

5 Key Benefits of a Service Line Management Structure

Lynda Mischel, Principal

Meredith Inniger, Manager

Often service lines are just a marketing tool, branding assorted practices as a specialty service line without connecting the services in a meaningful way. By establishing a management structure for service lines, hospitals and health systems can create an organized system of care for patients to progress smoothly from service to service.

As health systems continue to expand clinical programs in ambulatory sites of service, a service line management structure creates a cohesive organizational structure connecting ambulatory services with acute care services to assure smooth transitions of care and aligned incentives. Implementing a service line management structure can achieve a seamless system of care for patients, better organizational alignment, and improved financial results.

Five key benefits of implementing a service line management structure are highlighted below:

- 1. Improves patient experience:** At its core, service line development aims to connect and enhance care coordination across all sites and levels of care. In an organization with separate ambulatory and acute structures, leaders, and processes, patients frequently have difficulty navigating care delivery across inpatient and outpatient settings. A service line management structure helps to bridge the gap between acute and ambulatory care.
- 2. Reduces system outmigration:** The development of a strong system service line includes the clear delineation of patient care pathways and builds a strong referral network through relationship development with employed and independent providers. This development of care coordination and communication will not only keep patients within one system of care (enhancing quality), it will enhance patient experience through a seamless care process.



3. **Enhances accountability:** One of the key benefits of a service line structure is enhanced operational and financial accountability for the programs across an organization. In a bifurcated structure (IP and OP), finger pointing can be common, causing a counterproductive distraction when operational or financial issues arise.
4. **Aligns providers clinically and financially:** A centralized structure will also clearly delineate how various providers will interface with the service. Including employed and independent physicians, as well as post-acute providers, within the service line council leadership structure enhances provider engagement, improves staff satisfaction and helps achieve a seamless patient experience. Further, aligning financial incentives ensures care is delivered at the right place at the right time.
5. **Controls cost:** The service line structure not only allows for centralized operational decision-making but also unified decisions for capital and operational spending. These centralized processes and decisions drive standardization, enhance quality, and control costs. Involving all stakeholders in the distribution of resources to grow programs also encourages cooperation rather than competition within the service line.

A service line structure should include, at minimum, a dyad leadership structure (physician and administrator), a service line operating and governing council comprised of clinical, financial and administrative leaders, as well as a clear financial structure and incentives to support service line quality and growth (see more on governance [here](#)).

These 5 benefits highlight the positive impact of an integrated service line structure. Many health systems begin by implementing a service line structure in one key program like cardiology, oncology or orthopedics. While planning for and making the organizational and cultural shift to a service line structure may seem cumbersome in the short term, the long-term benefits for the organization, patients and physicians are significant. ●