

STRATEGIC PLANNING FOR HEALTHCARE SYSTEMS AND PRACTICES

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In a healthcare environment currently experiencing changes in regulations, an evolving shift in the reimbursement paradigm, and a deluge of new technology, there are two camps of healthcare strategy. Some choose to sit back and wait, and others opt to tackle issues head-on by actively planning for the future of their organization. While considering some of the issues facing healthcare organizations may be somewhat daunting or may seem fruitless given the ever-changing nature of healthcare, we stress that proactively considering potential future challenges will set up your organization to face them when they inevitably come.

Strategic planning allows organizations to get a head start on preparing for changes that will affect them down the road, and it also allows them to step back and consider the overarching strategy currently driving their organization. Given that there are typically few if any employees in healthcare settings dedicated to strategy and growth, these concepts can get lost in the day-to-day minutia of running the organization or attending to patients.

Thus, it is imperative for organizations to dedicate time and resources to assessing their current challenges, concerns, and successes, while also focusing on where they want to take the organization. This analysis can be through a variety of methods. However, it must (1) be regularly scheduled (quarterly, annually, etc.), (2) include a cross-section of internal stakeholders (providers, administrators, leadership), and (3) be well documented and the outcome disseminated to all affected individuals.

Coker has significant experience in leading these sessions for a variety of clients (private practices, provider alliances, hospitals, healthcare systems, etc.). We share their thought leadership broadly, including a recent two-part whitepaper titled "[Strategic Retreats for Medical Practices: Planning for Future Success](#)" and "[Strategic Retreats for Hospitals and Health Systems: Planning for Future Success](#)." Overarchingly, these strategic planning processes occur similarly regardless of the type or size of the organization. However, the critical issues covered within each vary somewhat based on the specifics of the entity.

The following information outlines a few of the challenges faced by each organization type, as further detailed in the whitepapers.

STRATEGIC PLANNING CONSIDERATIONS FOR MEDICAL PRACTICES

1. **Physician Recruitment.** Difficulties in recruiting physicians to a medical practice as opposed to a hospital, given the increasing employment trend and potential reduction in guaranteed compensation.

2. **Growing the Practice.** Concerns regarding how to develop and build the practice and expand its service offerings while taking into consideration operational and fiscal difficulties.
3. **Physician Engagement.** Struggles to establish an engaged physician leadership structure, creating lack of succession planning and inadequate representation.
4. **Operational and Financial Efficiency.** Competition with larger practices or healthcare facilities who can capitalize on economies of scale or who are not as directly affected by uncontrolled overhead.
5. **Alignment Strategies.** Concerns about whether to maintain autonomy and independence of private practice or to capitalize on structure and security of aligning with a hospital.
6. **New Payment Models.** Confusion regarding new value-based reimbursement models and/or government-mandated programs (MACRA/MIPS).

STRATEGIC PLANNING CONSIDERATIONS FOR HOSPITALS AND HEALTH SYSTEMS

1. **Health System and Physician Relations/Communication.** Difficulties in establishing collaboration between administration and clinical staff, as well as driving engagement in hospital-mandated activities.
2. **Succession Planning.** Concerns about the aging and departure of current physicians and resulting issues with meeting patient demands, along with the loss of physician leaders.
3. **Referral Management.** Issues with establishing a dominant market share in competitive environments or with referral leakage to other geographically close markets.
4. **Operational Efficiencies.** Struggles with high inefficiencies in hospitals, especially for surgical services, based on lack of interdepartmental coordination.
5. **Cost Controls and Reduction.** Difficulties in maintaining reasonable budgets for various hospital departments and how to align physicians' incentives with controlling costs.
6. **Value-Based Reimbursement Readiness.** Issues with engaging physician support for value-based reimbursement activities and the inability to accurately track and report measure regarding such matters.

While these challenges are broad, we believe they encompass most of the concerns facing healthcare organizations today. With that said, each organization is unique, and leaders need to address issues specific to their organization and providers during their strategic planning process.

Thus, we recommend organizations consider their current strategic planning processes and determine how to move forward with appropriate, robust, and targeted strategic planning, if not already in place or being carried out in a suboptimal fashion. This preparation should follow a few simple steps:

1. Determine the frequency of your strategic planning sessions and schedule the next meeting.
2. Assign a leader to facilitate the discussion (an experienced physician leader, a high-ranking administrative person, or an outside party).

3. Instruct the leader to evaluate the current issues facing the organization via surveys, interviews, and data reviews in advance of the meeting.
4. Develop materials to support the discussions.
5. Communicate with the participants and ensure active participation.
6. Provide any pre-meeting educational materials that will provide additional information.
7. Facilitate the meeting and attempt to solicit feedback from all parties (or at least all constituencies represented).
8. Document the decisions made during the meeting and outline an action plan for implementing them.
9. Continuously follow-up on the activities assigned via the strategic planning session and provide updates at the next meeting.

Strategic planning can be a challenging activity and somewhat intimidating to take on, but it is an essential task that healthy organizations should remain dedicated to on a regular basis. With healthcare organizations facing new and difficult challenges every day, it has never been more imperative to make this activity a top priority.

For assistance with strategic planning for your organization, please call 678-832-2021 to speak with a qualified consultant at Coker Group.