Safer Shores Ahead

The impact of COVID-19 on business resiliency

Featuring Jeff James, M.B.A., Joseph Golbus, M.D., Mark D. Schafer, M.D., and Fred Horton, M.H.A.

COVID-19 created financial and operational turmoil across the nation's healthcare systems. Certain services, such as elective procedures, shut down while others ramped up to test and treat the influx of COVID-19 patients. Leadership was tested as it became increasingly difficult to address staffing, obtain personal protective equipment (PPE), and continue operations on limited revenue streams.

In a panel discussion at AMGA's 2021 Annual Conference in April, moderated by AMGA Consulting's Fred Horton, M.H.A., Jeff James, chief executive officer of Wilmington Health, Joseph Golbus, M.D., president of NorthShore Medical Group, and Mark D. Schafer, M.D., chief executive officer of MemorialCare Medical Foundation, discussed how their three distinctly different healthcare systems addressed the business challenges of the pandemic and how they intend to use that experience to improve business resiliency going forward.

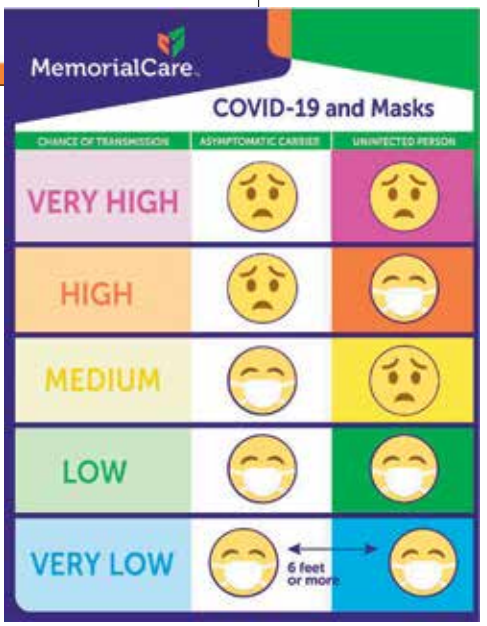
Dealing with COVID-19

Horton began the discussion noting that the panelists represented diverse healthcare systems, and he asked how their various structures affected their approach to business challenges of the pandemic.

Wilmington Health is a multispecialty group practice with about 200 providers on the coast of North Carolina. CEO Jeff James noted that Wilmington Health "went to decentralized command and control almost overnight." Their location, he said, provided them with an advantage in dealing with the initial stages of COVID-19. "This type of crisis management is not new to us. Every year, sometimes multiple times a year, we have to prepare for hurricanes. Moving to decentralized command and control was almost second nature." They implemented their telehealth program, including marketing and branding, over one weekend. "Friday, we had no telehealth. Monday, we had 100% implementation."

Other key actions in the first month were setting up the first COVID-19 testing center, reviewing regulations, and assembling as many opportunities for additional revenue as possible. This included accessing Paycheck Protection Program (PPP) dollars, Medicare advance payments, and Provider Relief funds under the CARES Act. Wilmington Health also developed their loan capacity with a number of sources. "And within a month," said James, "we had a war chest of about $40 million ready to go in case we needed it." Wilmington Health was also one of only 83 providers in the country to convert its ambulatory surgical center to a hospital outpatient department because, James noted, "we thought our community might need a little bit more hospital space and we wanted to be able to provide that."

MemorialCare Medical Foundation is a not-for-profit integrated health system managing the care of approximately 750,000 lives in both value-based programs and fee-for-service arrangements in Southern California. The foundation includes the MemorialCare Medical Group, a multispecialty group with about 300 providers, and Greater Newport Physicians, an Independent Practice Association (IPA) with about 140 primary care physicians and 900 specialists. The foundation also includes surgery centers, imaging centers, urgent care, and other ambulatory services. Dr. Mark Schafer, the foundation's CEO, noted the initial response was an "hour-by-hour, day-to-day" process. One of MemorialCare's key approaches, said Schafer, was messaging. "We decided in the very beginning to have a consistent message that the most important thing is safety. Safety for our providers, safety for staff, safety for patients. And we're going to do things in a way that protects them." Whether that was procuring PPE, developing screening policies for facility entrance, adopting telehealth technology, limiting the flow of patients to ensure physical distancing, or stopping elective surgeries, "all those things



In the early days of the pandemic, MemorialCare Medical Foundation posted helpful safety information to its social media feeds.

are costly, but they're all in the name of safety." Schafer said that messaging "really paid huge dividends. Even now, a year later, I hear doctors and staff thanking me, saying, 'we're really proud to be part of our organization, and thank you for everything you've done.' I think just that safety message was really key to navigating COVID-19."

NorthShore Medical Group is an employed multispecialty group of roughly 1,000 physicians practicing in 140 locations in Chicago and its northern suburbs. It is part of NorthShore University Health System, a six-hospital integrated delivery system spanning ZIP codes in northern Illinois, from Chicago up to the Wisconsin border. President Joseph Golbus said the COVID-19 pandemic has been like most things in health care. "The issues are global. The solutions, however, are very local, reflective of our own organizational structures, environment, and resources." He noted the tremendous value of an integrated system of care, which allows everyone to move quickly with common purpose and leadership. "All our decisions were driven by how we could best respond, not as a series of hospitals and doctors' offices or other facilities, but as an integrated system of care, leveraging our resources in a way that optimizes the care we can provide our patients in the community." NorthShore's COVID-19 response was organized and coordinated by the chief medical officer (CMO) and chief operating officer (COO) for the system, addressing testing protocols, PPE and supply chain, staff and physician labor pools, clinical protocols, and even clinical trials. Coordination relied primarily on daily phone calls involving leaders and clinical and administrative personnel, with as many as 160 individuals overseeing any aspect of COVID-19 all on the call at once.

Key decisions at NorthShore included cohorting COVID-19 patients into one hospital. Doing so involved substantial facility modifications, including changing the airflow in the entire hospital to a negative pressure environment and expanding what was a 21-bed ICU into the emergency room to create a total of 60 beds. NorthShore designated four of its 21 immediate care sites as "super sites" for COVID-19. E-visit triage occurred though the patient portal, and patients were directed to one of the four super sites, the largest of which became the centralized testing site with a drive-through facility. Staff and physicians across the entire system were moved to where they were needed most, irrespective of their normal work location. Dr. Golbus noted this approach allowed NorthShore to focus its expertise, kept COVID-19 patients out of offices and emergency rooms (allowing for care of other patients), optimized its resources, and maximized safety for both patients and staff.

Business Resiliency

Horton then asked panelists to discuss something they learned from the pandemic experience that shows their organizations' business resiliency. James drew an analogy to his experience in the Marine Corps. "I'd say it's great to see the commonality come out in the unified sense of purpose and the willingness to fight for the person next to you and do, literally, whatever it takes to make sure that that we can remain viable and still serve our patients and still serve the community with grace and kindness." Dr. Schafer said that prior to

Northshore University Health System's Swedish Hospital IMCU team became the hospital's COVID-19 Critical Care Unit, taking on the most critically ill COVID-19 patients. Every patient required mechanical or noninvasive ventilation, intensive care, and sophisticated medications.

the pandemic, he thought physician engagement was "pretty strong." Looking back, he realizes that engagement and morale were not as high as he thought, but were significantly enhanced by two things during the pandemic. First, video briefings with physicians, which were daily at the outset of the pandemic and continue now on a less frequent but regular basis as well-attended "town halls." Also, adding physicians to the command center, which involved them in day-to-day decision making and operations, was "a game changer." It forged tighter relationships with the doctors, created better buy-in to policies and workflow changes, and, overall, provided greater engagement and interaction.

Dr. Golbus agreed that common purpose and engagement were key to the pandemic response and overall resilience, noting "system-ness really came to the forefront" of the global organizational approach to problem solving and care provision, providing alignment, speed, and agility. He saw "a renewed focus on our people, building a resilient workforce, first and foremost by ensuring their safety, helping them build personal resilience, and focusing on their well-being." The pandemic "reinforced the importance of all of us working together, fully aligned with a set of principles and common purpose, and demonstrated the enormous value of inclusiveness through shared information, shared decision making, and working as teams." He also noted COVID-19 generated the incredibly powerful emotion of gratitude, "something we hope and believe will help us all going forward."

Organizational Models

Moving away from the pandemic to business resiliency more generally, Horton noted that the organizational models in which each of the panelists work have different pros and cons, as well as challenges. He noted that Wilmington Health is basically an independent practice with physician owners, and asked James how, as CEO, he works with the board and with frontline physicians to get them to make decisions that balance their roles as business owners and providers. James said that the style and frequency of communication is key. Acknowledging that the board tends to be "a little bit out in front of the group," the challenge is to keep the group moving in the direction set by the board, which they address several ways. First, they have two CMOs, each with a slightly different style and communication methodology, which has "worked really well for reinforcing messages." Second, physician training—for example, in value-based care—is done by other physicians rather than administration or operations personnel. Finally, and perhaps most importantly, is their culture of transparency. "We've been publishing transparent, to the name, quality measures for a decade." That level of transparency "has really benefited us as far as bringing the physicians along and making sure that they have ownership in the process."

Horton noted that MemorialCare uses a foundation model that has professional services agreements with medical groups, as well as IPA activity. He asked Dr. Schafer how he gets physicians engaged as owners. Schafer agreed with James that communication was key, "focusing on the culture of the group and the importance of value-based care and also the importance of the independent model." He acknowledged that independent physicians "want to be independent and it is much harder to engage them." But MemorialCare fully supports the independent model and tells physicians, "we're here to help you remain independent," which Schafer believes "helps a lot to engage them." They also conduct town halls with both the medical groups and independent doctors. The final point, Schafer said, is finding value the system can bring to the independent practices and providing the tools and resources to help them remain independent. For example, during the pandemic, MemorialCare provided PPE and set the independents up as part of the system's virtual health, providing tablets that could be put right next to their electronic medical record (EMR). They provided information on how to bill for telehealth, including regular updates on billing because things changed frequently, and helped them with PPP applications. Schafer said that approach strengthened the relationship "because we were able to function in an integrated, systematic way and respond quickly to their needs."

Dr. Golbus reiterated the other panelists' focus on communication, "making sure physicians have a voice, that they have some control over their lives, and that they can participate in decision making."

Addressing Burnout

Noting that physician resiliency and physician burnout had become hot topics in recent years and were brought even more to the fore during the pandemic, Horton asked panelists to discuss how they dealt with that issue.

James said Wilmington Health had been looking at burnout for some time and had implemented two key initiatives prior to COVID-19. He's particularly proud of Wilmington Health's willingness to entertain any concept of physician's time in office that a physician asks to be considered. As a result, several physicians work part-time, and several are involved in job shares. James said the latter "is one of the most beneficial approaches that we could possibly have." They operate as one practice, with mirrored schedules, using the same exam rooms and staff. "It keeps us from having empty exam rooms one-and-a-half days or two days a week, and really provides quality of life to the to the members." They are now working with a physician who wants to go entirely virtual and are also expanding opportunities for those who want to engage in clinical research. "Anything that we can do to assist the physicians in having a rewarding career, we want to do."

MemorialCare also worked on flexible scheduling issues during COVID-19 and has established some entirely virtual positions. "That job flexibility," said Dr. Schafer, "is really important for physician resiliency." Dr. Golbus agreed, noting, "We all now have four generations in the workforce. Each of them have different interests, needs, and wants." Becoming "more flexible about our work schedules, flexible about our benefits, time in the office," is something he believes "allows people to make choices about their lives that make it easier for them to engage."

James also noted that Wilmington Health is constantly working to improve the EMR, which is a well-known cause of burnout. Dr. Golbus agreed. "If you look at the data around burnout, it's multifactorial and different for different people, but one common theme," he said, "is what I call 'things that are done to us,' and that's the regulations in the EMR and box checking." To address this, NorthShore has their "home for dinner" program. Its focus is helping doctors become efficient in Epic, getting through workflows more quickly by offloading or automating, and developing workflows so "when you're done at the end of the afternoon, you can go home and have dinner with your family without having to log back on for three hours."

Dr. Schafer said that addressing the emotional toll of the pandemic was probably the biggest issue at MemorialCare. It's important "to acknowledge that we're humans just like everybody else. We get depression, we have anxiety. We're stressed out about COVID-19. Let's talk about it." Leaders increased the frequency of communications about stress and depression and the importance of well-being. Doctors were encouraged to watch out for each other and start conversations if they saw behavior changes, symptoms of depression, or other issues. MemorialCare also provided a number of different free resources to physicians related to emotional health, including Silver Cloud, an anonymous web-based program for anxiety, depression, and other mental health issues. They've also recently started using a well-being index, which is a short, anonymous self-survey tool that, Dr. Schafer said, "gives us an idea of how people are feeling in terms of their own mental health and physical well-being, and allows us to benchmark against other populations of physicians and measure over time." The latter was a recent roll-out, so results are not yet in, but Schafer noted, "I like the idea of having an objective measure that we can actually track over time."

Dr. Golbus agreed that caring for each other was important. It starts, he said "with the recognition that our human resources are our most valuable asset. It's very hard for people to engage and be resilient if they're not feeling safe, both personally and financially." NorthShore also collects data with short, intermittent surveys to see how people are doing, and provides wellness and mental health tools both online and in person. In addition, they looked out for each other, raising an awareness of mental health issues among their colleagues. "We had a couple of those pop up, and we were able to intervene because of a colleague highlighting someone who's struggling." Ultimately, Dr. Golbus said, "the antidote to burnout is engagement, inclusiveness, and a sense of participation in the key decisions involving you and your patients."

Horton noted that when dealing with system integrated medical groups, there are times when group leadership wants to move faster than the system leadership. He asked how Dr. Golbus engages physicians who want to take ownership of issues and feel they are being slowed down.

"Our medical group often wants to go faster than the rest of the corporation," said Dr. Golbus, "and we've done so in some really important areas over the last number of years." He said much of the tactical work on patient engagement, patient loyalty, and leadership development started in NorthShore's medical group. "It really is not about who first comes up with the idea. It's really about demonstrating value. If we can demonstrate value, whether it's hard economic value or enhancement of the care we provide our patients, then all of us are better off." He noted that when the medical group wants to move faster on an issue, they will often start with a pilot program. "We certainly don't want to be counter to other organizational objectives or a distraction, but NorthShore has always been willing to let us do pilots to see if we can demonstrate the value that we can extrapolate to the rest of the organization."

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—Joseph Golbus, M.D.

Finance and Operations

Horton then turned the discussion to financial issues. He noted that results of AMGA's annual *Medical Group Operations and Finance Survey* show that independent practices "make a little bit of money, but it's pretty much break-even on a per physician basis." He asked James whether Wilmington Health has a board-mandated financial philosophy on retained earnings and how that fits into resiliency efforts. James confirmed a board mandate on reserves and noted that reserve levels are likely to be reviewed. "There's no way we could have predicted COVID-19, and there's no way we had enough reserves or felt like we had enough reserves, especially in the early days," hence the effort he discussed earlier to obtain additional operating funds. He noted, however, that reserve philosophy must be paired with a philosophy around operating expenses. "We need to make sure that that we operate our business at the highest level possible, using as few resources as possible." Several years ago, James asked the leadership team to put together a plan that would allow Wilmington to operate below the 40th percentile of cost per provider. By 2019, they had hit the 23rd percentile, "and it's because we try to not have things that don't make sense." So, for example, he noted there are no assistants in the practice—no personal or executive assistants—because that's not something patients would be willing to pay for. Similarly, although they have had contracts in value-based care, Wilmington Health has never implemented care management teams, because that would be an added cost. The philosophy, he said, needs to be "completely comprehensive, not just reserves. But how are you going to manage expenses? How are you going to manage growth? What do you do as a pilot? Where do you absorb a loss for the benefit of value-based care? All of those decisions are very important."

The foundation model necessarily involves an investment (rather than profit) per physician, and Horton noted it can be a challenge going out to the physicians saying, "we're running at a deficit." It impacts morale, culture, etc. He asked Dr. Schafer to discuss how they address that at MemorialCare. Schafer said the key is to focus on value from a global system perspective. "We do have to spend a fair amount of time reminding people, particularly at the system level, of what that value is. But with the physicians, we don't like to focus on that. We like to focus on what they can have an impact on, what can they control." As a value-based care organization, that means a focus on quality measures, access, patient satisfaction, and total cost of care. That includes getting doctors to educate patients on doing things that will provide value and reduce total cost of care, such as using urgent care rather than emergency departments. Aligning compensation with those value-based metrics is also helpful.

Dr. Golbus agreed that focusing on losses can be counterproductive. "Nothing will aggravate a physician more than taking an entrepreneurial physician who's been in private practice and accountable for their bottom line and what they take home, and putting them in an employed physician group, stripping out the ancillary revenue stream, and then calling them losers." To accurately account for a physician's financial performance, "we have a methodology that benchmarks to market within our compensation models that allows our physicians to get paid as they would if they were in private practice with access to an ancillary revenue stream." This erases the arm wrestle around ancillary revenue streams and who gets credit for what. "It allows us to focus on where to best place those ancillaries for business reasons and for our patient care. And that, to me, is really critical in getting that right."

Compensation Models

This led to a discussion of compensation models. Horton noted that last year's AMGA operations and finance survey indicated 17% of costs were associated with operations, 22% were focused on staff, and 56% went to provider salaries and benefits. "I remember when it was less than 50%." Horton asked the panelists what they are doing, as compensation continues to increase as a percent of expenses, to link compensation to the issue of resiliency.

James said that compensation models need to change with the times and "now is one of those times where our compensation model has to change." Value-based payments and value-based care "are going to be a game changer," he said. "It's going to either allow us to go to the next plateau or it's going to bury us." His group is now going through a process of incorporating key points of value-based care, such cost of care, patient experience, and some of the quality and outcomes measures, into their compensation model.

Dr. Schafer agreed, saying MemorialCare has worked hard to align the long-term goals of the medical foundation with a compensation plan for the doctors. "It's never perfect," he acknowledged. "We're always tweaking our compensation system here every year." One of their recent innovations is decreasing the focus on work RVUs and increasing the percentage of physician total compensation that's based on how big their panel size is. Of course, there must be limits; "we don't want someone to have a panel that's so big they can't manage it." Also, doctors "still have to do well on quality and patient satisfaction." The point of the change, however, is to focus on those areas that will help to retain patients, bring more patients into the system, and manage costs. Being fully transparent, publishing work RVU data, quality metrics, etc., also helps. "You can see how everybody else is doing, and that that creates a little bit of competitive juices. Doctors are competitive, and nobody likes to be on the bottom of the list. So, we find that to be very, very effective."

Dr. Golbus described compensation at NorthShore as being based on four key principles. First, you have to be market competitive. "Great physicians can be anywhere they want. If you're not market competitive, you're going to have a hard time attracting and retaining great doctors." Second, there needs to be internal equity. "That doesn't mean that rheumatologists are paid the same as neurosurgeons, but all the rheumatologists are paid by the same methodology. They know how they're paid, and they know the same metrics apply to others like them." Third, you must be regulatory compliant. Finally, compensation must be aligned, sustainable, and tied to the mission. Dr. Golbus believes the sophistication of EMRs has played a role in this process by providing reliable data that allows for more productive conversations around compensation. He also noted that the combination of COVID-19 and generational shift as millennials become practitioners has brought financial security to the forefront. So, while NorthShore still has fundamentally productivity-driven models, there are now annual guarantees (or floors) on compensation. They've also instituted a Sharing the Success program, a regulatory-compliant methodology with a financial trigger and a set of quality metrics and goals. If the organization hits or exceeds certain budgetary targets and also hits the quality metrics, physicians receive an increase in compensation above what the benchmarks might otherwise call for. Sharing the Success, Dr. Golbus said, "really gets to that fundamental issue of both alignment and sustainability."

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"I think the doctors are happy that they're busy again and seeing patients. They're giving back to the community, and patients are so grateful and so happy to be able to get their vaccine. I think that's really kind of renewed people's spirits a little bit, and hope as well."

—Mark D. Schafer, M.D.

Signs of Hope

Horton ended the program moving from business resiliency to societal resiliency. He noted that "leaders are called upon to make sure that they define reality, but they're also called upon to provide some hope." He asked the panelists to discuss signs of hope and positive changes wrought by the pandemic.

James noted that his organization is seeing success in their value-based contracts, so that's a hopeful sign. He also sees telehealth being a game changer, not just "substituting the visit, but actually increasing the access and the continuum of care approach." On a more personal note, he was particularly pleased to know he would soon be meeting in person with colleagues for the first time in over a year.

Dr. Golbus sees hopeful signs in patients returning to offices with the dramatic increase in vaccination rates. "At some level, there is a return to normalcy that's giving people hope in Chicago. It also doesn't hurt that the sun is out, the snow has melted, and trees are blooming." He also described how, at the peak of the pandemic, several NorthShore personnel put together a program called "a thousand acts of kindness." An online app randomly generated the name of someone who works at NorthShore, and you had the option of sending that person a shout-out, such as a note of encouragement or a $25 dollar gift certificate. "It was incredible to me," said Dr. Golbus, "how in the course of only 10 to 14 days, we way surpassed a thousand acts of kindness in the organization. It was something that everyone could rally around, and just a little bit of hope that we are all in this together."

Dr. Schafer described the first time he and his family ate together at a restaurant to celebrate his son's 30th birthday. "We sat outdoors and took our masks off and enjoyed time together with our family and their significant others. It was really the first time we had done that in a year, so it was emotional." Dr. Schafer said that was a sign to him that "there is a way out of this, and things are moving in the right direction." From a business perspective, Schafer agreed that increased volume, now near normal for primary care and up quite a bit for specialties that had to defer service during the pandemic, is a hopeful sign. "I think the doctors are happy that they're busy again and seeing patients." He also noted that MemorialCare's physicians are volunteering to be vaccinators and, while it took them some time to figure out because this is not something that doctors normally do, they really enjoy it. "They're giving back to the community, and patients are so grateful and so happy to be able to get their vaccine. I think that's really kind of renewed people's spirits a little bit, and hope as well." GPJ

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