

## PivotHealth, THA Partner on Hospital-Physician Alignment Program

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In January, the Tennessee Hospital Association (THA) partnered with Brentwood-based PivotHealth Consulting, LLC, to provide hospital-physician alignment services to its 134 members across the state.

Results from a THA membership survey indicated an increasing number of hospitals have acquired practices or hired staff physicians. As a result, hospital administrators are looking for day-to-day operations assistance and input on developing appropriate benefit packages and management plans.

"What we heard from our members for the last couple of years is they needed some help with their physician community... particularly those who wanted to be employed by them," said THA President Craig Becker.

The association set up a formal bid proposal process and selected physician practice management company PivotHealth to provide a suite of services for both hospitals and private practices in the THA member's market area.

Brad Logan, executive vice president of PivotHealth's Physician Services Company (PSC), certainly understands what it's like to sit on the other side of the desk. Prior to joining PivotHealth in 2008, he spent several years as chief administrative officer for Vanderbilt overseeing community-based physician practices.

Like Becker, Logan has seen a trend nationally toward hospitals employing more physicians and acquiring practices as market forces have pressured hospitals back into a model they have tried before.

"Hospitals bought practices in the '90s but didn't know how to manage them and lost a lot of money on them so they jettisoned them out," noted Logan. "The problem is when a hospital employs a physician, they don't know how to manage them well, nor do they have the infrastructure to support them. They don't have any better ability to manage them (today) than they did in the '90s."

This time around, however, acute care facilities recognize some of the pitfalls and are looking to outside service providers for expertise.

"This Physician Service Company model I found to be right on target with what most hospitals are looking for to assist their practices," Logan said of what attracted him to his current position. "First and foremost, we help hospitals with their strategic planning and physician practice operations."

Just as he did, the majority of Logan's colleagues had C-level healthcare experience in physician practice management prior to joining PivotHealth. Drawing on that expertise, the consultants assess a hospital's current systems and look to implement appropriate services and technology to maximize efficiency. Featured service areas include practice management evaluation and support, revenue cycle management, practice management systems, electronic medical record implementation, employee benefits management, financial and operational benchmarking, assessment of coding and compliance technology, and assistance with obtaining the best medical malpractice insurance.

"By having those systems in place, we have the data to help them manage those practices to ensure the financial management of the organization is solid," Logan said. He continued, "Part of what we do is provide substantial, detailed financial reporting to help them (hospitals) more effectively manage those practices than

they could do before."

Although his company has traditionally provided such services to large hospitals, John Phillips, president of PivotHealth, said the economies of scale that come with being named an official provider by the THA allow much smaller facilities to take advantage of the offered services.

"Brad has found a wonderful niche running an area of our company we think will eventually become one of our largest," said Phillips. "I think we'll see this model in other states with other hospital associations... especially for hospitals with under 150 beds where they don't have management expertise."

He continued, "Today — done properly — we can really give practices with one, two or three doctors the same services PivotHealth gives to a 300-doctor practice. They can afford things they couldn't have dreamed of affording because of the way it's packaged."

Logan said the PSC model offers maximum flexibility. "One of the beauties of the THA contract is that all of the hospitals will have different issues they are facing. We can provide all level of services from full management all the way down to ad hoc services."

In the first two months since the contract was signed, THA President Craig Becker said there has already been a lot of interest among the membership. Logan and Phillips echoed the sentiment saying they had already met with several hospitals and were in serious discussion with at least four to pursue some level of service contract.

Started as a division of PhyCor, PivotHealth began their seventh year as an independent company in January 2009. Launched by Phillips and his partner, Mike McClintock, the company has five divisions with clients in more than 40 states. "We're a small company, but we touch over 7,000 doctors one way or another, which is a little more than 1 percent of the doctors in America," Phillips noted.

He credited the company's continued growth with having a corporate culture built on "doing the right thing."

For more information about the THA program and available services, visit [www.pivothealth.com](http://www.pivothealth.com).