Managing Health System Access Points in the Wake of COVID-19
About the Authors

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The COVID-19 pandemic has created unique circumstances for health systems and healthcare providers that will permanently impact patient care delivery. Across the U.S., hospitals and medical practices stopped elective procedures and limited their care to essential services as cases grew in April 2020. Ambulatory clinics, emergency department (ED), and surgical services are the gateway to the acute care setting, and as volumes dropped, revenue dropped. The healthcare industry is reporting losses up to $50 billion per month due to the loss of elective surgeries and procedures.¹ Each access point provides a steady stream of patients to the health system, and hospitals must address new challenges for them to remain financially viable.

As of June 2020, hospitals actively reopened elective services to begin recovering volumes. However, within ambulatory clinics and surgical volume recovery, certain specialties have lagged behind others, such as primary care, cardiology, dermatology, and orthopedics.² A recent study published in the *Journal of Bone & Joint Surgery* estimates it will take seven to sixteen months (assuming elective surgeries resumed in June 2020) before a health system could perform 90 percent of pre-COVID-19 forecasted surgeries.³
During the initial recovery efforts, operational leaders focused on staff remobilization, safety, and refining care delivery models. Many provider organizations focused on obtaining and utilizing federal relief funds instead of the path to volume recovery. While federal relief funds will offset some of the revenue shortfalls, it is not likely to offset the full impact of COVID-19, placing most organizations in the holding pattern of managing liquidity.

The path back to 100% of pre-COVID-19 volumes is not guaranteed, and every health system needs to plan for a variety of scenarios that will impact them financially, operationally, and strategically. Leadership should consider four questions to help manage financial viability and develop a strategy to rejuvenate patient access points.

How much federal money remains compared to the pace of volumes returning to 100% of pre-COVID-19 levels?
Four Questions to Evaluate Readiness

Does your health system have a plan of action if/when volumes do not come back to 100%?

How should your organization prepare for best- and worst-case scenarios operationally, strategically, and financially?

What are the critical services and strategies that must survive even in your worst-case scenario?

What other options are necessary to consider, such as partnerships, mergers, acquisitions, or alternative funding sources?
After carefully considering answers to these questions, health system leadership should be ready to evaluate each access point and create a strategic plan of action. We recommend focusing on specialties or services that have returned at a slower pace or those that have the greatest growth potential for your organization.

In addition to the more strategic considerations discussed below, hospital leadership will need to evaluate operational factors and implement the right combination of strategies to manage health system access points in the wake of COVID-19.

**ACCESS POINT recommendations**

**SURGICAL SERVICES** | reevaluate block utilization and the block schedule by provider and specialty, particularly for those specialties with slowly recovering volume.

**CLINICS/AMBULATORY NETWORK** | evaluate hours of operation, locations, telehealth offerings, provider productivity, and performance metrics with a focus on specialists or locations that have been most affected.

**EMERGENCY DEPARTMENT** | reexamine evolving day of week and time of day demand curve. Identify the optimal schedule within this new patient demand curve.
Operational Recovery Considerations:

1. Implement proactive marketing and outreach to communicate with patients, as well as employees and providers. Include detail on safety measures in the messaging.

2. Avoid tracking department-level recovery based on the unit of service volumes only. Looking at volume in isolation may be misleading as many health systems are seeing government payers returning at a higher percentage than commercial payers.

3. Reevaluate models for support services (e.g., EVS, Food) and clinical, ancillary services (e.g., imaging, lab) to determine whether demand and operational needs warrant modified service levels or reduced coverage.

4. Rethink your approach to float or surge pools. What skill sets or training are needed to cover the evolving needs of your patient population?

5. Rationalize corporate and shared services. Some functions directly related to volumes (e.g., coding, registration) need to align with new volume levels, and other discretionary functions may no longer be financially sustainable.
6. Rationalize organizational structure, span of control, and fixed positions. Shifts in business needs and strategy will require a different level and skill set. Look beyond variable staff; a lower level of fixed and overhead staff is necessary to maintain productivity levels at a reduced volume.

7. Evaluate department staff composition. Is there an optimal mix of full-time, part-time, and per diem staffing to allow for flexible staffing models? Is there an opportunity or need to refine the skill mix?

8. Consider alternative or temporary metrics for approving new or replacement positions (e.g., four pay periods at or above 100% volume, temporary productivity targets).

9. Review your care management deployment and model. Inpatient deployment may need to be realigned with changes to the census, unit configuration, or acuity.

10. Reevaluate provider compensation models to align incentives with strategic objectives of the organization in a financially sustainable structure.

11. Evaluate revenue enhancement opportunities such as remote patient monitoring and value-based care program performance that will also positively impact the overall cost of care, readmissions, and other relevant data points.

12. Rationalize clinic locations and services that may be more efficiently provided via telehealth or virtual visits.
Prepare to Act with the Right Strategy for Your Organization
1. Develop a **recovery roadmap** for revenue, cash, staffing, and margin targets that includes a definitive plan of action if performance strays from the target. It may seem obvious, but you must scrutinize expenses and evaluate all opportunities to increase revenue across the health system.

2. Establish a list of **indicators to prompt action** for various scenarios. For example:
   a. “If surgical volume at location X has not returned to Y% by Z date, we will move forward with strategy A or B.”
   b. “As our virtual visit volume grows above X% in market Y, we will consider closing location A or B or limiting to certain specialties.”

3. Develop a **strategic contingency plan** focused on core services that will be essential for your organization’s survival and long-term success.

4. Evaluate potential **partnerships and affiliations** that may be necessary or advantageous. Some organizations cannot continue to offer comprehensive services and will need to focus on specific strategies and offerings.
Every health system will continue to face unique challenges and circumstances while managing patient access points in the wake of COVID-19. A thorough evaluation of core services, financial management, and strategic objectives will prepare leaders to make difficult decisions in the coming months. It is essential for health systems to develop a plan for near-term volume recovery that can support future demands of evolving care delivery models.

Coker Group and Southport Healthcare Advisors are partnering with clients to develop customized recovery plans based on actionable analytics and strategic objectives.

**What are you experiencing?**

Tell us how your organization is managing these issues and what’s working well.

Request a phone call to discuss the 4 Questions to Evaluate Readiness
Sources


For further information about Coker Group, and how we could be of assistance, please call 1.800.345.5829 or visit cokergroup.com