

CASE STUDY

# Coordinating a Contract Approach for Improved Governance and Integration for the Anesthesia Service Line

MULTIHOSPITAL SYSTEM IN THE MIDWEST

 Identified **opportunities** to reduce the annual stipend by over \$4M for the system



Developed **standardized** incentive metrics to improve alignment



Developed a **transition plan** to migrate coverage to a medically directed model, incorporating CRNAs



When optimally structured, anesthesia services lead measurable and sustainable improvements to a health system's operational and financial performance. By transitioning from unorganized, individual contracts to more coordinated/integrated services, systems can share best practices, enhance resource deployment, and more effectively recruit and retain providers. Restructuring contracts to create arrangements that better align with enterprise performance migrates the transaction-based relationship to a true partnership.

## BACKGROUND

A multihospital system in the Midwest was interested in evaluating and redesigning its anesthesia coverage arrangements to align them with current and future organizational priorities. The system contracted with multiple independent anesthesia groups for coverage and employed anesthesia providers at several sites. The independent groups did not employ CRNAs and the majority of anesthesia care provided at the facilities was by anesthesiologists.

The system's goals were to:



**Establish best practice clinical coverage models and evaluate opportunities** to incorporate a care team model for greater flexibility and standardization across the system.





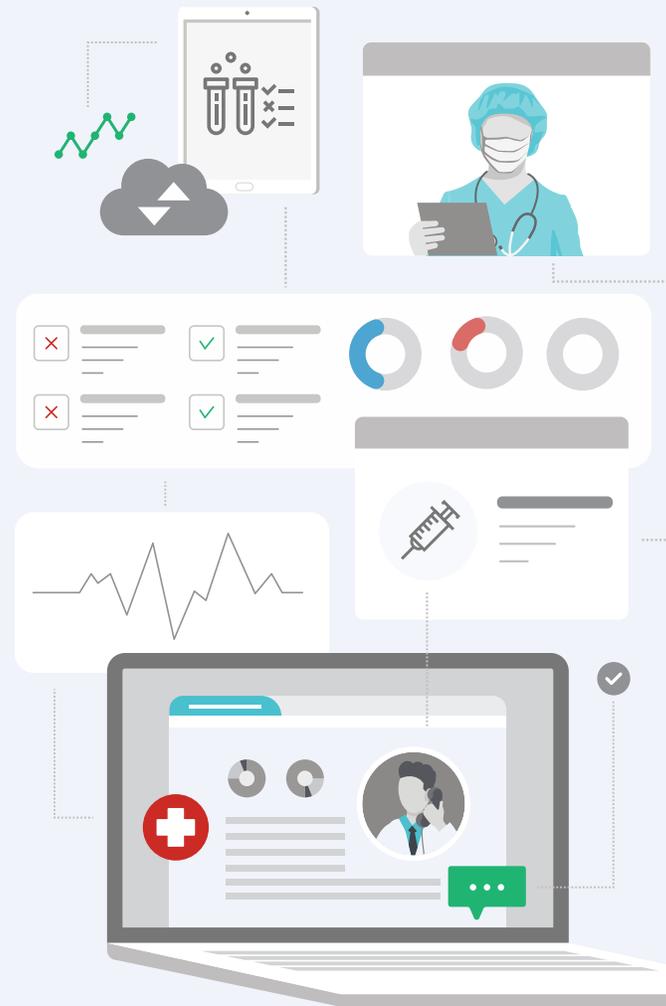
**Formulate recommendations** related to the future subsidy levels and payment structure, including performance-based payments in the contract to better align incentives and share risk associated with the performance of the services.



**Evaluate options** to create greater alignment and standardization of clinical care and quality across the system.

## PROCESS

The system was struggling to manage the disparate anesthesia relationships and individual contracts across the organization. A critical first step was identifying key priorities for the system and developing a common methodology for evaluating resource requirements and contract parameters. Once the priorities were identified, the system could develop a consistent coverage model based on a care team approach, common funding principles and parameters, a common set of performance metrics and standard service requirements and expectations. Given the change in staffing mix and the need to recruit a significant number of CRNAs, we developed a multiyear transition period with financial incentives for the anesthesia groups to transition to the new model.



## OUTCOMES

The system is successfully migrating to a coordinated contract approach, which will provide the foundation for developing coordinated governance and an integrated service in the future. As part of the transition period, the system is reducing the overall subsidy paid for anesthesia coverage and introducing performance-based metrics, including quality and OR-efficiency metrics, to drive greater alignment with organizational performance and goals.



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## CONTACT US

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