecting the quality of care. Patient analytics can reveal the most advantageous mix of services and locations for any market, regardless of size.

Leveraging Data for Ongoing Benefits

The more an organization knows about its patients, the better prepared it will be to meet their needs in an increasingly competitive environment. By using patient analytics to make decisions, health care executives are in a better position to avoid common mistakes associated with physician placement, ensuring value with every dollar spent, while establishing a competitive advantage.

***Matt Montgomery** is the senior vice president of the HealthCareID division at Buxton, a customer and patient analytics firm in Fort Worth, Texas.*

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