

# Strategic Retreats for Hospitals and Health Systems: Planning for Future Success

*White Paper Series – Part Two*



Business Advisors for the Healthcare Industry

**AIMEE GREETER, MPH, FACHE**

Senior Vice President

**TAYLOR HARRISON**

Associate Consultant

November 2017

## **CONTACT**

For further information about Coker Group and how we could be of assistance, call 800-345-5829 x2021 or visit [www.cokergroup.com](http://www.cokergroup.com).

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**Abstract:** Hospital strategic planning is important in even the most stable of times. In these days of uncertainty, it is critical for **every** organization that wants to remain viable to prioritize strategic planning.

In Part One of this White Paper Series, we tackled the issue of how to effectively complete strategic planning for a medical practice. In this second part, we address how hospitals and/or health systems should approach strategic planning. Specifically, we will discuss how hospital administration should engage their physicians to develop a comprehensive strategic plan that meets the needs of all constituents, beginning and ending with the patient. While hospitals may be more prepared to weather the sweeping changes prevalent in the healthcare industry at this time due to their size and scope, they still need to be actively considering how to structure themselves, respond to the concerns of their employees, and address competitive forces. This whitepaper outlines the primary benefits of hosting strategic planning sessions and the results you can expect, both for your organization and your employees.

*Hospital strategic planning is important in even the most stable of times. In these days of uncertainty, it is critical for every organization that wants to remain viable to prioritize strategic planning.*

**Key Words:** Strategic Retreats, Strategic Planning, Retreat Facilitation, Physician Engagement

## What is the Purpose?

As the healthcare industry continues to be in a state of flux and continuously evolving due to market and regulatory demands, hospitals are desperately seeking some semblance of certainty. While strategic planning is still that--a plan--and will not protect organizations from all stresses of this industry, it can establish a clear path for the foreseeable future. Moreover, developing a plan dedicates specific time to evaluate the pending challenges facing your organization.

In unfortunate cases, hospital administration can become relatively far removed from their providers, who are the key financial and operational drivers, as they seek to keep up with the ever-increasing demands of the healthcare industry and government regulations. Thus, it is important to set aside time (likely via a strategic retreat) to meet with these leaders and bring together the administrative and clinical sides of the business to best evaluate potential issues and prepare for anticipated changes expected in the near future.

The chief goals of the strategic retreat are as follows:

- **Review Current Issues.** Review areas that the hospital administration and clinical leaders are struggling with on an ongoing basis.
- **Improve Communication.** Provide an open forum for stakeholders to voice their concerns within a productive atmosphere.
- **Establish a Vision.** Develop a clear plan for the future based on an agreed-upon vision for the organization.
- **Determine Expectations.** Clinical and administrative leaders indicate what they agree to complete going forward, as well as what they expect in return.
- **Develop Leadership.** Build and identify potential leaders.

## What Are the Outcomes?

While many of the goals outlined above are intangible results of the retreat, there should also be a defined deliverable in the form of a strategic roadmap. Thus, a document (i.e., action plan) should be developed post-retreat with content inclusive of the following (to be tweaked based on the outcomes of the retreat):

- **Goals for the upcoming period.** Clear, quantifiable goals for the upcoming period (likely period until next retreat)
- **Issues to address.** Any problems identified via discussions that will be addressed through specific and measurable future initiatives
- **Initiatives to implement.** Agreed-upon initiatives that will be implemented among the medical and administrative staff to address the issues outlined above, respond to industry changes, and meet the mutual goals of the clinical and administrative leadership
- **Action Tracker.** Well-defined next steps to meet the above-noted goals within the tangible initiatives, including a timeline for completion, the status of the action, and the responsible party. (See Appendix I for an Action Tracker example.)

The overarching goal of the retreat should be to establish a single focal point to ensure all parties are working toward the same end goal. Thus, when separate meetings occur to address more specific issues, this guidance document should be consulted to ensure any additional initiatives either align with or build upon those outlined in the strategic plan.

To ensure the adherence to this plan, a hospital representative (likely the CSO, COO, or CMO) should be identified to continuously review this document and ensure all parties are driving toward the accomplishment of the defined goals. (In most organizations, this would also be in concert with the Board.) Further, the leadership should evaluate their successes, as well as initiatives that were not achieved, during the subsequent strategic retreat to determine how to move forward with those items and assess how or why these fell short.

## When Should We Do This?

While the frequency of strategic retreats will depend on the organization itself, there is significant support for conducting them annually. Yearly meetings allow for making considerable progress on all initiatives and for realizing additional issues/changes before developing a new strategic plan. Moreover, it will enable administration and providers to set yearly goals for the organization tied to adequate financial projections, based on realistic projections.

With that said, it may be beneficial to have more frequent, tactical sessions with specific subgroups of individuals (i.e., particular specialties, individual facilities, administrative functions) to respond to the initiatives outlined by the retreat. This initiative will allow each area to define the specific steps needed to implement these activities and will provide a forum for highlighting more granular issues that should be evaluated at a higher level.

## Who Should Be Involved?

As noted, a hospital strategic retreat should consist of two primary constituencies – administrative leadership and clinical leadership. It is important to have representatives from each group involved as it will allow for a more comprehensive understanding of the issues at hand, more robust discussion, and more extensive sharing of ideas. More importantly, physician engagement in the development of these initiatives will be imperative in ensuring that they are actively carried out.

The organization will need to determine whether the retreat should include all physicians, a broad cross-section of physicians (varied in their years of practice, age, specialty, etc.), or simply a small subset of key physician leaders. While there are benefits to engaging all physicians, depending on the size of your medical staff, it may be difficult to control such a large group, and the discussions will become fragmented and unhelpful. Additionally, depending on the dynamics of the hospital, it may be beneficial to include both employed and community providers.

In addition to the participants of the retreat, there should be a designated leader who helps facilitate the retreat and drive productive discussions. While the facilitator can be an internal leader (i.e., the CEO or COO), this role is often filled by an independent outside party (i.e., a consultant or industry expert).

An external facilitator lends a certain formality to the meeting and can prove valuable in providing a third-party opinion on divisive matters. Additionally, this facilitator will be able to devote significant time to preparing materials (i.e., agenda, discussion points, background information, etc.) that create a structured discussion and highlight issues the organization may not have thought to address on their own.

## What Should Be Addressed?

Each hospital or health system has unique issues to address, and, therefore, the discussion points for the retreat will need to be specific to their organization. To ascertain these discussion points and pressing concerns within the hospital, the facilitator should complete interviews or a survey prior to the retreat. From there, the advisor or facilitator should develop the principal issues to be addressed during the retreat, compiled from the results of these interviews and/or surveys.

A few of the most common issues addressed in hospitals are listed below along with some of the strategies that have been implemented to address these.

## 1. Health System and Physician Relations/Communication

The Issue	Common Challenges	Strategies
<ul style="list-style-type: none"> <li>• Establishing a level of collaboration between administrative and clinical staff</li> <li>• Engaging physicians to ensure adequate support of strategic initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Perceived lack of communication or transparency between hospital administration and clinical staff</li> <li>• Lack of trust and understanding between parties</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a leadership structure that involves physicians to ensure consistent feedback</li> <li>• Provide feedback on a regular basis from hospital administration relative to issues facing medical staff</li> </ul>

## 2. Succession Planning

The Issue	Common Challenges	Strategies
<ul style="list-style-type: none"> <li>• Adequate staff to support aging and departure of current physicians</li> <li>• Ability to meet patient demands and support current community needs assessment (CNA)</li> </ul>	<ul style="list-style-type: none"> <li>• Creates internal disputes when work is reallocated to new employees prior to departure of current employees</li> <li>• Overall physician shortage and increasing patient demands</li> </ul>	<ul style="list-style-type: none"> <li>• Shift to using more advanced practice practitioners (APPs)</li> <li>• Establish transition policy that encourages physicians to be forthright about pending departures</li> </ul>

## 3. Referral Management

The Issue	Common Challenges	Strategies
<ul style="list-style-type: none"> <li>• Establishment of dominant market share, especially in competitive environments</li> <li>• Consistent service offerings across all hospital-affiliated locations</li> </ul>	<ul style="list-style-type: none"> <li>• Outmigration of certain patients due to lack of access, gaps in coverage, or inadequate relationships with community providers</li> <li>• Issues in establishing adequate clinic and call coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Complete a CNA and recruit providers where necessary or improve access (clinic hours)</li> <li>• Consider alignment with community practices, especially primary care physicians</li> </ul>

#### 4. Operational Efficiencies

The Issue	Common Challenges	Strategies
<ul style="list-style-type: none"> <li>• Development of consistent and efficient processes in the hospital</li> <li>• Ensure most adequate use of hospital resources, especially for surgical services</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of interdepartmental coordination, leading to inefficient care delivery</li> <li>• Low turnover time, difficulty in scheduling properly, inadequate support to address these challenges</li> </ul>	<ul style="list-style-type: none"> <li>• Establish consistent policies for utilization of hospital resources</li> <li>• Develop leadership teams with interdepartmental representation that meet to address issues relative to operational efficiency</li> </ul>

#### 5. Cost Controls and Reduction

The Issue	Common Challenges	Strategies
<ul style="list-style-type: none"> <li>• Establishing and maintaining a reasonable budget for the various hospital departments</li> <li>• Ensuring a reasonable and efficient use of overhead (staff, supplies, equipment)</li> </ul>	<ul style="list-style-type: none"> <li>• Inability to incentivize providers to control costs due to lack of financial ramifications</li> <li>• Competing priorities of increased production and reduced costs</li> </ul>	<ul style="list-style-type: none"> <li>• Tie physician or service line incentives to cost controls (share savings realized by the applicable service line)</li> <li>• Utilize physician leadership to drive efficient utilization of overhead components</li> </ul>

#### 6. Value-Based Reimbursement Readiness

The Issue	Common Challenges	Strategies
<ul style="list-style-type: none"> <li>• Ability of hospitals to successfully participate in value-based reimbursement models, including MIPS/APMs</li> </ul>	<ul style="list-style-type: none"> <li>• Ability to accurately track and incentivize provider adherence to cost and quality metrics</li> <li>• Willingness of providers to participate in care process design based on evidence-based best practices</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a care process design system (CPDS) to improve the method of care delivery</li> <li>• Utilize physician input on developing all policies and procedures, as well as specific metrics tied to quality/cost to ensure support</li> </ul>

Again, these items are some examples of discussion topics applicable to many hospitals; however, the final list should specifically target the internal and external forces directly impacting the hospital.

## How Can We Get Prepared?

As noted, there is a significant amount of work that should be completed prior to the retreat to develop a baseline for discussions and ensure the most efficient use of time. This preparation can include a variety of different activities, such as the items listed below.

### 1. *Confidential Survey*

A confidential pre-retreat survey can be administered to garner honest feedback from stakeholders (including those invited to participate in the retreat and those not). The questions often focus on typical SWOT (Strengths, Weaknesses, Opportunities, and Threats) analyses for the hospital, which will, in turn, serve as the basis for the retreat discussions. This survey will also provide the facilitator with qualitative information to draw from when preparing the meeting materials.

### 2. *Pre-Retreat Interviews*

Pre-retreat interviews can be conducted to supplement the survey results and to vet the critical issues and identify areas of sensitivity or divisiveness. Additionally, conversations can help to determine other topics that weren't in the survey or that the respondents didn't adequately explain.

### 3. *Welcome Letter*

A Welcome Letter can be an excellent introduction to the retreat, establishing its purpose and process and detailing what participants should expect and what is expected of them. It should provide an overview of the retreat, including the intended outcomes, guidelines for discussion, proposed topics, and logistical details. (Note: See Appendix II, sample Welcome Letter, and Appendix III, sample Agenda.)

The Welcome Letter can also include a summary of the pertinent survey results to highlight issues to be discussed and provide additional insight into the opinions of stakeholders.

Finally, the Welcome Letter could provide the participants with a list of pre-read materials that provide education on certain topics. This reading material may be general healthcare industry information, articles relative to specific discussion points, or even further evidence on the benefits of engaged physicians and strategic planning.

### 4. *Review of Materials*

Depending upon the organization, and the level of care required for certain discussion points, it may be beneficial for the facilitator to review the proposed meeting materials



with key leadership in advance of the retreat to ensure the contents are appropriate and adequate. Further, this will ensure that the facilitator hones in on the most pressing issues.

## What are the Guidelines?

The format of the retreat sessions can differ based on the organization, its culture, and its current needs. Typically, strategic retreats for a hospital last an entire day (approximately 6-8 hours) and can include a social gathering (e.g., dinner with the participants the night before or after the retreat). A social gathering may seem like an unnecessary component, yet it can establish a more collegial environment for the retreat and can mitigate tension that may result from more sensitive discussion points.

While a facilitator should be on-site to help guide discussions and mitigate any distracting conversations, it is important that there be significant discussion and input from the participants. Again, physician input will be critical in developing the action items from the retreat as their support will be imperative for successfully implementing all initiatives.

Depending on the group size, it may be beneficial to have breakout sessions to discuss certain discussion topics. In this scenario, each group would have representation from the various constituencies and would present their recommendation to the larger group at the conclusion of the session. Vetting and consensus would then occur.

Likely, the retreat will result in the implementation of specific initiatives in the organization; thus, there may be a need for a group consensus to be derived. This agreement may require a specific voting structure (e.g., Robert's Rules of Order), which should be evaluated based on the composition of the retreat (i.e., number of employed vs. community physicians, number of administration present, etc.).

If an initiative will require financial support, it is possible that the action plan will have to be submitted to hospital leadership or the Board of Managers. If this is the case, this prerequisite should be communicated to the retreat participants at the beginning of the meeting to ensure the group is aware of the process and expectations are set accordingly.

Though the retreat should be somewhat informal, it is important to establish certain guidelines for the participants to ensure an efficient and respectful session. A few examples are listed below:

- The participants should thoroughly discuss each point; however, the participants agree not to derail the conversation or bring up unrelated topics.
- Participants should strive to remain continually engaged without dominating the discussion.
- The participants should communicate openly and work professionally, collaboratively, and refrain from negative or antagonistic rhetoric.
- The facilitator should govern these discussions and limit time spent on each topic to ensure adequate coverage of all proposed topics.

- Participants should be ambassadors for their particular constituency while keeping an open mind as to the outcomes of the retreat.
- Participants should agree that the retreat conversations are confidential unless explicitly told to report back to their peers.

These guidelines, the approval process for the strategic plan, and the role of the facilitator should be discussed at the beginning of the meeting and also outlined in the Welcome Letter.

## What Next?

As previously mentioned, the primary deliverable from the retreat will be a specific action plan. Within that document, the next steps for the organization should be outlined, including who is responsible for each step and the intended timeline for the item to be completed.

Below are a few sample next steps that could be considered, depending upon the results of the retreat:

- Submit an action plan to hospital executive team or Board of Managers (if applicable)
- Complete supporting financial projections for initiatives
- Establish subcommittees or specific tactical meetings
- Complete supporting analyses or documentation for certain actions
- Evaluate achievement of initiatives on an ongoing basis
- Plan and schedule subsequent retreat

It is important to establish these action items and hold the organization accountable for achieving these goals. Otherwise, there will be increased frustration among participants as they will feel that time was wasted, their opinions are not heard, and/or there isn't transparency with upper management.

## Conclusion

As hospitals strive to be successful under these new value-based paradigms and increasing government oversight, strategic planning and physician engagement will be critical. Hospitals should be cognizant of the importance of dedicating time and resources to the strategic planning process and involving their clinical leadership in such activities.

*If you are interested in learning more about how Coker Group can assist in your strategic planning efforts, including but not limited to retreat facilitation, please contact us at [www.cokergroup.com](http://www.cokergroup.com).*

## APPENDIX I – SAMPLE ACTION TRACKER

Below is an example of a “stop light” matrix that may be used to document and track action items assigned either during or after the retreat. The colors denote progress made, with green being items completed or on track for completion, yellow items being those in process or nearing their projected completion timeline, and red being those items that are overdue or lack some resource to move them toward completion. The matrix should be managed by an individual who tracks progress across all the items and provides regular updates to stakeholders.

Action Item	Timeline for Completion	Party Responsible	Status	Resources Needed

## APPENDIX II – SAMPLE WELCOME LETTER

Dear \_\_\_\_\_:

Coker Group Holdings, LLC, d.b.a. Coker Group (“Coker”), a healthcare consulting firm headquartered in Atlanta, Georgia, has been engaged by ABC Hospital (“ABC” and/or the “Hospital”) to assist in strategic planning via facilitation of your annual Strategic Planning Retreat (“Retreat”). Since our engagement, in collaboration with ABC executive leadership, we have been actively planning and preparing for a successful and productive Retreat. This preparation has included both on-site interviews with physicians, clinical staff and administrators, and off-site assessment of the Hospital’s current financial, operational, and strategic positions, including reviewing the results of the online survey in which you participated.

The purpose of the Retreat is to develop a meaningful strategic plan that is inclusive of both short- and long-term goals for the Hospital. Further, these goals will apply to all areas of the Hospital and will address both financial and operational considerations.

The Retreat will be attended a subset of key clinical and administrative leaders to ensure maximum productivity. This involvement will allow a variety of individuals (relative to tenure, specialty, and overall perspective) to have a voice in this important process, and we look forward to hearing opinions and ideas from each of you.

We will review the overall goals of the Retreat further during our time together; however, to help prepare, we briefly outline the expectations of all Retreat participants below.

- Participants should be collegial and have an attitude of doing first what is best for the Hospital and, secondarily, for individuals (including themselves).
- Participants should be committed to becoming more educated and versed in the various strategies that exist and specificities relevant to how hospitals and providers operate in today’s market.
- Participants should be committed to dedicating focused, non-distracted time to this Retreat and agree to be held accountable for the completion of follow-up tasks and responsibilities.
- Participants should maintain confidentiality concerning the sensitive information and data that may be discussed during the Retreat, assuring the protection of its proprietary nature at all times.
- Participants will work toward consensus-building and decision-making and will agree to adhere to the decisions made after the Retreat has concluded.

Coker will provide education as well as facilitate the discussion, particularly during the vetting of relevant key issues. In short, the Retreat will be an organized, systematic process wherein our collaborative efforts will result in a well-designed plan to help ensure the future success of ABC.

To assist you in preparing for the Retreat, we have included several appendices to this letter, which we ask you to review carefully and thoughtfully before the Retreat. These appendices include:

- Appendix I – Retreat Agenda
- Appendix II – Outline of Key Themes and Issues for Vetting
- Appendix III – Summary of Survey Results
- Appendix IV – Pre-Read Assignments

We will be available to review or clarify these items with you at any time, so feel free to contact us.

Thank you for selecting Coker to assist with this important initiative.

Sincerely,



Max Reiboldt, CPA  
President/CEO  
[mreiboldt@cokergroup.com](mailto:mreiboldt@cokergroup.com)  
[www.cokergroup.com](http://www.cokergroup.com)  
678.832.2007 (direct line)  
678.296.3932 (cellular)



Aimee Greeter, MPH, FACHE  
Senior Vice President  
[agreeter@cokergroup.com](mailto:agreeter@cokergroup.com)  
[www.cokergroup.com](http://www.cokergroup.com)  
704.417.5942 (direct line)  
404.433.7191 (cellular)

## APPENDIX III – SAMPLE SCHEDULE

### **Friday Evening**

7-10 PM

Dinner and Fellowship

### **Saturday**

7:00 AM

Breakfast

7:30 AM

Welcome and Introduction

8:00 AM

Discussion of Short-Term Key Issues

9:00 AM

Small Group Discussions

10:00 AM

BREAK

10:15 AM

Discussion of Long-Term Key Issues

12:00 PM

Working Lunch/Small Group Sessions

2:00 PM

Consensus Building/Action Plan/Q&A

3:30 PM

Closing Remarks and Next Steps

4:00 PM

Adjournment