

VIRTUA HEALTH

CASE STUDY

Digestive Disease Service Line Strategy, Sg2 Consulting

Client Situation

Virtua Health had recently acquired several gastroenterology physician groups and was seeking to optimize care services and create a unified vision to become a destination of choice for digestive disease subspecialty care in the market. Virtua had a large existing ASC footprint in which endoscopy accounted for a large share of the revenue, and the system needed in-depth planning for the digestive disease service line to ensure long-term success. Virtua's acquisition of Lourdes Health System also added a liver transplant service that is supported by tertiary gastrointestinal (GI) volumes.

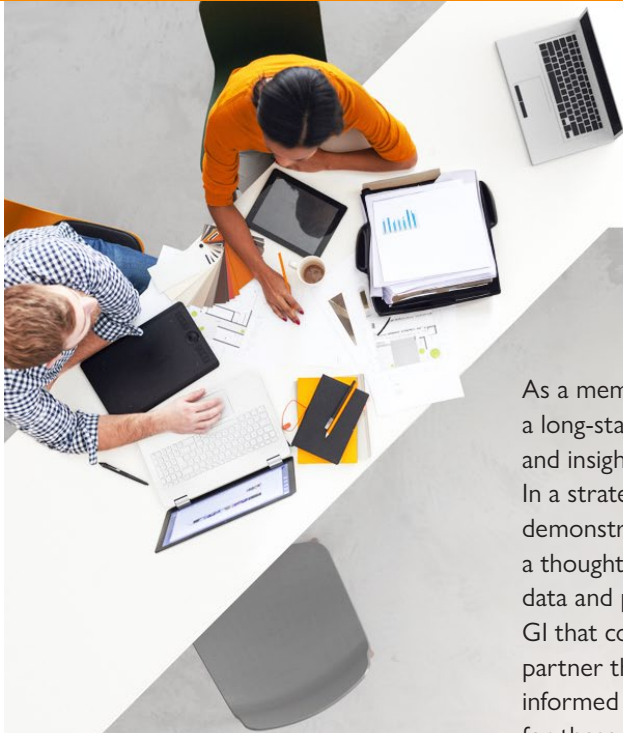
Key Challenges

- ▶ In 2021, the US Preventive Services Task Force decreased the recommended age for first screening colonoscopy from 50 to 45 in an effort to address the rising incidence of colorectal cancers in younger populations. This change quickly led to increased demand for screening colonoscopies that health systems were not prepared to handle.
- ▶ The advent of at-home screening tests (such as Exact Sciences' Cologuard) began to impact digestive disease volumes and care pathways, creating uncertainty over the future demand for screening colonoscopies.
- ▶ A clear governance structure for clinical and administrative aspects of the service line was lacking.
- ▶ A diverse portfolio of physician alignment models gave rise to a disparate governing board and a lack of alignment regarding incentive structures and physicians' wants and needs.
- ▶ Internal operations were not optimized for patient navigation and channel management.
- ▶ Private equity and payer competitors were entering Virtua's core outpatient markets and focusing on gastroenterology.
- ▶ Highly capitalized academic medical centers and community-based providers in the market were investing in services and competing for physicians.
- ▶ A robust strategy and tactics for recruitment, retention and succession planning for employed and aligned GI providers were lacking.

Sources: US Preventive Services Task Force. Colorectal cancer: screening. May 18, 2021; Sg2 Consulting Engagement, 2022; Sg2 Interview With Virtua, 2024.



THE SOLUTION



As a member of Sg2 since 2010, Virtua Health and its leadership had built a long-standing relationship of trust with Sg2 and appreciated the value and insights gained from Sg2 intelligence and analytics tools over the years. In a strategic consulting engagement, Virtua's dedicated Sg2 account team demonstrated its understanding of the South Jersey market dynamics, crafting a thoughtfully customized provider needs assessment using Sg2's robust market data and proprietary analyses. Sg2 also had unique subject matter expertise in GI that competitors did not have. Virtua's leaders recognized they needed a partner that could bring the expertise necessary to build consensus and make informed decisions for the future. Sg2 was chosen as Virtua's trusted partner for these reasons.

IN THEIR WORDS

"After the project wrapped up, our continuing relationship with Sg2 helps us keep moving forward with execution on the tactics and supporting other strategic and financial work throughout the organization."

—Patty Lubrano, MSN, RN, FACHE, VP, Operations, Virtua Medical Group, Surgery and Digestive Service Lines

System Profile

Virtua Health is a five-hospital system with more than 350 locations in southern New Jersey, including over 40 ambulatory surgery centers (ASCs), seven emergency departments and seven urgent care centers as well as telehealth options. Virtua has 14,000 staff members and 2,850 affiliated doctors and other clinicians, and its specialties include orthopedics and advanced surgery. Virtua hospitals are among the highest ranked in the region for maternity care by *U.S. News & World Report*.

Virtua Health partners with Penn Medicine for cancer care and neurosurgery, and providers from the Children's Hospital of Philadelphia provide pediatric care at Virtua. Three Virtua Health hospitals have earned Magnet Recognition Program certification for nursing excellence. Virtua Health and Rowan University have affiliated to create a new academic health system providing osteopathic medicine, nursing and allied health education and fostering innovation, research and clinical discovery.

THE Sg2 APPROACH



Step 1: Steering Committee Kickoff

- Make team member introductions and review the process, approach and steering committee charter key stakeholders.
- Review national forecast and local trends based on Sg2 analytics and expertise, including market demographics, service utilization, System of CARE (Clinical Alignment and Resource Effectiveness) inventory, program offerings and best practices in digestive disease.

Step 2: Current State Assessment

- Align market and organizational information into a comprehensive current-state review for the digestive disease service line.
- Review local market trends and localized Sg2 forecast to understand market size, strategic opportunities and competitive landscape.
- Analyze disruption in the digestive space, including private equity presence and at-home screening tests.
- Conduct and review physician leakage analysis and competitive landscape.
- Review best practices for physician alignment.

Step 3: Visioning and Strategic Initiative Development

- Define a vision of digestive disease service line success.
- Draft a list of strategic initiatives, which may include growth, access, physician engagement, service capabilities, network integrity, quality and operations.
- Prioritize the strategies.

Step 4: Finalize Strategic Initiatives and Prioritization Road Map

- Review service line strategic initiatives with the steering committee.
- Define timeline and accountability benchmarks for each strategic initiative.
- Determine key performance indicators.
- Finalize service line strategic initiatives and the prioritization road map.

Sg2 Recommendations

To become the regional destination of choice throughout New Jersey as well as adjacent Pennsylvania and Delaware counties, Sg2 recommended that Virtua 1) optimize core GI services throughout New Jersey to capture acute and tertiary care volumes and 2) develop comprehensive subspecialty digestive disease service offerings in the tricounty area encompassing its hospitals. To achieve these goals, Virtua needed to address aspects of the following key strategic areas through detailed tactical plans:

- Access and consumerism
- Quality and operational excellence
- Workforce

IN THEIR WORDS

“Our rigorous strategic planning process has been simplified over the years by utilizing Sg2’s analytics and intelligence resources. When it came time to find a partner for a more in-depth level of service line planning, it was a natural decision to go with Sg2, because we already had a strong relationship and we frequently worked with Sg2 service line leaders. Everything from Sg2 resonated with the team due to our comfort with their approach and experts.”

—Patty Lubrano, MSN, RN, FACHE, VP, Operations, Virtua Medical Group, Surgery and Digestive Service Lines

RESULTS

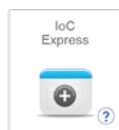
- ▶ Established two new subspecialty clinics: one for Crohn disease and colitis and one for gut motility
- ▶ Opened Virtua Crohn's & Colitis Center, which houses inflammatory bowel disease (IBD)–trained gastroenterologists, colorectal surgeons, IBD dieticians and behavioral health clinicians, creating a one-stop shop for patients with IBD
- ▶ Enhanced the use of an advanced practitioner workforce model, which includes nurse practitioners and physician assistants to increase access. Results showed a decrease in the third-next new appointment metric by 34% (from 85.0 days to 56.2 days).
- ▶ Leveraged AI for two-way texting with patients on their procedure preparation journey
- ▶ Partnered with its Digital Transformation office to create an outreach campaign targeting individuals who have not undergone a colorectal cancer screening, resulting in thousands of patients receiving screening via Cologuard or colonoscopy
- ▶ Increased recruitment of GI providers
- ▶ Laser focused on patient experience in all provider settings, including ensuring patients are comfortable seeing and receiving treatment from a variety of provider types

IN THEIR WORDS

“We are also very proud of our online scheduling system to allow patients to schedule their triage call for screening colonoscopies. This build has allowed patients to schedule themselves for a callback from our Fast Track Colonoscopy team to triage prior to scheduling their screening colonoscopy (forgoing the visit to the office). Our procedure volume has increased, and on average, 21% of the patients using this feature are new to Virtua, resulting from a collaboration with Marketing to get the word out.”

—PJ Marias, MHA, AVP, Digestive Health Service Line VMG Operations

KEY Sg2 ANALYTICS LEVERAGED



*Impact of Change[®]
Market Demand
Forecast*



*Market
Demographics*



*State Data
Analysis*



*Insurance
Coverage
Estimates*



*Workforce
Supply and
Demand*



For more information on Sg2 capabilities, contact us at info@sg2.com