
Children's Healthcare

Like the patients they serve, children's hospitals have vastly different needs from their adult counterparts. Whether a freestanding children's hospital or hospital-within-a-hospital, addressing market reach, physician strategy, care models, partnerships, and finances within the pediatric context requires a specialty approach.

Over the next five years, children's health organizations will be challenged to meet the demand for children's services due to increased rates of chronic illness among school-aged children, increased patient insurance coverage, and an ongoing shortage of medical personnel and children's health providers. Additionally, pediatric providers increasingly face many of the same challenges impacting the larger healthcare system—specifically, increased competition for lives covered, shifting regulatory and payer dynamics, technology advances, and changes in demographics. To successfully navigate these issues and achieve their mission, children's health organizations must identify, prioritize, and execute on the strategic imperatives of growth, value, population health, and experience.



Children's hospitals have historically been sheltered from many of the forces impacting the larger healthcare system, but that is changing quickly.



MARKET CONTRACTION

Utilization of pediatric healthcare services is in decline and will continue to trend downward as more services are consolidated to urban locations or move to the ambulatory setting.

The US fertility rate hit a 35-year low in 2019 and is expected to keep falling, driving a reduction in the market size.



IMPERATIVE FOR SCALE

To access a large enough population to sustain specialized pediatric programs and ensure patient safety, many smaller children's hospitals/pediatric units are increasingly under pressure to merge with or build new partnerships with other children's hospitals or adult-focused health systems.

Realistically, a population base of at least 800,000 is required to support a comprehensive children's program.



FINANCIAL SUSTAINABILITY

The children's healthcare industry is generally not well positioned to withstand downturns in regulatory policy or payer reimbursement. Low reimbursement from Medicaid, the high-cost structure of children's hospitals, and continued increases in costs are already placing financial pressure on pediatric organizations.

On average, children's hospitals devote over 40% of their patient care to children enrolled in Medicaid, while receiving only about 78% of the total cost of the care.



POSITIONING FOR VALUE

Children's hospitals are facing the reality of their financial vulnerabilities. As payers begin to push for more value-based reimbursement, providers are recognizing the need to develop new financial, reimbursement, and population health strategies.

Greater alignment with quality initiatives (e.g., The National Quality Survey) is a step that many children's hospitals are taking to make value-based care a priority.



PROVIDER WORKFORCE SHORTAGES

The national physician shortage is impacting children's healthcare, with demand for pediatric subspecialists outstripping supply. This is particularly true for small or rural-based organizations, as most physicians prefer to work at academic centers in metropolitan markets, driving up compensation and creating challenging economics.

The typical wait to see a developmental-behavioral pediatrician is almost 15 weeks, and nearly 11 weeks to see a geneticist.

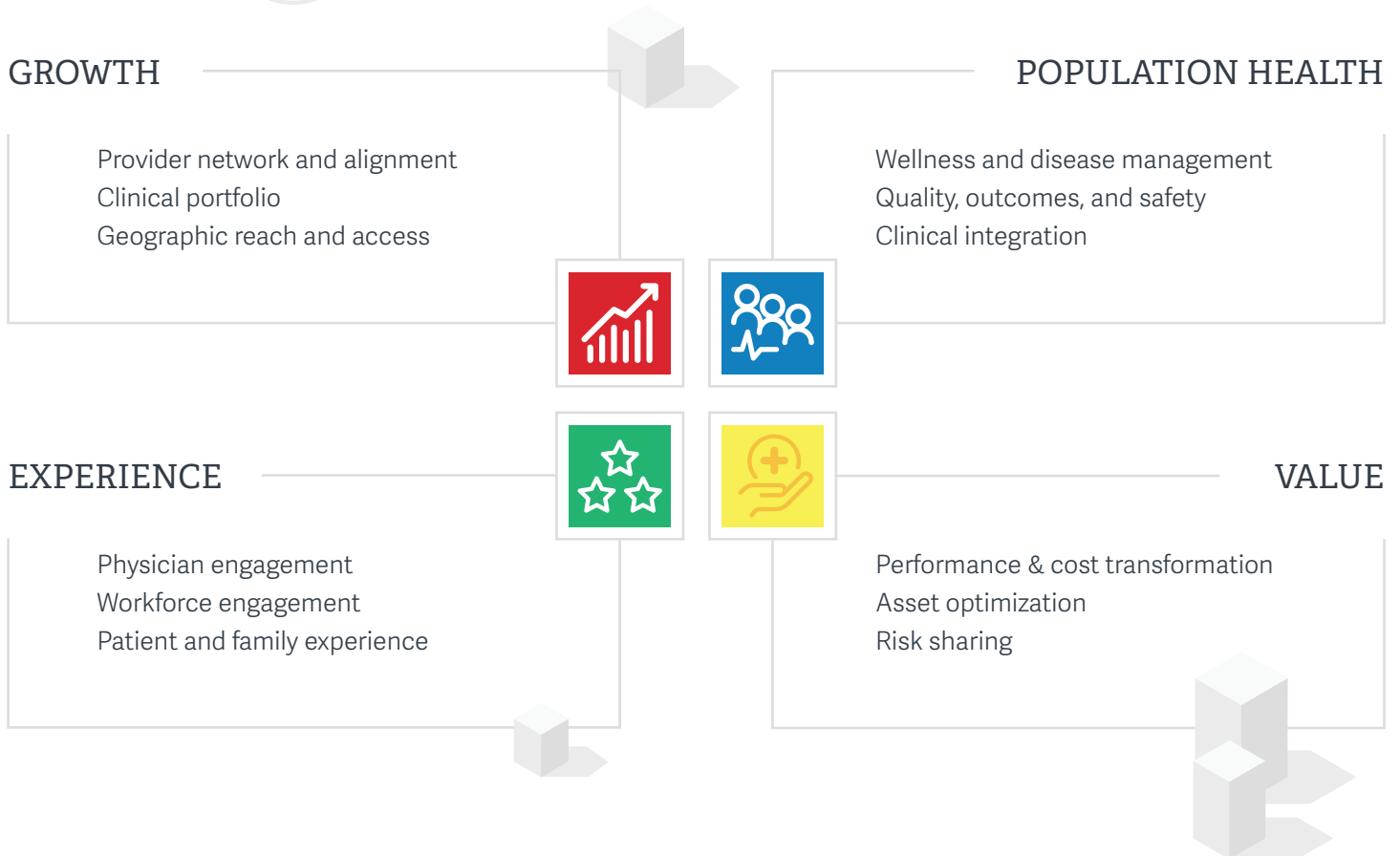


RECRUITMENT AND RETENTION

To recruit and retain pediatric physicians, children's healthcare organizations are offering market-competitive compensation as well as pursuing scale and regional partnerships.

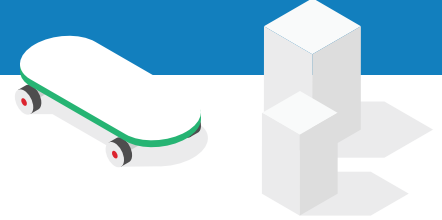
Pediatric neurology has the most vacancies with nearly 39% of children's hospitals reporting a shortage, followed by general surgery, developmental-behavioral medicine, gastroenterology, pulmonology, and rheumatology.

Children's health organizations must identify, prioritize, and execute comprehensive strategies on the key imperatives of growth, value, population health, and experience.



ECG'S CHILDREN'S HEALTHCARE SERVICES team is a trusted partner to children's hospitals across the country. Our experts have the knowledge, perspective, and experience needed to help children's hospitals thrive.

- ✔ Strategic & business planning
- ✔ Partnerships & affiliations
- ✔ Pediatric network development
- ✔ Pediatric faculty practice development
- ✔ Facility & capital planning
- ✔ Managed care strategy & contracting
- ✔ Provider compensation & valuation
- ✔ Academic funds flow design
- ✔ Acute & ambulatory performance improvement
- ✔ Patient access
- ✔ Digital health strategy
- ✔ Pediatric provider workforce planning



CASE STUDIES



Provider Needs Assessment

Seattle Children's Hospital (SCH) serves patients across Washington, Wyoming, Alaska, Montana, and Idaho. ECG was engaged to assist SCH with provider workforce planning, with the goal of improving patient access.

THE RESULTS

IDENTIFIED operational changes that, if implemented, would boost ambulatory capacity, improving access and reducing provider need projections.

OPERATIONALIZED tools to understand the impact of deployment and operational challenges on access and to dynamically forecast provider need to meet access goals.



New Facility Development

Children's Hospital of Philadelphia (CHOP) is building a 250,000 SF state-of-the-art facility in King of Prussia to expand the care footprint into Montgomery County, Pennsylvania. ECG and another vendor were selected to partner with CHOP and help them develop the new campus and, specifically, organizing the activation and transition planning project while coordinating closely with CHOP HR, IT, and facilities teams.

THE RESULTS

DEVELOPED a comprehensive integrated schedule to manage project timeline, and lead the visioning process for the new hospital by identifying cultural attributes, system-level dependencies, and a decision-making framework. The project is still ongoing, and the hospital is scheduled to open by fall of 2021.

ECG'S NATIONAL PEDIATRIC SUBSPECIALTY SURVEY

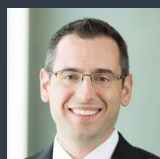
Now in its 14th year, ECG's Pediatric Subspecialty Physician and APP Compensation Survey includes data from more than 111 organizations nationwide. It captures compensation, production (at a CPT code level), compensation plan design, recruiting, benefits, and operations data from over 11,000 pediatric providers across 50 subspecialties. The survey has been designed to balance the complexities of the tripartite mission of academic medical centers with nonacademic settings that employ pediatric subspecialists.

<p>IN THE LAST 5 YEARS ECG HAS</p>	<p> COMPLETED 250+ PROJECTS</p>	<p> PARTNERED WITH 93 CHILDREN'S HOSPITALS</p>	<p> WORKED IN 34 STATES</p>
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