

# NOTICE OF MEETING

## **NORTH BROWARD HOSPITAL DISTRICT**

### **BOARD OF COMMISSIONERS**

A Special Board meeting of the Board of Commissioners of the North Broward Hospital District will be held on Monday, February 8, 2021, at 8:30 a.m., at Broward Health Corporate Spectrum Location: 1700 Northwest 49 Street, Fort Lauderdale, Florida, 33309. The purpose of this Special Board Meeting is to interview candidates for the position of President/CEO of Broward Health.

Persons with disabilities requiring special accommodations in order to participate should contact the District by calling 954-473-7481 at least 48 hours in advance of the meeting to request such accommodations.

Any person who decides to appeal any decision of the District's Board with respect to any matter considered at these meetings will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made which record includes testimony and evidence upon which the appeal is to be based.

**SUMMARY OF REQUEST**

**DATE:** February 8, 2021

**FACILITY:** Broward Health North

**PROGRAM/PRODUCT LINE:** Internal Medicine

**REQUEST:** To contract with TeamHealth for Internal Medicine Hospitalist services, inclusive of training of residents who are in the Internal Medicine Graduate Medical Education (Residency) program. Term is for a (3) three-year period with a (2) two-year renewal option.

**PURPOSE:** To provide Internal Medicine Hospitalist coverage for our uninsured and unassigned patients needing Internal Medicine services.

**CAPITAL REQUIRED:** \$0

**FISCAL IMPACT:** \$5,015,000 Max Hospitalist Compensation  
\$1,095,000 elimination of Internal Medicine Call  
\$3,920,000 Max Fiscal Impact

**BUDGET STATUS:** No

**LEGAL REVIEW:** The contract is subject to General Counsel's review and approval as to legal form and conditioned on no material changes in the approved business terms.

**APPROVED:**  \_\_\_\_\_ DATE: \_\_\_\_\_  
Alan Goldsmith, EVP/COO BH

## MEMORANDUM

**TO:** Board of Commissioners

**FROM:** Alan Goldsmith, EVP, Chief Operating Officer

**DATE:** February 8, 2021

**SUBJECT:** To contract with Team Health for Internal Medicine Hospitalist services, inclusive of training of residents in the Internal Medicine Graduate Medical Education (Residency) program. Term is for a (3) three-year period with a (2) two-year renewal option.

### BACKGROUND

The term “Hospitalist” is defined as a dedicated in-patient physician who works exclusively in a hospital. This specialty has experienced intense growth as the complexity and co-morbidities of hospitalized patients increases and the pressures to reduce healthcare costs, shorten the patient’s length of stay, and improve quality outcomes becomes standards of care. Nationwide there are over 60,000 hospitalists.

Direct competitors Holy Cross, Florida Medical Center, Northwest, Boca Regional, University, and Memorial all contract with a hospitalist company. Broward Health Imperial Point and Coral Springs also have hospitalist contracts. Currently, Broward Health North contracts with community physicians to take call, which consists of covering the needs in the Emergency Room (ER) and Internal Medicine consults. These contracted physicians typically care for the unassigned patients (those who do not have their own private physician) who are admitted through the ER. They also can be called upon for other patients residing in the hospital who need an Internal Medicine consult.

One of the main reasons hospitals contract with hospitalist programs is because community-based physicians who take call also have a private practice or other outside obligations that keep them from dedicating to the needs of the hospital patient. Therefore, their commitment and availability are divided among multiple obligations, often creating conflict in the timeliness of care delivery, jeopardizing quality and delaying necessary treatments. Currently the community physicians are not required to be in the hospital throughout the day and have up to 24 hours to see a new patient and develop a treatment plan per the Medical Staff By-Laws. This delay can often be a dis-satisfier for patients and consultant physicians and surgeons, negatively impacting community perception of care and challenging the hospital’s availability of resources.

Multiple studies have shown hospitalist programs have demonstrated an improvement in patient flow. The time it takes for the Internal Medicine physician to respond to the Emergency Department (ED) physician (who has decided a patient needs to be admitted) is critical to patient care and efficiency. The goal for this response time is to be within 30 minutes. In 2019, the current on-call physicians met this target 61% of the time. Response time is important because evidenced based medicine predicts that mortality increases the longer patients remain in the ED. This delay also reduces the ED bed availability.

Medicare/CMS has an annual survey that the hospitals send to all acute inpatients. Broward Health North has a goal to reach the 75<sup>th</sup> percentile national ranking in each of the indicators. “Communication with Physicians” is one such indicator. With our current on call physicians, in 2019, the “Communication with Physician” score was in the 10<sup>th</sup> percentile. With the hospitalist program, at-risk compensation will be tied to meeting the 50<sup>th</sup> percentile first year and then in future years the 75<sup>th</sup> percentile. This will immediately and positively impact the quality of care delivery and outcomes for Broward Health North patients, as these dedicated services have become the standard of care.

In 2019 Broward Health North successfully transitioned the Trauma and Intensivist programs from community-based physicians to a contracted service with significant improvement in patient volumes, up 21% from 2019 to 2020, due to improved relationships with EMS providers and confidence in care. We also experienced improvements in quality metrics and consultant utilization. We anticipate similar results as we transition the hospital-based medicine program to a dedicated service.

Broward Health North began its journey towards becoming a statutory teaching hospital in July of 2020 when it welcomed general surgery residents. As Broward Health expands its GME footprint, the Internal Medicine Residency at Broward Health North, beginning July 1<sup>st</sup>, 2021, will be an anchor program, supporting many other ACGME programs and fellowships which will rely on the Internal Medicine leadership and structure to begin. To meet the Internal Medicine Residency ACGME criteria, the Internal Medicine attending physicians must be on site for a full 12-hour shift to provide direct supervision and teaching to the interns. Our current community-based physicians are unable to fully support the inpatient internal medicine rotations due to outside commitments. Additionally, only 4 of the 17 contracted community doctors expressed interest in participating in the Graduate Medical Education program. Without dedicated hospitalists we will likely be unable to meet the ACGME standards putting the GME program at risk.

As we transition to a hospitalist model for our Emergency room call panel we recognize and value our community-based medicine physicians and their relationship with the hospital. Therefore, all community physicians on staff will be able to maintain privileges to admit and attend to their own private patients at Broward Health North. This will allow us to continue our relationship with our community physicians while providing unassigned patients an onsite dedicated physician team to provide for their care. In FY 19, the Internal Medicine call panel treated approximately 9,500 unassigned patients who originated through the Emergency Room.

**ACTION/PROJECT DESCRIPTION**

To contract with TeamHealth for Internal Medicine Hospitalist services, inclusive of training of residents in the Internal Medicine Graduate Medical Education (Residency) program. Term is for a three (3) year period with a two (2) year renewal option.

**FINANCIAL/BUDGETARY IMPACT**

The Maximum Compensation Broward Health North would pay for TeamHealth to provide hospitalist coverage is \$5,015,000 annually. The total anticipated expense to operationalize this program is \$7,595,000. This expense is offset by TeamHealth’s ability to collect for services provided, which will be reconciled quarterly. The proforma has identified an anticipated cash collection for TeamHealth’s professional services to be \$4,300,000 annually. Team Health will go at risk on 60% of the anticipated collections or \$2,580,000 collected.

The anticipated expense of \$7,595,000 less the at-risk collections of \$2,580,000 results in the Maximum Compensation of \$5,015,000 annually. This figure assumes and includes 100% achievement of an at-risk compensation of \$414,200 annually that can only be earned by achieving key hospital quality indicators.

The Hospitalist program would eliminate the need for internal medicine call coverage. This will immediately reduce hospital operating expenses by \$1,095,000 annually.

The Fiscal Impact, then, has been determined by subtracting the TeamHealth at-risk collections from the anticipated operational expense and eliminating the internal medicine call coverage.

\$7,595,000	Anticipated expense
<u>\$2,580,000</u>	MINUS 60% at-risk collections
\$5,015,000	EQUALS Maximum Compensation
<u>\$1,095,000</u>	MINUS Internal Med Call Coverage
\$3,920,000	EQUALS Fiscal Impact

However, we anticipated that TeamHealth will collect 100% of the collection opportunity and reconcile quarterly. This would address \$1,720,000, which is the remaining 40% anticipated collections, of Broward Health North’s Fiscal Impact.

A dedicated, inhouse, hospitalist program working in collaboration with hospital operational initiatives will yield further financial improvements through operational efficiencies, Value-Based Purchasing rewards from CMS, and reimbursements more accurately reflective of services provided due to improved documentation. We believe these further financial improvements along with the additional collections would address the stated Fiscal Impact.

## JUSTIFICATION

Based on the needs of the hospital, Broward Health North completed a Request for Proposal (RFP) for hospitalist services. TeamHealth was selected. TeamHealth serves Memorial Regional, Boca Regional and many other local hospitals who have academic programs.

In addition to their core expertise of managing the clinical problems of acutely ill hospitalized patients, hospital medicine practitioners work to enhance the performance of hospitals by:

1. Prompt attention to all patient care needs including diagnosis, treatment, and the performance of medical procedures (within their scope of practice).
2. Employing quality and process improvement techniques.
3. Collaboration, communication, and coordination with all physicians and healthcare personnel caring for hospitalized patients.
4. Efficient use of hospital and healthcare resources.
5. Dedicated 24/7 onsite presence

The program specifics are being analyzed for Fair Market Value. Based on experience, the rates and terms are expected to be within the acceptable percentile.

## STAFF RECOMMENDATION

Therefore, it is requested that the Board of Commissioners of the North Broward Hospital District authorize the District to contract with TeamHealth for Internal Medicine Hospitalist services at Broward Health North, inclusive of training of residents in the Internal Medicine Graduate Medical Education (Residency) program, at \$5,015,000 annually, for a term of (3) three-years with a two (2) year renewal option.