The Leadership Forum

Thomas McGinn

Words of Wisdom

Academic Medicine, Large Health Systems and Service Lines: Where Will We Be in 2016?

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As US healthcare delivery undergoes rapid consolidation, several large healthcare systems are evolving. These "new" systems face acute challenges as they seek to customize and implement optimal strategies for structuring and managing a complex, dynamic delivery system. In response, the service-line model has been adopted by several healthcare systems, especially those growing out of academic health centers. The service-line "solution", raises a host of new questions: What are service lines? Why have they evolved? How should service lines be connected? Should they be organized by region or tertiary hospital, or should service lines stand alone? Who makes relevant decisions and allocates resources? Should academic leaders in departments and divisions lead or influence service lines across the system? These are all important questions that large health systems are facing.

The nation's third-largest nonprofit healthcare system, North Shore-LIJ (soon to be Northwell Health), is also one of its most innovative. It is rapidly expanding its reach in the Northeast, one of the nation's most competitive markets, from its traditional base on central Long Island eastward to encompass the remainder of Long Island, west into Manhattan and New Jersey, and north into Connecticut. The system includes over 22 hospitals, several nursing homes, a large home care agency, one of the nation's largest medical groups, an innovative new medical and nursing school, a research institute, the Center for Learning and Innovation, a health insurance company, a major lab servicing other health systems, and more. As Professor and Chair of Medicine and Senior Vice President, and now the service line's first Executive Director, I helped to establish the service line infrastructure and am continuing to shape its interface with the academic department. This responsibility encompasses all of internal medicine and its related subspecialties with over 600 faculty and 1,500 support staff.

As North Shore-LIJ rapidly evolved through the acquisition of community-based practices and hospitals, it became increasingly urgent to determine how these new practices relate to traditional academic departments and to local hospitals. To create the best possible patient experience and value, we needed to create synergies, eliminate internal competition, reduce redundancy, and enhance communication and integration. To achieve these ends, leadership made a carefully considered decision not to separate the service line and the academic department, thereby avoiding a counterproductive two-tiered system. Instead, each informs the other: each service line has an executive director and SVP who works closely with the academic chair. (In some cases, those positions are all filled by one person, such as today's medicine service line under my leadership.) All hires and budgeting decisions within the service line are rolled up into one consolidated budget; the Executive Director signs off on all hires. Blending these processes forces academic departments, service line SVPs, and hospital administration to work together. This interaction moves medical groups, hospitals, and academic departments to build consensus and to truly integrate networks, thereby preparing us for value- and risk-based contracts.

At the annual ACLGIM summit, we discussed the backdrop and continuing evolution of North Shore-LIJ's service-line model, the interplay of academic departments and divisions with service lines, and possible resulting difficulties and tensions. While there may not be universal agreement on a single solution, it seems clear that traditional academic structures can no longer provide fully integrated, high-value care in the face of pressure by insurers, rapid growth, and the unpredictable evolution of health systems.