

EFFECTIVE HOSPITAL NEGOTIATIONS

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Relationships are Key!

- Effectively negotiating a hospital contract is a process that starts months/years in advance.
- Have you built an effective relationship with strong communication ties? (Administration, Medical Staff, Community)
- Are you known as high quality and provide excellent pt. care?
- How often do you meet with the hospital?



Relationship Myths:

- “The hospital doesn’t like us and is holding special meetings to discuss getting rid of us.”
- This better be false. If there are special meetings being held, you are history.
- Only top of mind if great or terrible.
- ACHE Annual Meeting: “Leadership Insights: Financial Sustainability For The Next Phase of Healthcare” (700 bankruptcies predicted)

Myth

- “The hospital will **NEVER** get rid of us because there is a shortage of Rads.”

A.I. -ARNP's and PA's

Teleradiology options

Group across town

Employee the Rads. they like and fire the rest (Orlando)

Force a merger of groups Countryside and Morton Plant



Myth

- “Even if the hospital terminates us, I can still work in the community”

Most likely False but is contract dependent.

Group contract language and hospital Professional Services Agreement

Radiologists need to know that “shove it” probably means relocating.



Myth

The medical staff would never stand for our contract being terminated”

Most could care less. Some would welcome it because they think the radiologists make too much money and have too much time off.

See how many primary care and pediatricians go to bat for your Rads. They make \$150K to \$275K and get two to 4 weeks vacation.

*Telerad
Providers:*

*CEO's know
about
options*

VRAD

Carestream

Experity

Telerad Solutions

RadAI

OnRad

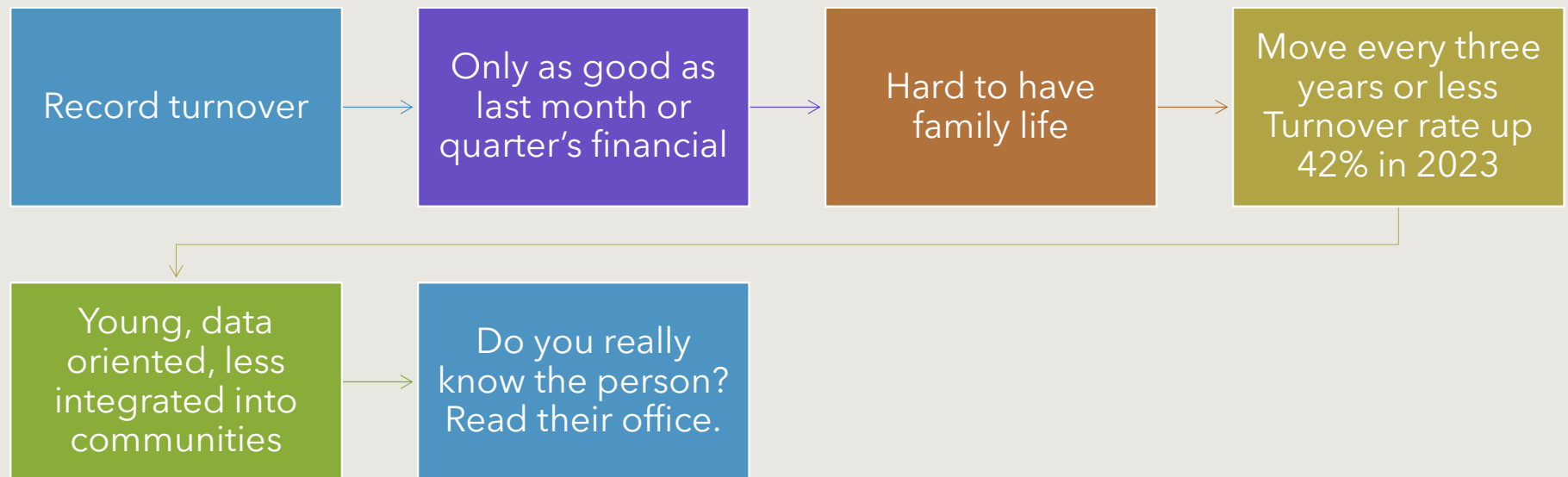
USARAD

\$4 billion in teleradiology revenue in 2022

Money:

- Stipends for IR, ER-Trauma, Women's Health, Stroke
- Medical Directorships
- Salaried Position
- Joint Ventures
- Timing is EVERYTHING!

Hospital World for Executives:



Hospital Contracts:

Who is key decision
maker?

Marital situations

View of Imaging
in general

How do they
regard the
radiologists

Career Life
Expectancy

Hospital Contract:

Do you have a current agreement?

If not, get involved in at least crafting a temporary contract

Do not defer to the hospital attorney for your guidance

Make sure its LEGAL. Look at anti-kickback, inurement, inappropriate tax structure

Contract:

If your contract is current:

- Build the relationship before discussing new deal. i.e. Monthly hosp. marketing
- Talk as a good business partner
- Use Value Added Matrix
- Beckers', Modern Healthcare, ACHE
- Meet at least monthly
- Look for ways to help the hospital

Value Added Matrix:

Samir Patel, MD

List action items to track down the side

Dates across the top

Use as part of monthly agenda...How are we doing as your business partner.

Show added worth...not just reading



Contract

Longer Term is better

Make it very hard to bail out.
Breach terms.

180 days Notice after 3 years

Radiologists can't work for hospital if contract terminated

Exclusivity must mean something. If not, open OP Centers, OBL's, etc?

Do not let hospital negotiate with anyone except the group CEO (one voice)

Key Terms: NTC, Exclusivity, Indem., Term

Contract



Clear, concise, nothing left to interpretation, that is important



Do not push for a quick resolution



Reminder, it may not be the CEO, COO, or CNO that you end up dealing with. People quit, get fired, moved to corporate, etc.

Summary:

- Great relationship, good contract.
- Demonstrate value beyond reading
- Recognize young C-Suite with high turnover
- You are one of many and not most significant
- Be strategic with timing and pace
- Be fair, firm, consistent
- Group CEO should be point person
- Push for longer term agreement(tradeoffs)
- It's not personal so do not make it personal, no ultimatums or threats. Use data to sell.



Thank you
