

## 3.11 MANAGEMENT PRACTICES

Management practice in hospital medicine refers to program/medical group development and growth, contract negotiation, performance measurement, and financial analysis. Hospitalists require fundamental management skills to enhance their individual success and to facilitate growth and stability of their hospital medicine groups and institutions in which they practice. Hospitals increasingly need physician leaders with management skills to improve operational efficiency and meet other institutional needs. Hospitalists must acquire and maintain management skills that allow them to define their role and value, create a strategic plan for practice growth, anticipate and respond to change, and achieve financial success.

**KNOWLEDGE**

*Hospitalists should be able to:*

- Describe different models of physician compensation and incentives.
- Explain the impact of third-party payer contracts on hospital reimbursement.
- Describe key features of healthcare reform and discuss the potential effect of high-impact areas such as value-based purchasing, care transitions, and hospital-acquired conditions on patient care and expectations for individual hospitalists and hospital medicine groups.
- Describe the impact of medication formularies, utilization review requirements, third-party payer contracts, and other policies affecting patient care.
- Describe required system improvements needed to meet new healthcare legislation or public health guidelines.
- Describe the basics of human resource management, particularly regarding managing diversity, basic employment law, recruitment and retention, and the tools used to manage personnel.
- Describe federal statutory restrictions on physicians contracting with hospitals, third-party payers, and group practices.
- Define the role and value of hospitalists and hospital medicine programs.
- Explain advantages and disadvantages of using physician extenders in a hospital medicine practice.
- Describe the necessary elements for effective and compliant billing, coding, and revenue capture.
- Define commonly used hospital financial terminology, including, but not limited to, procedure codes, relative value units, direct and indirect costs, average length of stay, and case mix index.

- Define the components of a useful financial report.

**SKILLS**

*Hospitalists should be able to:*

- Apply basic accounting practices to track financial performance and develop a practice budget.
- Implement financially sustainable changes in staffing, skill mix, and care delivery models to optimize performance.
- Develop effective strategies to market the hospital medicine program.
- Develop job descriptions for physician and nonphysician employees to facilitate accountability and professional development.
- Develop effective strategies for recruiting and retaining hospitalists.
- Conduct or participate in performance reviews for physician and nonphysician staff.
- Negotiate effectively with physicians, medical practices, hospitals, and third-party payers.
- Interpret hospital-generated reports on individual and group performance.
- Assess satisfaction of community physicians, patients, nurses, and other user groups.
- Develop strategic planning processes to meet individual and group goals and establish accountability.
- Develop effective strategies for aligning hospitalist incentives with organization- and system-level goals.
- Develop business plans to facilitate growth of the practice.
- Prepare an annual review of program performance for the hospital executive team.
- Demonstrate teamwork, organization, and leadership skills.
- Achieve greater clinical integration between hospitalists and other healthcare providers across the care continuum.

**ATTITUDES**

*Hospitalists should be able to:*

- Lead by example.
- Value the importance of routine critical analysis of all aspects of practice operations to optimize efficiency, quality, and effectiveness.
- Prioritize meeting or exceeding customer and colleague expectations.
- Value the importance of best management practice.
- Value the importance of marketing and public relations to foster sustainable practice growth.