

HOSPITAL-CARDIOLOGY INTEGRATION: *A Successful Integration Case Study*

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Objective:

Parkview Health System desired to align physicians in their heart center to meet the overall system mission:

- Best place for physicians to practice
- Best place for co-workers to serve
- Best place for patients to receive care
- “Excellent Care, Every Patient, Every Day”

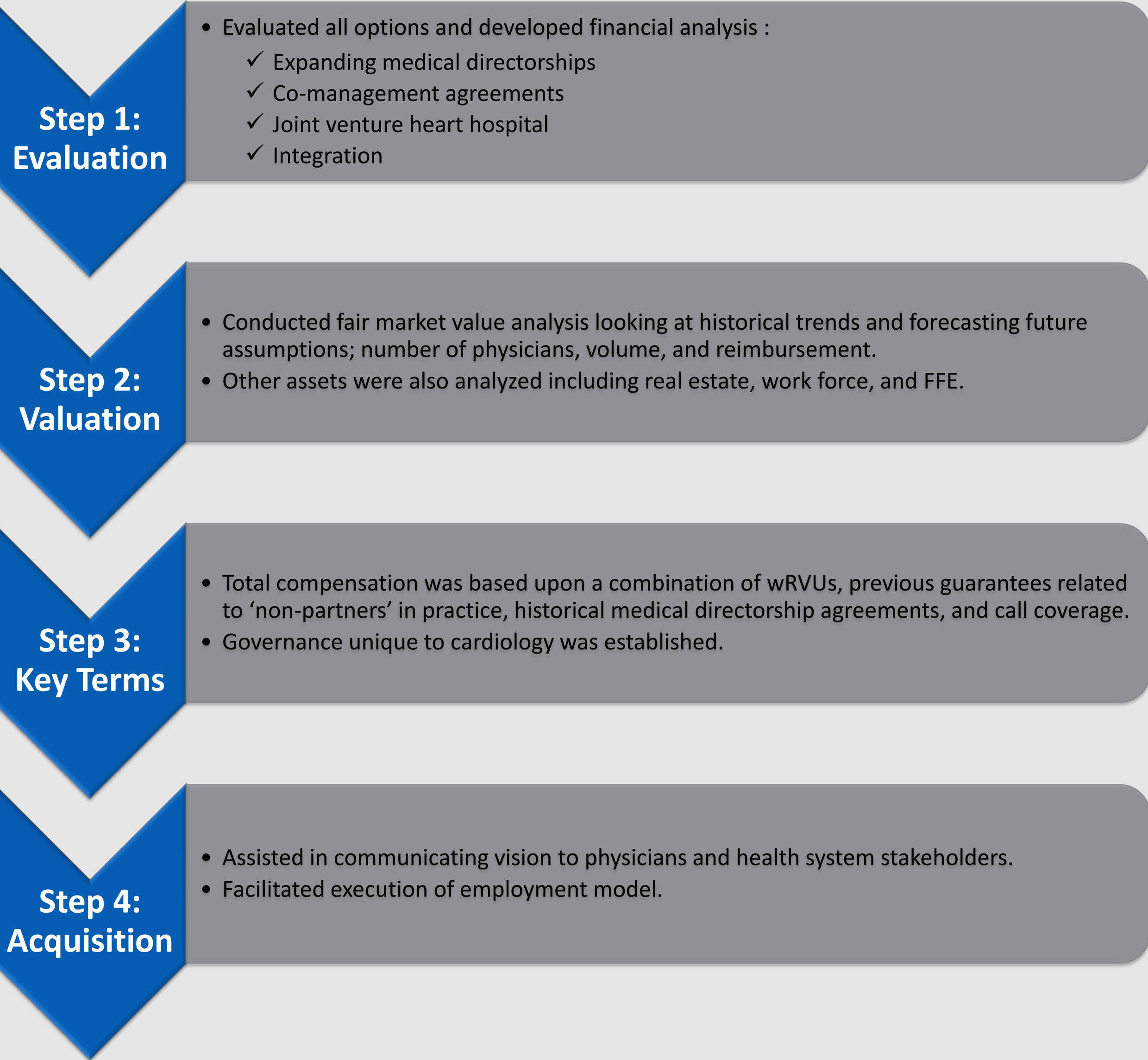
The objective was to conduct due diligence to determine the optimal alignment structure, assist in valuation, model compensation package, and determine financial impact going forward. Paramount to this effort was the engagement and alignment of leading cardiologists. After evaluating multiple alignment models; integration, co-management, joint venture, and PSA, the system pursued an employment strategy in order to build a more competitive program in their market.

Planning/Research Methods:

- TRG conducted a 5 year financial analysis to evaluate the financial impact of employment and multiple alignment models for the system.
- TRG evaluated the scope of professional and ancillary cardiology practice services.
- TRG facilitated the negotiation of key employment terms.
- TRG assisted in the optimal cardiology physician practice governance and organizational structure and helped secure physician interest and agreement

Implementation Methods:

- TRG facilitated an 8 month process that covered 4 steps; alignment model evaluation, valuation, key terms, and acquisition.



Results (Step 5 – Final Outcome):

- 100% of stock of practice acquired, effective January 1, 2010.
- The historical private practice is now functioning as a business unit of the hospital practice group.
- The cardiologists maintain board representation on the hospital practice group organization.
- New Parkview Heart Hospital scheduled for late 2011.
- Patient volumes and clinic visits have increased as a result of the integration.
- Cardiovascular surgical cases have increased 15.7% while cauterization lab volumes are up 7.2%.