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Choosing the Right Operating Model for Your Ambulatory Care Facility

Ambulatory care services are becoming more competitive as an ever increasing number of hospital-sponsored, physician-owned, and niche providers enter the market, attracted by operating margins that can easily surpass traditional margins achieved through delivery of acute inpatient care. Today's ambulatory providers are more savvy about differentiating services in the marketplace, meeting consumer expectations for customer service, and containing costs, all of which positively impact financial performance.



One way for new ambulatory care facilities to meet these high performance expectations is to redesign the operating model for delivery services. If new ambulatory care centers replicate the poorly designed, inefficient, and substandard approach to delivering outpatient care still found in many hospital-based settings, huge opportunities to provide more exceptional levels of patient care and operational efficiency will be lost.

The ideal operating model enhances differentiation of services in the market, delivers better service to the patient, reduces costs through increased efficiencies, and enables organizations to better compete with

existing or potential new providers of ambulatory care. Operating characteristics that should be incorporated into the ambulatory care delivery model are presented below.

Read Tracy Johnson's newsletter on "Are You Ready for a Facility Project? Understanding the Value of Preplanning"

Read Craig Holm's newsletter on "Four Essential Strategies for Developing Formal Business Relationships with Physicians"

Read Tracy Johnson's article on "Surging Demand for Outpatient Services: Finding the Space to Meet Growing Need"

Ambulatory Care Operating Model Characteristics

Characteristic	Model	Result
Physician Presence	• Top-notch physicians with significant commitment to the site are preferred to a mix of part timers	• Maximizes accessibility to providers, stability, and quality of services
Service Line Orientation	• Multidisciplinary mix of physician and ancillary services that cover spectrum of care in a featured service line	• Enhances quality of care and contributes to greater market recognition
Co-location of Services	• Co-locate diagnostic and treatment services and related retail with physician offices	• Provides one-stop shopping to patients and improves financial performance
Flexible, Shared Space	• Standardization and sharing of patient care rooms and staff to optimize productivity	• Enhances overall utilization and reduces operating and capital costs
Private Practice Efficiency	• Limited teaching and emulation of private practice service	• Enhances service to patients and increases operational throughput
Patient-Focused Scheduling and Care Delivery	• Extended operating hours, open access schedule, and customer-focused service	• Increases access and patient satisfaction
IT Integration	• Integration of information systems; seamless access to medical records and results reporting	• Increases continuity of care and access to information throughout patient care experience
Shared Support Services	• Shared support functions such as reception, registration, billing, and call center	• Reduces inefficiencies, space requirements, and operating costs

A major health care system in the Northeast, examining the feasibility of relocating and expanding several off-site practices into a new ambulatory care center, evaluated a new operating model that would reduce the size and cost of the ambulatory care center. By committing to a more integrated care approach including the collocation of several practices within a service line, more efficient sharing of exam rooms and scheduling of visits, and other potential operational enhancements, it was assumed that exam room utilization could be improved by at least 15 percent. This, in turn, reduced the overall space needs and costs for the proposed center. Adding related ancillary services to the care continuum also provided opportunities to improve the financial performance of the project and enhance patient satisfaction and convenience. The health care organization aims to create new standards of service through their ambulatory care operating model, which it

hopes will create a halo effect for the entire system.

The operating model used in an ambulatory care facility will vary depending on the scope of services, market-positioning strategy, expected levels of activity, and size of the facility. Nevertheless, more efficient and patient-focused models for delivering ambulatory services will not only help organizations move away from ineffective practices of the past, but are also likely to improve market potential and financial performance.

For more information on ambulatory care operating models, contact [Tracy Johnson](#) at 215-399-1859 or [Craig Holm](#) at 215-399-1899.



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