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Hospitalist popularity surge fueled by cost, quality issues

By Erin Lawley

Increasing costs, pressures to improve patient safety and imperatives to prove high-quality care are making hospitalists some of the most popular doctors in today's health care environment.

Ten years ago, "hospitalist" was still a fledgling term. It refers to a hospital-based physician who focuses on the general medical care of hospitalized patients.

There were about 1,000 such physicians practicing in North America a decade ago. They're members of the country's fastest-growing medical specialty and their ranks are estimated to reach 20,200 this year, 30,000 by 2010.

Rusty Holman, president of hospitalist trade association Society of Hospital Medicine and chief operating officer of Nashville-based hospitalist company Cogent Healthcare, says studies showing improved hospital efficiency and care quality - which lead to reduced costs - are behind the specialty's explosion.

"Overall, there's about 15 percent improvement in costs and about the same level of improvement in terms of length of stay," says Holman.

"That adds up to big savings," says Dr. Tom Tesauro, an internal medicine physician at Saint Thomas Hospital.

Some of the cost improvements come from hospitalists' ability to respond to patient care needs in real time.

That means being able to react to test results, a change in a patient's status or their readiness for discharge immediately.

In a hospital that doesn't use hospitalists, primary-care physicians typically drive to the hospital to visit their patients once or twice a day.

"On the weekends, [hospitalists are] more efficient because a primary care physician may not [make rounds] on the weekends, so that patient couldn't leave until a Monday," says Mark McGinnis, vice president of finance for Saint Thomas.

Hospitalists help coordinate care with the rest of the hospital's staff - helping with a patient's work-up prior to surgery - which creates efficiencies, McGinnis says.

Cost savings 'hard to quantify'

Jim Schnuck, vice president of financial operations for Ardent Health Services, says the actual cost savings behind these benefits may be exaggerated.

"What they do is factor in things like patient satisfaction, quality, time saved for ancillary staff, but those are very hard to quantify," says Schnuck. "For a numbers guy like myself, it's more intangible."

In Ardent's case - the Nashville-based company owns and operates 11 acute care hospitals - the direct costs for having hospitalists outweigh revenue, Schnuck says.

“But it’s a necessary evil, because we have to have hospitalists to cover patients that don’t have an attending [physician] or have an attending who prefers not to come to the hospital,” he adds.

More doctors want lifestyle benefits

There are increasing numbers of physicians who prefer not to come to the hospital to treat inpatients, Holman says.

“The time dedicated to those one or two hospital patients takes a lot of efficiency away from the [primary care physician’s] workday and income potential,” he says. “They may see some improvements in income and lifestyle if they’re not having to go to the hospital late at night, or admit a patient late at night or the weekends and holidays.”

Saint Thomas officials are increasing their hospitalist staff to help the hospital capitalize on this physician lifestyle trend to increase patient volume and revenues.

The hospital is doubling its hospitalist group from 11 physicians to 22 this year, says Saint Thomas president and CEO Les Donahue.

The idea is to be a ready destination for inpatient referrals when area doctors decide they’d rather not split their time between office and hospital.

“A lot of primary care physicians like the idea,” says Tesauro. “Seven new PCPs signed on [with Saint Thomas] this month.”

One reason primary care doctors are getting more comfortable with the idea of hospitalists, Holman says, is the “practice makes perfect” principle.

“Take an average office-based physician, and they may care for three to five patients with pneumonia each year in the hospital versus a hospitalist who may care for 30 to 50 patients with pneumonia each year,” Holman says.

Based on volume, hospitalists will tend to get very good at dealing with those sorts of diseases - better than their office-based counterparts who don’t see such cases as often.

Difficulty comes in recruiting, retention

The drawback for this increasingly popular hospital solution is finding physicians to do the job.

“It’s hard to recruit and retain hospitalists,” says Schnuck. “It’s an every-day challenge for us in every market.”

That challenge often leads companies such as Ardent to hire firms that specialize in recruiting hospitalists and running hospitalist programs to do the recruiting work that may be too much for hospital-based recruiters.

“More residency programs are springing up, feeding more physicians to this specialty,” says McGinnis.

For now, recruiting them remains Saint Thomas’ biggest challenge.

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