Let’s make a plan to thrive.
Strategic Planning and the Physician Practice
Why do you need a strategic plan for your practice?

- Stagnant patient volumes
- Deteriorating financial performance
- Outdated systems and processes
- Lack of clear goals with measurable targets
- Underperforming personnel
- Unhappy customers
- Missed growth opportunities
- Lack of capital
• Strategic Planning Overview
  • Definition
  • Vocabulary

• The Physician Strategy Group Process
  • Our Approach
    • Goals
    • Process

• Sample 3-Year Strategic Planning Outline
Strategy…Defined…

An investment of resources to position an organization to produce desirable/measurable/sustainable results in the face of future challenges…

- Government
- Competition
- Regulation
- Demographics
- Economics
- Technology
- Manpower
So, Strategic Planning is…

A formal process by which an organization incorporates internal and external information to define its long range goals and strategies and to finalize the allocation of resources required to execute the strategies to achieve the defined goals.

- Mission
- Critical Success Factors
- Goals
- Strategies
- Resources
- Accountability
In its simplest form...

Strategic planning is a process of determining a company’s long range goals and the best approach for reaching them...
Strategic Planning… Vocabulary

- **Mission**: “Why we exist”
- **Critical Success Factors**: “High level imperatives or broad areas of focus and activity that are critical to mission success”
- **Goals**: “Clearly defined, specific, measurable
- **Strategic Initiatives**: “Well defined areas of focus and activity that drive positive results in support of a critical success factor”
- **Metrics**: “Measure of performance and execution”
Mission / Vision

CSF
- Initiative
- Initiative
- Initiative

CSF
- Initiative
- Initiative
- Initiative

CSF
- Initiative
- Initiative
- Initiative

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• Sample 3-Year Strategic Planning Outline
Strategic Planning… Our Goals

Goal: To create and implement an annual *Strategic Planning Process* for your practice that engages and energizes your leadership team.

Goal: Establishment of a *3-year Strategic Plan* with a clear mission statement, values, goals and strategic initiatives.
Strategic Planning… Our Process

1. Create and affirm your Mission

2. Develop Critical Success Factors or high level imperatives which are critical to achieving the practice’s mission

3. Create and communicate your high-level, long term Strategic Goals in the areas of:
   - Patient
   - Organizational Capacity
   - Finance

4. Providing continual discussion regarding the Industry and Market Trends
Strategic Planning… Our Process (cont)

5. Executing team-based Brainstorming and Formally Document:
   - SWOT Analysis
   - Select and develop the best Goals and Strategic Initiatives

6. Creating a 3-Year Strategic Plan comprised of:
   - Market & Industry Trends; Financial Trends / Goals; Strategic Framework; Strategic Initiatives and Specific Programs (MAKE CONSISTENT)

7. Establishing a 1-Year Strategic Operating Plan and supporting Annual Budget to activate strategies, support ongoing operations and set annual goals

8. Driving Continuous Improvement through consistent measurement of metrics and accountability
• Strategic Planning Overview
  • Definition
  • Vocabulary

• The Physician Strategy Group Process
  • Our Approach
    • Goal
    • Process

• Example 3-Year Strategic Planning Outline
3-Year Plan Outline (Example)

**Strategic Framework & Direction**
- Mission Statement
- Market Trends And Internal Drivers

**Environment Update And Forecast**
- Market Demographics
- Payor Mix
- Competitor Dynamics
- Physician Analysis Insight

**SWOT Analysis**

**Goals and Strategic Initiatives**
- Growth
- Quality
- Patient Satisfaction
- Staff Satisfaction
- Operating and Financial Performance

**Action Summary**

**Regular Implementation Reporting**
Physician Strategy Group
Strategic Planning

follow up questions or comments:

Blake Allison - VP
Physician Strategy Group
Phone: 972-763-3888
Email: blallison@uspi.com

www.physicianstrategygroup.com
Appendix
Appendix 1:

Sample Mission Statement
Mission Statement (example)

Our clinic seeks to be recognized as the group practice of choice for high quality, patient focused healthcare designed to improve the care of those we treat.
Appendix 2:

Key Input…
Sample Market Drivers and Trends
## Key Inputs...Market Trends and Drivers

<table>
<thead>
<tr>
<th>Trend/Driver</th>
<th>Future Reality</th>
<th>Implication</th>
</tr>
</thead>
</table>
| **Government** | • Healthcare reform and global payments options  
• Strong push for IT capabilities at the physician level  
• Decreased reimbursement from the governmental payors as well as the inability to fix SGR | • Pursuing new payment models to bend the cost curve  
• Focus on value-based purchasing and payment for outcomes  
• Incentives for IT and care continuity |
| **Payors** | • Commercial payors seeking risk models for continuum of care  
• Vertical integration and re-entering the market as a provider | • Develop models that incentivize care across the continuum  
• Driven by concern over their continued value, will begin to attempt to manage care with integrated providers |
| **Hospitals** | • Generally view themselves as the “lead” in ACO development  
• Pursuing payer strategies  
• Seeking employment of primary care as well as specialists as the alignment strategy  
• Tighter Stark regulations creating difficult alignment | • Utilizing current uncertainty to leverage physicians to seek employment  
• Focused on utilization management  
• Continue to be the major option to deal with practice management and growth issues faced by physicians |
| **Technology** | • IT mandates  
• Ambulatory EMR becoming a focus  
• Need electronic data interoperability and data sharing between systems via HIE’s | • Data interoperability will be a core practice function  
• Increased capital and operating costs  
• Need to develop solutions for continued IT support |
Appendix 3:

Key Input...

Sample Market Overview
Kyle: Key Markers

- 28 miles from Kyle office to Texan Surgery Center
- 49 miles from Killeen to main Austin office
- 36 miles from Marble Falls to main Austin office
Kyle: Demographic Overview

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>277,465</td>
</tr>
<tr>
<td>% Male Population</td>
<td>50.5%</td>
</tr>
<tr>
<td>% Female Population</td>
<td>49.6%</td>
</tr>
<tr>
<td>Median Age</td>
<td>31.1</td>
</tr>
<tr>
<td>Total Households</td>
<td>89,425</td>
</tr>
<tr>
<td>Average Household Size</td>
<td>3.0</td>
</tr>
<tr>
<td>Household Growth from 1990 to 2000</td>
<td>29.9%</td>
</tr>
<tr>
<td>Household Growth from 2000 to 2013</td>
<td>84.9%</td>
</tr>
<tr>
<td>Median Income</td>
<td>$56,844</td>
</tr>
<tr>
<td>Average Household Income</td>
<td>$73,089</td>
</tr>
</tbody>
</table>

All totals include Kyle plus a 15 mile radius.
Kyle: Zip Code w/ Five Year Population Projection

15 mile radius

Population Growth (5 Year Projected)
- 15% +
- 10% - 15%
- 5% - 10%
- 0% - 5%
- Population less
Kyle:
Mosaic Group-Lifestyle Profile

The Dominant MosaIC Group for this geography is Group A Affluent Suburbia. The number of Households from this Group is 15,509, which is approximately 17.3% of the Total Households.
Kyle: Households by Income Group

![Bar chart showing household income distribution by income group for 2010 and 2015.](chart.png)
Kyle: Household Size

A: 1 Person per Household
B: 2 People per Household
C: 3 People per Household
D: 4 People per Household
E: 5 People per Household
F: 6+ People per Household
Kyle: Age
Kyle: Race & Ethnicity

The diagram shows the percentage distribution of races and ethnicities over different years: 1990, 2000, 2010, and 2015. The categories include White, Asian, Black, Hispanic, and Other Race. The data indicates a trend where the percentage of certain races has increased or decreased over time.
Kyle: Marital Status

- Married: 52.3%
- Never Married: 30.7%
- Divorced: 8.9%
- Separated: 4.5%
- Widowed: 3.6%
Kyle: ENT Competition

- Five ENTs within .76 mile radius
- Research indicates average ranges of Full Time Equivalent ENTs to population of 100,000 from 2.9 to 3.4
- Proximity only concern; not over supply of specialist
## Physician Referral Source Opportunity

### 29.98953, -97.87711 (15 mile radius)

<table>
<thead>
<tr>
<th>SPECIALTY</th>
<th>MAJOR SPECIALTY CATEGORY</th>
<th>COUNT (FTE*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADOLESCENT MEDICINE</td>
<td>PEDIATRIC</td>
<td>9.00</td>
</tr>
<tr>
<td>ALLERGY &amp; IMMUNOLOGY</td>
<td>ALL OTHER</td>
<td>1.00</td>
</tr>
<tr>
<td>DERMATOLOGIST</td>
<td>DERMATOLOGY</td>
<td>2.00</td>
</tr>
<tr>
<td>FAMILY PRACTITIONER</td>
<td>GENERAL AND FAMILY MEDICINE</td>
<td>44.00</td>
</tr>
<tr>
<td>GASTROENTEROLOGIST</td>
<td>ALL OTHER</td>
<td>4.00</td>
</tr>
<tr>
<td>GENERAL PRACTITIONER</td>
<td>GENERAL AND FAMILY MEDICINE</td>
<td>2.00</td>
</tr>
<tr>
<td>GERIATRICIAN</td>
<td>ALL OTHER</td>
<td>1.00</td>
</tr>
<tr>
<td>INTERNAL MEDICINE</td>
<td>INTERNAL MEDICINE</td>
<td>26.00</td>
</tr>
<tr>
<td>PEDIATRICIAN</td>
<td>PEDIATRIC</td>
<td>15.25</td>
</tr>
</tbody>
</table>

### Physician Count by Specialty

<table>
<thead>
<tr>
<th></th>
<th>104.25</th>
</tr>
</thead>
</table>

*FTE refers to Full-Time Equivalency and is measured based on the number of unique businesses where a physician practices. A physician's time has been estimated and distributed among all places of practice with the most weight given to a physician's "primary" place of practice.

**Physician Referral Sources are solid for area**
Opportunity Highlights

- Market segments of younger population w/ corresponding physician base
- Generally insured
- Most are internet & email savvy
- Mosaic Profiles of top groups can provide insight to future ad/media spend
- Compare to demographics to office actuals
Appendix 4:

Key Output...

Sample SWOT
# Key Outputs…SWOT Analysis

## SWOT Analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• &lt;List Strengths Here&gt;</td>
<td>• &lt;List Weaknesses Here&gt;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• &lt;List Opportunities Here&gt;</td>
<td>• &lt;List Threats Here&gt;</td>
</tr>
</tbody>
</table>

*Example Only – To Be Updated*
Appendix 5:

Key Output…
Sample Critical Success Factors, Strategic Initiatives, Metrics And Goals
## Critical Success Factors and Strategic Initiatives

<table>
<thead>
<tr>
<th>CSF</th>
<th>Strategic Initiative</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellence</td>
<td>Clinical Quality</td>
<td><em>The integration of evidence based medicine to improve patient outcomes</em></td>
</tr>
<tr>
<td>Excellence</td>
<td>Operating Performance</td>
<td><em>Operate the day-to-day business better than 90% of our peers around the country</em></td>
</tr>
<tr>
<td>Engagement</td>
<td>Physician</td>
<td><em>Physicians actively participate in hospital planning &amp; operations.</em></td>
</tr>
<tr>
<td>Engagement</td>
<td>Staff</td>
<td><em>To attain a high performance culture in which individual's appreciate their role in the organization and work together to achieve organization’s goals</em></td>
</tr>
<tr>
<td>Engagement</td>
<td>Patient Loyalty</td>
<td><em>The organization’s focus is centered around the patient experience</em></td>
</tr>
<tr>
<td>Mission</td>
<td>Growth</td>
<td><em>To increase targeted volume, revenue and market share</em></td>
</tr>
</tbody>
</table>
## Critical Success Factors, Initiatives, Metrics and Targets

<table>
<thead>
<tr>
<th>CSF</th>
<th>Strategic Initiative</th>
<th>Metrics</th>
<th>5 Year Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellence</td>
<td>Clinical Quality</td>
<td>• Publicly Reported Measures</td>
<td>• 90% of Measures at National Benchmark</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reporting Compliance</td>
<td>• 100% Compliance</td>
</tr>
<tr>
<td>Excellence</td>
<td>Operating Performance</td>
<td>• Labor Cost</td>
<td>• Top Decile</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Supply Cost</td>
<td>• Top Decile</td>
</tr>
<tr>
<td>Engagement</td>
<td>Physician</td>
<td>• Physician Engagement Survey</td>
<td>• Top Decile</td>
</tr>
<tr>
<td>Engagement</td>
<td>Staff</td>
<td>• Retention</td>
<td>• 85%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Would Recommend</td>
<td>• 90%</td>
</tr>
<tr>
<td>Engagement</td>
<td>Patient Loyalty</td>
<td>• Customer Service Score</td>
<td>• Benchmark Performance</td>
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<tr>
<td>Mission</td>
<td>Growth</td>
<td>• Net Revenue</td>
<td>• 30% Increase</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• EBID</td>
<td>• 150% of baseline</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Patient Visits</td>
<td>• 17% Growth</td>
</tr>
</tbody>
</table>

**Example**
Appendix 6:

Key Output…

Sample Strategic Initiative
**Key Outputs...Strategic Initiative**

<table>
<thead>
<tr>
<th>Strategic Initiative: Ambulatory EMR</th>
<th>Metric: 2011 Metric Baseline:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Leader: Ashley Wise</td>
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</table>

**Objective:** To develop an ambulatory EMR solution which can be offered to the physicians that are within the USPI physician network to support their transition to an electronic medical record and data interoperability.

**Key Components**

- Determine ambulatory EMR market leader
  - Develop criteria for market leader
  - Vet vendors
  - Pursue partnership structure
  - Finalize the structure
- Develop partnership model with USPI EMR partner
  - Conduct due diligence of ambulatory EMR component of USPI EMR partner
  - Develop partnership structure
  - Finalize structure
- Develop consulting component of ambulatory EMR
  - Create ambulatory readiness document
  - Develop project plan for implementation

**Metric Walk (inc.)**

<table>
<thead>
<tr>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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</thead>
</table>

**Required Resources and Focus**

- PSG
- Ambulatory EMR vendors
Appendix 7:

Key Output...
Sample Strategic Initiative Dashboard
## Key Outputs…Strategic Initiative Dashboard

### Key Metrics

<table>
<thead>
<tr>
<th>Goal</th>
<th>Metric</th>
<th>Baseline</th>
<th>1Q Target</th>
<th>1Q Actual</th>
<th>2Q Target</th>
<th>2Q Actual</th>
<th>3Q Target</th>
<th>3Q Actual</th>
<th>4Q Target</th>
<th>4Q Actual</th>
<th>FY '12 Target</th>
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<tbody>
<tr>
<td>Physician Autonomy</td>
<td>Retention</td>
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<td>Market Differentiation</td>
<td>Tier Zero</td>
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<td>Trusted Strategic Resource</td>
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</table>

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