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healthcare financial management association hfma.org

## ensuring a high-performing referral network

Early in my career, handing a business card to a patient and asking them to call and schedule an appointment with a specialist was both the beginning and end of the referral process.

Nowadays, that process is more complicated, but when it is well-managed, it can provide value not only for a practice's patients but also for the practice itself. With increasing focus on cost and quality outcomes, physicians need to identify and work with a high-performing referral network.

At Village Family Practice (VFP) in Houston, for example, referrals are seen as an extension of the practice's care, outside its office. Referrals can no longer be one-way streets. The organization knows which specialists participate in which plans, where they have hospital privileges, and what areas of their specialty they are most interested in. VFP asks for feedback on what testing should be completed before a referral is made, and in what time frames referrals should be made for commonly encountered conditions.

Physicians in the specialty network are invited to participate in "lunch and learns" with VFP's primary care physicians, using the practice's patients to provide examples of what went well and what could go better. VFP works with specialists who want to deliver specialty care only, and not be an extension of primary care, and the

practice keeps its primary care base up to date on new treatments to ensure that happens.

In short, a primary care practice can take major steps toward improving its practice efficiencies simply by being clear about what it expects from its network and collecting simple analytics on its referrals. Organizations should focus on three important areas.

### Provider Referral Network Measures

A provider's management of referrals should be measured in terms of communication, the quality of service delivered, and the relative cost of the referred services.

**Communication.** Every referral deserves the courtesy of written follow up; the referring practice needs to know its patients' treatment plans and clinical findings. Finding out weeks or months later about a clinical intervention is not good communication. Neither is it helpful to receive consultation notes with pages of computer-generated information and no assessment or plan. Network specialists who do not communicate well should not remain in a network for long.

**Quality.** A primary care physician may not be able to comment on the skill of a surgeon performing a complicated procedure, but if the physician's patients don't understand the specialist's treatment plans, can't get a phone call returned

from the specialist's office, or wait hours past their appointment times, that's poor-quality care. VFP uses data to measure readmission rates and frequency of ancillary services utilization as ways to compare specialists' performance on quality. Bottom line, if a patient reports a poor clinical experience with a specialist, the primary care physician should believe them and vote with his or her referrals.

**Cost.** Severity of illness and many other clinical and nonclinical factors can affect cost, but aggressive unbundling of charges, the use of out-of-network facilities, and collection policies not consistent with the primary care practice's own policies all should have an impact on who is included in the practice's referral network. Patients will see the referring physician as being complicit in both the clinical and nonclinical aspects of the care they receive from the specialist.

### **Patient Follow-Through on Referrals**

A referral made that a patient does not complete can have disastrous consequences. It's critical to know which patients follow through on referrals and which don't. VFP uses a technology tool that

allows the practice to schedule directly into specialists' schedules at the time of referral. Having this functionality has significantly improved the practice's rate of referral completion and provides analytics on how long it takes to get an appointment and to receive clinical feedback from the specialist.

### **Network Management**

A primary care practice's network should be updated regularly to account for new physicians in the community, those who retire or relocate out of the community, and those who are no longer part of an insurance network.

The care primary care physicians provide to their patient extends well beyond the exam room. The ability to manage, monitor, and measure referrals is a critical success factor. Only through effective referrals can a primary care practice ensure its patients receive the care they need, and thereby ensure its overall success, as well. ■

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