

Reinventing service lines: a platform for performance

In our field, it seems that what's old is often what's new. So it follows that service lines are back in fashion. But the return of service lines isn't a nostalgia play. Under unrelenting market pressures and increasing strategic complexity, health systems are embracing service lines as a tool for driving growth for systems and care coordination for patients.

The model is familiar to those who have been in the field for a while. Service lines were conceived as a model aligning strategy, operations and accountability across departments and across the care continuum. In many instances, it worked. But it fell short of the enterprise-level, fully integrated approach initially envisioned. It often stagnated due to a variety of factors, including unanticipated complexity, lack of transparency, inadequate data, shifting market pressures and increasing health system scale.

So, growth is natural, and necessary. Service lines are evolving into strategic, enterprise-wide platforms to deliver value. In addition to managing volume and revenue within specialties, **today's service lines are expected to drive a sense of "systemness" by standardizing care, operations and outcomes; align physicians and the system around shared goals and incentives; and improve population health by addressing total cost of care,**

site-of-care shifts and patient experience. In doing so, service lines ideally should enable strategic growth, create market differentiation and position systems to enhance clinical leadership.

The stakes were never modest and now are higher than ever. Today's service lines act as enterprise platforms that guide investment and decision-making in ways isolated departments cannot, helping organizations lead with purpose across the continuum of care.

Service lines traditionally were organized hospital by hospital rather than systemwide. This made sense when they were conceived. But as systems grew and merged, organizational complexity increased. These larger systems capitalized on economies of scale in areas such as finance, human resources and supply chain, but often less so clinically.

Clinical care was one of the last remaining areas to benefit from

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scale, and service lines often suffered from fragmentation and inefficiency. Today, leading systems see an opportunity to correct this. They are recasting service lines as integrated, enterprise-focused and aligned with system goals.

In the new model, service lines create the foundation to generate clinical scale to coordinate care across sites and payment models, serving as operating systems for performance. The shift has been driven by rising acuity, consumer expectations and payment reform, and has moved them from specialty-based to patient-focused models.



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Musculoskeletal service lines, for example, may unite orthopedics, physical therapy and surgery, aligning care delivery with patient needs and system strategy.

Redefining performance: The 5 dimensions of success

Because volume is not the same as value—a lesson that many systems have learned the hard way—systems have been forced to reexamine every aspect of how they build, maintain and grow their service lines. This has led to some painful internal conversations and has encouraged leading organizations to reframe service line success across five interconnected dimensions:

1. **Market share and growth:** Are we growing in the areas that matter?
2. **Financial sustainability:** Are our services generating sustainable margin after costs and subsidies?
3. **Quality/clinical:** Are our outcomes consistent and competitive to provide a strong foundation for differentiation?
4. **Operational efficiency:** Are we using resources wisely and managing capacity effectively?
5. **Leadership:** Do we have the right leaders with the right skillset—leaders whom we hold accountable?

This multidimensional view of performance is a practical framework for systems facing tough decisions. Do we invest in expanding our oncology program? Should we

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consolidate cardiovascular procedure sites? Are our spine pathways producing quality outcomes that justify their cost? A shared, holistic view of performance ensures that answers to these questions are data-driven and future-focused.

High-performing service lines give systems the structure to remain agile in a dynamic market to prioritize investments, navigate site-of-care shifts, weather financial challenges like site neutrality and build true, market-differentiating programs. The next evolution of service lines emerges not as marketing concepts but as real platforms for growth, clinical excellence and market leadership.

How high-performing organizations lead differently

Increasingly, organizations are equipping their service lines with tools and infrastructure that enable clarity and speed. These include:

- Identifying the right leaders, investing in them and training them;
- Internal and external analytics and benchmarking tools to identify performance gaps and outliers;

- Direct margin analysis to isolate controllable costs;
- Quality tools to standardize clinical pathways, identify variation in clinical practices and eliminate unnecessary complexity; and
- Integrated dashboards that combine clinical, financial, market and operational metrics.

Crucially, they are investing in **leadership models that support accountability**. Dyad structures are emerging as a hallmark of service line maturity. Under these, clinical and administrative leaders work together to manage performance, making adjustments in response to data and market dynamics.

Looking ahead

Organizations are in different places on the service line journey. Some are rebuilding structures they once dismantled, while others are just beginning to formalize governance. A few are fully aligning service lines with enterprise goals. As “systemness” moves up the priority list for many organizations, they are looking to service lines for solutions. The common thread among leaders is clarity about the system they want to build.

There is no single model, but organizations need shared definitions of success and consistent ways to measure it. The goal is intentionality.

Service lines are not a silver bullet. But for systems ready to lead with discipline, they offer a structure built to manage complexity and drive performance.