

South Florida Hospital News[®] and HEALTHCARE REPORT

OUTSOURCING

Top 10 Tips for Selecting an Emergency Department Staffing and Management Partner

BY TRACY YOUNG

Despite its importance as the front door to your hospital, the emergency department (ED) is often fraught with challenges – declining reimbursement, a lack of on-call specialists, physician recruiting challenges, nursing turnover, and often a lack of strong medical director leadership.

In response to these growing challenges, many hospitals have made the strategic decision to focus on their core competencies and outsource the ED to a staffing and management organization. But not all ED groups are the same, and without a clear plan, you run the risk of selecting a group that isn't the right fit for your hospital. By taking the time on the front end to assess your needs and develop a thoughtful strategy, you tip the scales in your favor for making a successful decision for your hospital.

Whether you are new to outsourcing or have been through the process many times before, following are some suggestions and questions to consider in order to ensure a successful outcome:

1. Assemble the selection committee. One of the first decisions you need to make is who from your hospital will be involved in the interview and selection process. Given the importance of the decision, it is imperative that you have involvement from the CEO or Administrator. Many hospitals also include the COO, CFO, Chief Medical Officer/Chief of Staff, Chief Nursing Officer, and VP of Patient Care Services.

2. Identify your goals. What are you hoping to achieve by outsourcing your ED? What specific goals have you identified? Be sure to solicit feedback from all individuals on the selection committee, including members of the medical and nursing staffs, to ensure that all expectations are captured on the front end.

3. Determine your process. Are you going to use an informal approach or a more prescriptive process for selecting a provider? How many candidates are you going to include? Will you issue a formal



“request for proposal” (RFP) and/or invite candidates to the hospital to present to the selection committee? It is important to delineate your process in advance and ensure all parties are in agreement.

4. Identify the candidates. Who are you going to invite to participate in the RFP? If you are a member of a system, are you bound by your system's preferred provider agreements, or do you have the authority to explore other options? Many hospital executives solicit feedback from colleagues, healthcare consulting firms, or their state hospital association.

5. Write the RFP. Be sure to include background information on your hospital and the ED, including your current staffing arrangement, volume information, operational metrics, and the outcomes you expect. Make sure you include questions that solicit information in the areas that are most important to you and your selection committee members.

6. Respond to candidates' questions. Some groups, particularly those with more experience, may ask for more detailed information throughout the process. While it may seem time-consuming, the more information you share about your hospital and your goals for the ED, the better the chance you'll get a response that meets your needs.

7. Evaluate the responses. While it can seem like a daunting task, it is important to

thoroughly review the responses to your RFP. Many hospitals create an evaluation template that provides a vehicle for each member of the selection committee to rate the candidates on a number of criteria. This can provide an objective measure for evaluation by multiple people.

8. Look beneath the surface. Don't make a hasty decision based on a single factor, such as price. Physician compensation makes up the majority of an emergency physician group's costs. If your candidates vary widely in their pricing, ask detailed questions about the assumptions in the pricing model. In order to be competitive in the bidding process, some groups may underestimate physician compensation, only to find later that they are unable to successfully recruit at those rates. This leaves your hospital understaffed and most likely facing a request for a subsidy increase from the group a year or so into the contract.

9. Check references. Ask for references in your RFP, and be prepared to dedicate the time to thoroughly check them. How long have they contracted with the group? How did the group handle the transition? Have the hospital's goals been met? Is the group's support team experienced and responsive?

10. Finalize the transition. Once you have selected the group you wish to partner with, you'll want to make arrangements for the formal transition. An experienced group should have a formal transition plan they can share with you to minimize disruption. This may include timelines for additional recruiting (if required), communication to key constituents, and the transition of billing operations.

While certainly not exhaustive, you can use this list as a starting point when considering to outsource your ED. By selecting the right group for your hospital, you significantly increase your chances of success.

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For samples of an ED Outsourcing RFP
Template or Candidate Evaluation Form,
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