



## **ETSU Physicians & Associates**

### **Strategic Plan**

**2005-2007**

#### **Mission**

Our Mission is to:

SERVE the health care needs of our patients, offering a comprehensive range of the highest quality health care services for people of all ages;

EDUCATE our students and residents; and

IMPROVE the overall health of the people of this region

#### **Our Pledge**

To Deliver Tomorrow's Health Care Today . . .  
Total quality care for you and your family

#### **Vision**

ETSU Physicians & Associates will be recognized as the national academic leader in providing comprehensive, interdisciplinary health care for a rural/small community region.

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### **Environmental Analysis**

#### **External Environment**

1. East Tennessee is an attractive region, likely to show modest increases in population in what is currently the service area of ETSU Physicians & Associates (a population increase of 5,000 to 10,000 in Johnson City over the next eight years is projected); the local economy is relatively strong although suffering some economic flattening recently similar to the rest of the state as a result of the increase in energy costs. Interest in the welfare of and support for the College of Medicine and ETSU Physicians & Associates from the community is very favorable. The region benefits from remarkably strong leadership in the healthcare industry.
2. The physician-to-population ratio in the region, specifically in Johnson City, suggests beginning saturation in some specialty and sub-specialty areas with the exception of the primary care specialties of Internal Medicine and Family Medicine; the specialty of Psychiatry, particularly

Child Psychiatry; and selected subspecialties of Internal Medicine, Surgery, and Obstetrics & Gynecology.

3. Managed care penetration in the region is concentrated in BlueCross/BlueShield, John Deere, and to a lesser extent, Cariten. The region is characterized primarily by both deeply discounted fees for service and the use of preferred provider groups with few HMOs. Negotiations with major MCOs and ETSU Physicians & Associates will become increasingly complex, if not occasionally contentious, especially if exclusive relationships are developed between certain provider groups and selected MCOs. Physician profiling is just beginning to occur and will increase. Quality of care and cost effectiveness of patient care will be increasingly linked to financial reimbursement for services.
4. MSHA (Mountain States Health Alliance), one of the two primary community hospital systems relating to ETSU Physicians & Associates, has strong leadership and an ever-widening scope of diverse clinical operations. The hospital system has returned to healthy profitability after sustaining losses in 1999 - 2001. Its relationship with ETSU Physicians & Associates and clinicians from the Health Sciences Division has been generally very favorable. Developing mutually advantageous, revenue generating initiatives between MSHA and both the COM physicians and the Health Sciences Division clinicians will be critically important over the next several years.
5. The Wellmont system has also been favorable to ETSU Physicians & Associates in allowing selected clinical services to develop in Bristol and Kingsport in relation to the COM educational programs. The existing Memorandum of Understanding between the Wellmont system and ETSU Physicians & Associates has inhibited ETSU Physicians & Associates from increasing specialty clinical services in the Bristol/Kingsport area. If the COM were to place more specialists in Bristol or Kingsport in violation of the MOU, the community physicians from these two cities could conceivably decrease their volunteer teaching in response to the increase in competition from ETSU Physicians & Associates. If a Wellmont hospital in Johnson City is ever realized, there is the opportunity for expanding a few selected physician services into that facility further strengthening our relationship with Wellmont, although at the risk of severely straining the relationship with MSHA. The challenge for the COM is to remain neutral as the competition between these two systems intensifies.
6. Since the acquisition of the former Columbia hospitals, MSHA has offered opportunities for ETSU Physicians & Associates to increase services in these facilities throughout the region. This has already occurred in several instances, including neonatal and psychiatric services, with one or two others under consideration. Cardiac surgery enjoys a favorable relationship with Wellmont in Bristol but is at some risk given its dependence on referrals from Cardiovascular Associates in Bristol and the presence of the CVA cardiothoracic surgical group in Kingsport. Our cardiothoracic surgical group no longer enjoys exclusive surgery privileges at Bristol Regional Medical Center. The impact of that change on ETSU Physicians & Associates is yet to be fully understood.
7. TennCare has benefited the school by partially funding the care for our patients who were previously uninsured, thus helping the COM fulfill its mission of improving access to care for underserved, rural communities in the surrounding region. Additional TennCare dollars to support GME activities have also provided significant support, helping offset teaching costs for training primary care residents, especially in the face of declining overall reimbursements for clinical services from all carriers. However, reimbursement for TennCare services is marginal, averaging approximately 85 percent of costs. The reduction in TennCare enrollees could further stabilize the program, especially the costs borne by the State and the MCOs. These changes will increase the

number of uninsured and underinsured patients seen by the practice. These changes in TennCare will require ETSU Physicians & Associates to diversify its patient payor mix.

8. ETSU Physicians & Associates continues to benefit from a strong working relationship with the Veterans Affairs Medical Center. The new director will have to be someone who is gifted as an administrator and who shares the goals of ETSU Physicians & Associates, particularly that of preserving academic values while offering the highest quality clinical services. Changes nationally in VA policy will have effects locally on the number of physicians with dual appointments at both institutions.
9. Space limitations have forced many clinical services to relocate to sites outside the clinical education building (CEB), increasing the overhead (rent, in particular) costs to provide those services. Deliberations with the Veterans Administration, the federal government, the State of Tennessee, and the City of Johnson City have resulted in ETSU and the COM obtaining a 60-acre parcel of property behind the current CEB. A second CEB will be completed and operational on that property by the end of FY 2006 to house cardiology and infectious disease services (and possibly cancer treatment). Planning for that facility is underway.

### **Internal Environment**

1. ETSU Physicians & Associates benefits from a highly gifted group of health care professionals who share a major commitment to deliver the finest quality health care while providing contemporary medical education to students and residents.
2. Clinical research, well developed in some departments, is not uniform across the college. A commitment exists to enhance research in all departments through professional development of current faculty and recruitment of new clinical faculty with significant expertise in clinical research.
3. While the faculty/staff are dedicated to creating a state-of-the-art, user friendly health care delivery system for the patients, certain infrastructure limitations have compromised this effort. Included in these limitations are: the lack of a single, electronic patient medical record; the absence of an ETSU Physicians & Associates-wide continuous quality improvement (CQI) program. On the positive side, a staff incentive program has been implemented resulting in a significant improvement in our business practices. ETSU Physicians & Associates acknowledges the value of our employees and is committed to recognizing their contribution to the organization. The benchmarks and indices of the practice have improved to the level of the best academic practices in the country, e.g., accounts receivable, net collections, etc.
4. A few business operations remain decentralized, unintegrated, and unevenly distributed throughout the six departments, limiting potential economies of scale.
5. Four years ago, the practice began to experience declining reimbursements, increased staffing needs, and increased competition for patients resulting in a reduction in its revenues over expenses, with most departments being at or near "break-even." Heavy reliance on TennCare patients contributed to this situation. Aggressive measures at increasing revenues and decreasing expenses corrected that problem. Six months ago revenues decreased again without a corresponding decrease in expenditures reducing the profit of the practice. Aggressive measures will be needed to further increase revenues and reduce overhead, especially with the disenrollment of TennCare patients.

## Overall Goal for 2005-2007

To fulfill the Health Sciences Division's primary mission of education and research, ETSU Physicians & Associates must build on its successes and continue to enhance its clinical operations to be ever more efficient, effective and patient focused.

### Strategic Initiatives

- I. Infrastructure.** Initiate and/or strengthen the centralized infrastructure and supportive services in the following areas: information systems including electronic medical record; telephone response time; patient registration and scheduling; marketing and contracting; quality assurance; medical records/transcription; staff development; and office managers' authority over operations.

Objectives:

1. Further strengthen and centralize (where appropriate) infrastructure operations as listed in "I" to increase efficiency without losing the "user friendly," patient focused orientation characterized by the current system.

Develop implementation strategies with time lines as appropriate.

2. Finalize plans for CEB II – Fall 2005
3. Begin construction for CEB II - Winter/Spring 2006

- II. Target Areas of Expansion.** Increase physician recruitment where needed and further strengthen alliances with practicing groups and with hospitals in the region

Objectives:

1. Maintain the number of primary care physicians at ETSU Physicians & Associates which has increased over the last 36 months.

Increase interdisciplinary, primary care approaches to health care delivery using nurse practitioners where feasible, beginning with Family Medicine and Internal Medicine to improve patient access to primary care and urgent care services.

2. Improve the cost effectiveness of the ETSU Regional Cancer Center.
3. Strengthen the cardiology program.
  - a. Recruit 1 to 2 interventional cardiologists for the division over the next 24 months.
  - b. Improve referral patterns from community physicians and within ETSU Physicians & Associates to further stabilize both cardiology and cardiac surgery.
  - c. Expand our cardiology services to the surrounding region.

4. Finalize the stabilization of the OB/GYN department.
  - a. Complete recruitment of second gynecologic oncologist (and possibly a third).
  - b. Continue to increase alliance and teaching relationships with regional OB/GYN groups, including UT Knoxville and those in Kingsport.
  - c. Recruit 1 to 2 perinatologists, possibly expanding services to Kingsport.
5. Strengthen Surgery's subspecialty services
  - a. Recruit a second pediatric surgeon and a second plastic surgeon to stabilize services for the region
  - b. Recruit two urologists – Winter 2006; probable sharing of positions with VA
  - c. Recruit one retina specialist
  - d. Explore development of Emergency Medicine residency.
6. Assess opportunities to increase selected specialty/sub-specialty clinical services in the Kingsport/Bristol region so as to improve teaching for students/residents
  - a. Balance impact of increased physician presence against threat of decreased commitment to education by community-based faculty
  - b. Assess impact of increased speciality/sub-speciality physician presence in Bristol/Kingsport on the relationship of ETSU Physicians & Associates with Wellmont and with MSHA. Perform similar analysis as it relates to Johnson City.
  - c. Assess feasibility of increasing referral base from outside the Tri-Cities region
7. Maintain ETSU's presence and the educational opportunities for residents/students in Rogersville through collaboration with the Rural Health Consortium
8. Recruiting a physician(s) to the Erwin clinic to develop IM resident continuity clinic
9. Further develop and/or expand partnerships between the Psychiatry Department and MSHA (e.g., Indian Path Pavilion, Woodridge)
  - a. Develop a Child Psychiatry Fellowship program
10. Strengthen general and subspecialty services in Internal Medicine
  - a. Recruit physicians in the following areas: dermatology (1), oncology (1), cardiology (2)
  - b. Evaluate the development of a division of Neurology and/or specialized center (e.g., epilepsy center) in consultation with community neurologists
  - c. Over the next five years, recruit as resources permit approximately 1-2 internists whose primary responsibility will be clinical investigation.

- d. As resources permit, consider development/expansion of pulmonary division, gastroenterology division, and possible recruitment of endocrinology, allergy/immunology specialists
- e. Establish additional patient contact in Kingsport to increase admissions to HVMC
- 11. Hire general and subspecialty pediatricians as developed in recruitment plan established with chair of Pediatrics
  - a. Recruit to the Brown Chair – Summer 2006
- 12. Expand Family Medicine
  - a. Recruit to Johnson City and Kingsport to offset recent vacancies
  - b. Establish clinic in Kingsport to increase inpatient referrals to HVMC
  - c. Continue to develop plans to accommodate space needs for the Kingsport and Johnson City Family Practice centers
- 13. Pathology recruitment
  - a. Recruit one faculty in forensic pathology

**III. Develop New Health Care Model.** Develop new models of health care delivery in response to changing external health care environment

Objectives:

- 1. Continue to improve integration of clinical services across departments as appropriate in order to function more effectively as a single, multi-specialty group practice providing programs across specialties
- 2. Define information needs so as to design the systems necessary to improve evidence-based practice of medicine ideally integrated with electronic medical record
- 3. Increase the use of interdisciplinary approaches to the delivery of healthcare
  - a. Evaluate effectiveness of nurse practitioners in Family Medicine and Internal Medicine, developing their role as direct practitioners and case managers
  - b. Evaluate the feasibility of establishing an urgent care center
- 4. Continue to expand CQI approaches throughout the practice, especially as they assist the organization in being more patient focused

#### **IV. Strengthen Strategic Planning Process**

Objectives:

1. Continue to develop consensus on organization-wide shared vision
2. Increase communication across the organization
  - a. Strengthen continuous staff development program for all staff
  - b. Continue to expand measures to improve staff morale
4. Evaluate staff incentive plan — Winter 2006 and modify as necessary
5. Strengthen external and internal marketing programs — Winter/Spring 2006
  - a. Continue public relations and advertising activities
  - b. Develop ongoing market assessment to identify region's health care needs and develop strategies to respond to needs, especially for new physician recruitments

#### **V. Diversify Payor Mix**

Objectives:

1. Continue to serve as the major health care provider for the region's TennCare patients
2. Supplement these patients with a greater percentage of non-TennCare patients
3. Improve contracting with managed care organizations (MCOs)
  - a. Further develop data on costs of delivering patient care services so as to improve cost-effectiveness of clinical activity and negotiations with MCOs
  - b. Continue incentives based on reimbursements linked to use of generics, quality of care, cost effectiveness of care, and improved disease management

#### **VI. Expand Clinical Research**

Objectives:

1. Further define strategic objectives in strengthening current and future efforts in clinical research
  - a. Focus on current strengths in cardiovascular disease, cancer, immunology, primary care, and infectious disease
  - b. Selectively add new areas of emphasis as resources, expertise, leadership, and shared vision support; e.g.

1. Increase neuroscience clinical research
  - a. Direct and integrate neuroscience research efforts of the COM (Pathology Department Chair and Pharmacology Chair)
  - b. As resources permit, consider recruitment of additional neuroscientist faculty member
  - c. Increase utilization of GCRC at VAMC
2. Develop alliances and collaborations as mutual interests support
  - a. Vanderbilt and UT Memphis
  - b. King Pharmaceutical and other pharmaceutical companies
  - c. Community physicians–HMG, CVA, and local groups
3. Establish clinical trials office as program expands
4. Finalize a master plan with city leaders on use of the recently acquired 60 acres behind CEB for development of biotech programs

Website location: <http://comweb1.etsu.edu/webfiles/dean/stratplan.pdf>

Last revised August 7, 2003; September 5, 2003; September 26, 2003; September 8, 2005 ; September 16, 2005