



Innovative Contracting Models for Inpatient Coverage

A Case Study in Strategic
Problem Solving

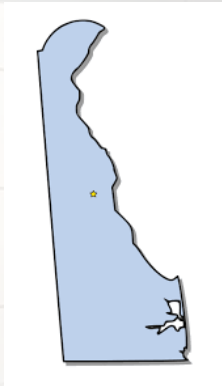
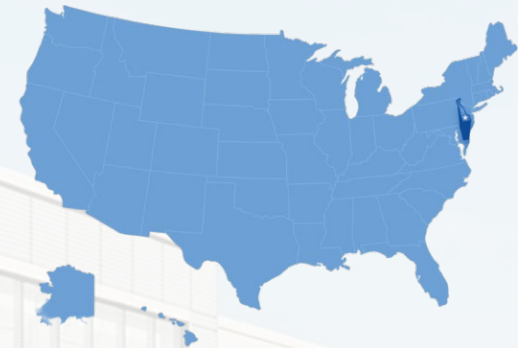
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Central and Southern Delaware's Largest Healthcare System

- Bayhealth Hospital, Kent Campus
- Bayhealth Hospital, Sussex Campus
- Bayhealth Smyrna Emergency Department
- Bayhealth Total Care, Milton
- Over 40 satellite facilities and physician practices



- 4,000+ employees
- 450 physicians and 200 APCs
- 21,000 admissions, 2,300 births, 135,000 ED visits
- Primary + Secondary Service Areas- 450,000

The Challenge

Community physicians for years have strayed from hospital work, leaving health systems to build clinical teams to support inpatient services.

Bayhealth faced transitions for inpatient coverage in two different services over a twelve-month period:

Obstetrics

- Covered by one community group with support of a contracted OB hospitalist group
- Hospitalist group struggled to provide coverage; community group overwhelmed

Pediatrics and Neonatology

- Covered by contracted group from another health system
- Contract for both services cancelled on short notice

US Department of Health and Human Services (HHS) projects a deficit of over 5,000 OB-GYNs by 2030. ¹

One out of twelve (8%) of pediatric residency positions went unfilled in the 2024 National Residency Match Program. ²

¹ bhw.hrsa.gov/sites/default/files/bureau-health-workforce/data-research/projections-supply-demand-2018-2030.pdf

² <https://www.aamc.org/news/why-are-fewer-us-md-graduates-choosing-pediatrics>

Strategic Response Framework

Multidisciplinary Team

Physician leadership
Medical group administration
Nursing leadership
Legal
Human resources
Finance

Guiding principles

- Continuous coverage
- Fiscal responsibility
- Physician satisfaction and retention

Timeline: 90-180 days

Previous Barriers

- Challenges recruiting to the region
- Shortages of physicians in specialties
- Fewer physicians looking for full time employment
- Community physicians overworked

Contracting Models

Direct Employment (Full Time/Part Time)

- Stability
- Integration
- Engagement

Physician Services Agreements

- Flexibility
- Rapid deployment
- Cost effective vs locum tenens

Call Coverage Stipends

- Support from community physicians
- Engagement

Partner System Agreements

- Collaborative opportunities
- External experience

Physician-Centric Approach

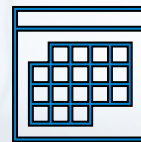
Focus areas

- Workload management
- Work-life balance
- Retention strategies
- Competitive compensation
- Standardization and Equity



Initiatives

- Scheduling collaboration- days vs 'blocks'
- Communication
- Identification of physician leader



Outcomes

Continuous 24/7 coverage of both services

Engagement and Trust of medical staff and community

Cost savings likely within five years

Lessons Learned

No “One Size Fits All” Model, but equity is crucial
Early engagement of lead physician – the “Pied Piper Effect”
Collaborative leadership drives results



Our Commitment Runs Deep