Session 30AB
Streamlining the Physician Contracting Process: Lessons Learned on Efficiency and Compliance

Presented by:
Jordan B. Muhlestein, JD
Kyle J. Brostrom, FACHE
Todd Sanders
Streamlining the Physician Contracting Process

Lessons Learned on Efficiency and Compliance

Disclosure of Relevant Financial Relationships

The following faculty of this continuing education activity has no relevant financial relationships with commercial interests to disclose:

- Kyle Brostrom
- Jordan Muhlestein
- Todd Sanders
Faculty

• Kyle Brostrom, MHA FACHE
• Jordan Muhlestein, JD MHA
• Todd Sanders, BS, MBA

Learning Objectives

• Identify important operational and compliance risks related to inefficient management of physician contracts.
• Recognize specific items which can be put in place to address the identified risks.
Agenda

• Case Studies
• Physician Contracting
  – Operational Risks
  – Compliance Risks
• Solutions
  – Pre-Contract Phase
  – Contract Execution Phase
  – Post-Contract Phase

Case Studies

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“Nyaya Health: Mr. Khadak Jung Budhathoki, Health Assistant, Bayalpata Hospital. Dr. Bibhusan Basnet, Medical Director, Bayalpata Hospital.” by Possible is licensed under CC BY 2.0
Why should I care about Physician Contracting?

- Colonoscopy > Cancer
- Avoid Operational and Compliance Risks
Operational Risks

• Cost
  – Time with paper instead of people
  – Time with legal counsel
  – Time repairing physician relationships

• Cost Report
• Working on the Crisis du Jour
• No routine maintenance of the contract and the services

Compliance Risks

• Stark Law (strict liability)
• Anti-Kickback Statute (intent-based)
• Yates Memo (individual liability)
Compliance Risks (cont.)

- Increased scrutiny (including for employed physicians)
- High-incentives for whistleblowers
- Government sees false claims cases as a revenue source

Solutions

- Sharing the solutions we have developed
- We suggest someone be tasked with overseeing the entire process.
Pre-Contract Phase

- Get ahead of the contract as far as possible
- Use a checklist to review all potential issues to consider

Contract Request Checklist

<table>
<thead>
<tr>
<th>Task To Complete (As Needed)</th>
<th>Potential Parties Involved</th>
<th>Encouraged/Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify/Review Need for Identified Service</td>
<td>VP, V/P, Op. Officers, Administrator, Senior Line Directors, CMO, Planning/Strategic</td>
<td>Ensure facility/community need with leadership; Complete an analysis; provide justification of need from applicable to not in compliance</td>
</tr>
<tr>
<td>Assess Compensation Components</td>
<td>Op. Officer, Region PM, Administrators, UVMH</td>
<td>Ensure comprehensive methodology and range; Anticipate compensation issues and process</td>
</tr>
<tr>
<td>Identify Potential Candidates</td>
<td>V/P, V/P, Op. Officers, Administrator, Senior Line Directors, CMO</td>
<td>Discuss credentials and qualifications; Investigate whether candidates would contract as an individual or through a legal entity</td>
</tr>
<tr>
<td>Assess Potential Candidates</td>
<td>V/P, V/P, Op. Officers, Administrator, Senior Line Directors, CMO</td>
<td>Discuss credentials and qualifications; Consider whether candidates would contract as an individual or through a legal entity</td>
</tr>
<tr>
<td>Choose Candidate</td>
<td>VP, V/P, Op. Officers, Administrator, Senior Line Directors, CMO</td>
<td>Coordinate with admin who already contracted with the candidate and/or the candidate’s entity; Coordinate will be an individual, state full name, title, and address</td>
</tr>
<tr>
<td>Review Compensation Considerations</td>
<td>Op. Officer, Region PM, Administrators, UVMH</td>
<td>Ensure compensation terms and conditions are clearly stated and addressed</td>
</tr>
</tbody>
</table>

*Reference Standard Operating Procedures (SOPs) for requests.*

*Provide all required documentation if required.*

*www.intermountainhealthcare.com*
Contract Request Checklist

• Identify/Review the Need for Identified Services
  – Formal Justification of Need
  – Address commercial reasonableness
• Evaluate compensation
  – Fair Market Value review
• Identify and Evaluate Potential Candidates

Contract Request Checklist (cont.)

• Choose candidate
• Finalize Compensation
• Gather Information Needed to Enter the Request
• Request the Contract be Written
• Track Approval Process for Request
Justification of Need for Physician Services

• Objective evidence of the need for this position. Focus on regulations, accreditation guidelines, Board or Medical Staff bylaws, etc.

• Provide job description for services

• Focus on objectivity and commercial reasonableness

• Review/approval by operational lead and compliance
Contract Execution Phase

- Give physician a draft to review
- Re-negotiation, if needed
- Ensuring signatures match the start date of the contract
- Notification of key internal stakeholders
Contract Execution Checklist

- Notify Operational Leaders
  - Discuss changes in job description
  - Review duties
- Notify Finance
- Notify HR (if employment agreement)
- Notify Compliance

Post-Contract Phase

- Managing the Contract
  - Ensure services provided match the contract
  - Ensure proper payment
- Continuous Monitoring
- Audits
- Avoid double-billing
Physician Services Documentation Orientation

• Review contract requirements
• Discuss allotted hours and documentation requirements
• No double-billing (e.g., no administrative time during a clinical shift)
• Walk through documentation process and pay process
• Ask about physician’s process
Lease-specific items

• Be a good landlord – give clear instructions about when rent is due
• Know the type of lease (full- vs. part-time)
• Hospital-licensed space cannot be used for outpatient services

Kyle Brostrom, MHA FACHE

Kyle Brostrom, FACHE has a wide variety of healthcare operations experience, ranging from physician practice management to hospital operations at a major quaternary trauma center. Kyle is currently the VP, Strategy & Business Development for the Mountain Division of HCA is Salt Lake City, Utah. Prior to assuming his current role, Kyle was the COO at Timpanogos Regional Hospital in Orem, Utah. In addition, Kyle spent 4 years with Intermountain Healthcare, first as Operations Officer for Intermountain’s Urban South Region, and subsequently as an Operations Officer for Intermountain Medical Center in Salt Lake City. Kyle received an undergraduate degree from the University of Utah and a Master of Healthcare Administration Degree from The Ohio State University.
Jordan Muhlestein, JD MHA

Jordan is Regional Compliance Officer for Intermountain Healthcare's Central Region, in Murray, Utah. He most recently held the same position in Intermountain Healthcare's South Region, in Provo, Utah. Jordan is a licensed attorney in the State of Utah. He has years of experience submitting, reviewing, and managing physician contracts, and has worked on several contract process improvement projects. Previously, Jordan was a newspaper reporter covering law enforcement and public safety.

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Todd Sanders, BS, MBA

Regional Compliance Officer II for Intermountain Healthcare, Central Region, Murray, Utah. Regional point person for all compliance activities. Previously Finance Director Intermountain Healthcare, Central Region, Murray, Utah. Experience included Medicare/Medicaid Reimbursement, Revenue Cycle, and Hospital Financial Services.

Todd Sanders
Compliance Administrator
Intermountain Healthcare Central Region
Office: 801.507.9508 | todd.sanders@imail.org
Bibliography/References

Physician Contracting Toolbox
<table>
<thead>
<tr>
<th>Tasks To Complete As Needed</th>
<th>Potential Parties Involved</th>
<th>Resources/Recommendations</th>
</tr>
</thead>
</table>
| Identify/Review Need for Identified Service | VP/RVP, Ops Officers, Administrator, Service Line Directors, CMO, Planning/Strategy | • Assure facility/community need with leadership  
• Complete or review/revise the Justification of Need Form applicable to the role/service  
• Define (or review) the written description of services  
• Inform RVP or Facility Administrator of the service |
| Evaluate Compensation Considerations | Ops Officer, Region FMV Reviewer, VP/RVP | • Assess compensation methodology and ranges  
• Anticipate compensation issues and process |
| Identify Potential Candidates | VP/RVP, Ops Officers, Administrator, Service Line Directors, CMO | • Review credentials and qualifications  
• Investigate whether candidate would contract as an individual or through a legal entity  
• Review conflicts |
| Evaluate Potential Candidates | VP/RVP, Ops Officers, Administrator, Service Line Directors, CMO | • Discuss high-level terms and conditions with potential candidates (e.g., potential time commitment, hourly rates, other compensation, etc.)  
• Investigate and take into account existing agreements with potential candidates |
| Choose Candidate | VP/RVP, Ops Officers, Administrator, Service Line Directors, CMO | • Coordinate with Admin Leads who already contract with the candidate and/or the candidate’s entity  
• If candidate will contract as an individual, obtain full name, SSN, and address  
• If candidate will contract through a legal entity, obtain the entity legal name, Tax ID#, address, entity signer full name, and entity signer title |
| Finalize Compensation Considerations | Ops Officer, Region FMV Reviewer, VP/RVP | • Finalize compensation terms and assure that FMV review process is appropriately addressed |
| Gather Materials Needed to Enter the Request | Requestor | • Reference PeopleSoft Help Guide for requests.  
• Preview the Physician Contracting Questionnaire if desired.  
• Vendor information (if needed).  
• Parent Contract number (if applicable).  
• Electronic versions of documentation to attach in PeopleSoft: complete Justification of Need Form, description of services, compensation, etc. |
| Enter the Request in PeopleSoft | Requestor | • Select appropriate request in PeopleSoft (see Physician Contracting decision support references)  
• Complete all wizard questions in PeopleSoft; contact Physician Contracting for clarification as needed  
• Input appropriate begin and end dates, Admin Lead, Sponsor  
• Attach completed Justification of Need Form, description of services, compensation, documentation pertinent to FMV Review, and other pertinent documents referenced in the request  
• Relate the Request to the impacted existing contract (if applicable)  
[Note - this step allows the PeopleSoft to compile the needed approvers in the approval workflow.] |
| Submit Physician Contracting Request | Ops Officers, Administrator, Service Line Directors, Physician Contracting | • Click Approval Details to preview the approval workflow  
• Click “Submit.” [Confirm status of the Request is changed from “Draft” to “Pending Approval”] |
| Track Approval Process for Request | Requestor, Ops Officer | • Use the PeopleSoft pagelet and/or query to monitor approval status  
• Communicate directly with approvers (as needed) during approval workflow |
# Justification of Need for Physician Services

<table>
<thead>
<tr>
<th>Region:</th>
<th>Facility:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Line or Clinical Program:</td>
<td>Business Owner/Operations Officer:</td>
</tr>
</tbody>
</table>

**Complete this form for:**
- Compensated Administrative Services
- Compensated Professional Clinical Services by Affiliated Physician
- Compensated Call Program

**Title (Administrative Role), Type of Professional Clinical Services, or Call Program Title:**

## Justification of Need for Administrative Services, Call Program or Clinical Services:

**All:** Outline evidence that physician(s) should be retained to furnish the service(s) in order to promote quality, cost-effective care or fulfill other legitimate Intermountain need. Potential sources for justification include legal/accreditation mandates and recommendations, operational and medical staff considerations, third-party consultants or payers, governing board, or other evidence that the services are reasonable and necessary. **For Compensated Professional Clinical Services Provided by Affiliated Physician:** Why the services are best contracted for and compensated by the Intermountain provider rather than having the physician bill directly to third-party payers? **For Compensated Call Program:** Why is the call necessary? Why is it necessary to compensate for the call coverage?

## Objective Determination of Hours Necessary to Perform the Administrative Services

**Admin**

<table>
<thead>
<tr>
<th>Description of Contracted Services (include frequency, time, and duration of activities)</th>
<th>Monthly Estimated Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meetings:</td>
<td></td>
</tr>
<tr>
<td>Specific Administrative Duties:</td>
<td></td>
</tr>
<tr>
<td>Education/Consultation with Peers:</td>
<td></td>
</tr>
<tr>
<td>Other (be specific):</td>
<td></td>
</tr>
</tbody>
</table>

**Total Hours per Month**

**Qualifications Required for the Administrative Services:**

Required Qualifications:
- Physician furnishing the service has no existing obligations that restrict or limit physician’s full performance
- Physician furnishing the service is credentialed by an Intermountain provider or the Intermountain Medical Group
- For Medical Director role, physician furnishing the service is either board-certified or board-eligible in his or her medical specialty OR has been practicing in his or her medical specialty continuously for at least five years
- [insert additional qualifications here]

## For Compensation Professional Clinical Services Provided by an Affiliated Physician or Compensated Call Program:

**Clinical**

| Description of Clinical Services or Call Program: | |
| Description of Schedule for Clinical Services or Call Program: | |

**How will services be verified?**

- Call Schedule
- Clinical System Reports
- Invoice by provider
- Other (explain):

**Qualifications Required to Provide the Clinical and/or Call Services:**

Required Qualifications:
- Physician furnishing the service has no existing obligations that restrict or limit physician’s full performance
- Physician furnishing the service is credentialed by an Intermountain provider or Medical Group
- [insert additional qualifications here]

**Other Compensation/Reimbursement:** Please provide information related to nonmonetary compensation to be provided as part of this arrangement, ensuring compliance with regulatory requirements.

<table>
<thead>
<tr>
<th>Type of Other Compensation/Reimbursement</th>
<th>Amount or Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel Expense Reimbursement (mileage, lodging, food):</td>
<td></td>
</tr>
<tr>
<td>Off-campus meals (e.g. recruitment dinners):</td>
<td></td>
</tr>
<tr>
<td>CME:</td>
<td></td>
</tr>
<tr>
<td>Nonmonetary tokens of appreciation:</td>
<td></td>
</tr>
<tr>
<td>Other (specify):</td>
<td></td>
</tr>
</tbody>
</table>

## Submission and Approvals

<table>
<thead>
<tr>
<th>Submitting Operations Officer (print)</th>
<th>Signature:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approving Regional Compliance Administrator/Officer (print)</td>
<td>Signature:</td>
<td>Date:</td>
</tr>
</tbody>
</table>

**Planned Effective Date for Agreement:**

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# Contract Execution Checklist

To be used by each person to complete all tasks pertaining to the execution of a contract for physician services.

<table>
<thead>
<tr>
<th>Region:</th>
<th>Facility:</th>
<th>Physician:</th>
<th>Service:</th>
<th>Business Owner/Operations Officer:</th>
</tr>
</thead>
</table>

## Role

<table>
<thead>
<tr>
<th>Role</th>
<th>Required Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract Administrator or Administrative Assistant</strong></td>
<td>Send copy of executed agreement to the following individuals&lt;br&gt;☐ Compliance/ Payment Reviewer&lt;br&gt;☐ Physician Contracting&lt;br&gt;☐ Pay Request Submitter&lt;br&gt;☐ Physician&lt;br&gt;☐ Other:</td>
</tr>
<tr>
<td><strong>Operations Officer or Administrator</strong></td>
<td>For Intermountain Employment Agreements Only&lt;br&gt;☐ Justification form complete&lt;br&gt;☐ Activity Log Education&lt;br&gt;☐ Communicate Financing Terms to Accounting and/or Payroll&lt;br&gt;☐ Annual/Quarterly Review Required?&lt;br&gt;☐ No ☐ Yes (schedule reviews)&lt;br&gt;☐ Auto Increase/Pay adjustment?&lt;br&gt;☐ No ☐ Yes (set increase reminder)&lt;br&gt;☐ Communicate to Manager/Director&lt;br&gt;☐ Confirm Credentialing/Privileges have been completed&lt;br&gt;☐ Confirm Malpractice Insurance</td>
</tr>
<tr>
<td><strong>Administrative Assistant or Pay Request Submitter and Compliance or Payment Reviewer</strong></td>
<td>Contract Terms&lt;br&gt;☐ Effective Date:&lt;br&gt;☐ Termination Date:&lt;br&gt;☐ Business Unit or Dept:&lt;br&gt;☐ Employee ID# or Vendor ID#:</td>
</tr>
<tr>
<td><strong>Hospital or Medical Group Payroll</strong></td>
<td>Hospital or Medical Group Payroll&lt;br&gt;☐ Standing Payroll Request&lt;br&gt;☐ Verify Employee Number&lt;br&gt;☐ Verify Pay Type&lt;br&gt;☐ Pre-screening completed&lt;br&gt;☐ Set up as employee&lt;br&gt;☐ Set up benefits, if eligible</td>
</tr>
<tr>
<td><strong>Hospital or Medical Group Human Resources</strong></td>
<td>Hospital or Medical Group Payroll&lt;br&gt;☐ Standing Payroll Request&lt;br&gt;☐ Verify Employee Number&lt;br&gt;☐ Verify Pay Type&lt;br&gt;☐ Pre-screening completed&lt;br&gt;☐ Set up as employee&lt;br&gt;☐ Set up benefits, if eligible</td>
</tr>
</tbody>
</table>

## Contacts List – please use this space to fill in your own contacts, as needed

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Contact info</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Assistant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compliance/Pay Reviewer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physician Contracting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital/MG Payroll</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital/MG HR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credentialing Coordinator</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Physician Services Documentation Orientation**

To be completed for each new agreement

<table>
<thead>
<tr>
<th>Region:</th>
<th>Facility:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician:</td>
<td>Service Provided:</td>
</tr>
<tr>
<td>Business Owner/Operations Officer:</td>
<td>Date of Education:</td>
</tr>
</tbody>
</table>

- **Give Physician a copy of the contract** and review the following items:
  - Go over the section of the contract related to services. Review specific meetings and services included.
  - Go over the section of the contract related to payment.
    - Discuss the allotted hours.
    - Discuss the documentation requirements, including:
      - Specific date
      - Specific service
      - Specific time spent (in quarter hours)
  - Discuss the requirement to submit within 90 days of the due date. Show this in the contract and explain it is also an Intermountain Policy requirement.
  - Explain that physician should not submit hours for administrative time if services were provided at the same time as some other service for which Intermountain will pay (e.g., no administrative time during a clinical shift)
- **Give Physician a copy of the documentation sheet** and review the following items:
  - Explain that documentation must be legible; printed or electronic format is preferred
  - Go through the process of documenting a specific service
  - Explain how the documentation should be submitted, and to whom
  - Ask whether the physician would like a monthly reminder email about documentation completion. If so, to whom should the email go (physician, office manager, etc.)?
    - **Email Address:**
  - Explain Intermountain’s process once the documentation has been received:
    - Administrative Assistant will review documentation
    - Operations Officer will review and approve documentation
    - Payment Review process will review again to ensure:
      - All hours submitted are added correctly
      - Documentation is specific and services provided are within the job description
      - Payment amount matches the compensation described in the agreement
    - Once payment request is approved, it will be paid —
      - Affiliated Physicians: Accounts Payable will send or check or direct deposit funds
      - Medical Group- or Region-employed Physicians: payment will be included in next payroll payment