



REQUEST FOR PROPOSAL

Ensuring a Successful Emergency Department RFP Process

*A step-by-step guide for hospital and health system executives
evaluating ED management partner alternatives*

In any given year, approximately one-third of U.S. hospitals consider changing their Emergency Department (ED) management group. As a company built by and comprised of former hospital executives, we know this is a challenging decision, one that can have serious implications for both your hospital and your career. This white paper compiles best practices for conducting an ED RFP process based on feedback from hospital executives who have been in your shoes.



IS A CHANGE NECESSARY?

Going through an ED RFP process and transitioning to a new group takes valuable time and resources from your team. You first need to identify if making a change is even necessary. As you evaluate your current situation, check the statements below you believe to be true.

- My ED team is fully staffed with local providers and no use of locums.
- My ED team is engaged and on board with supporting our hospital's initiatives.
- My ED team is well respected by the nursing staff and is actively engaged in the medical staff.
- My ED Medical Director is a strong, proactive leader who takes full accountability for performance.
- My ED Medical Director receives the necessary support to lead the team and achieve excellence.
- My ED team consistently achieves our quality, throughput, and patient satisfaction goals.
- As the front door to the hospital, my ED reflects positively on the rest of the hospital.
- I wouldn't hesitate to take a member of my family to my own ED in an emergency.

If you left two or more boxes unchecked, it's likely time to consider making a change, as inadequacy in any one of these areas impacts the others.

THE COST OF "NO CHANGE"

Many hospitals go through an RFP process only to decide to remain with their existing partner. While this "path of least resistance" may seem least costly, there are hidden costs associated with bidding your time with a poor-performing or inconsistent group:

- Nursing and medical staff dissatisfaction
- The risk of malpractice due to poor clinical quality
- High locums costs from inadequate staffing and high turnover
- A subsidy required by your hospital due to inefficient management
- Loss of revenue from patients walking out the door
- A poor reputation in the community resulting in loss of market share



CONDUCTING THE RFP PROCESS

Once you've decided to move forward, following are our Top 10 Best Practices for conducting a successful ED RFP process to ensure the best decision for your hospital.

1. *Identify which team members will participate in the process.* While this varies by facility, common titles typically include the CEO, COO, CMO, CNO and whomever has business oversight for the ED. While the more people involved can complicate the process, being inclusive helps to ensure buy-in the final decision.
2. *Designate one person on the review team to serve as the coordinator of the process.* This individual will be responsible for crafting the RFP document and serving as the liaison between your hospital and the ED management groups, answering questions, providing necessary data to the groups, and keeping your team updated.

Hospital CEO Tip #1

“Remember that the goal isn't necessarily to create the lengthiest RFP. Keep in mind that later you and your team will have to read through the proposals and identify differentiators. Try to pose just the questions necessary to elicit information on the criteria your team decided is most critical to you.”

Hospital CEO Tip #2

“Be sure to check references! And if possible, don't just call on the ones provided in the proposal. Seek out other hospitals managed by the group and ask them for their honest feedback. Was the group able to recruit? Did they improve your metrics? Did their providers become embedded in your medical staff and community? It's critical to get feedback from other hospitals who have experience with this group.”

3. *Schedule a meeting with the full review team at the start of the process to make decisions on critical factors:*
 - How many groups are you going to include in the bidding process?
 - Are you including the incumbent group, or are you conducting a confidential RFP?
 - Which ED groups do you plan to invite, and how are you identifying them?
 - What information are you going to include in your RFP to ensure you receive accurate proposals?
 - What criteria are you going to use to make a final decision?
 - What is your overall timeline for proposal receipt, presentations, notification and a final transition date?
4. *Draft the RFP document.* This is often the most daunting task for most hospitals, particularly if you've never conducted one before. The process doesn't have to be overwhelming, particularly if you have a template you can start with.

To aid hospitals in this process, APP has developed a comprehensive and customizable RFP template you can use.



Hospital CEO Tip #3

“Yes, hospital executives are all challenged with cutting expenses, particularly during this post COVID-19 period. But don’t let the subsidy amount of the ED proposal be your sole deciding factor. Keep in mind that small differentials in collections per visit, provider hourly comp rates, and staffing levels can result in wider variations in subsidy levels.”

5. *Submit the RFP to your candidates and be available to respond to questions they may have.* While you may feel you’ve been through in your RFP, some of the more seasoned ED groups will likely have several clarifying questions to ensure an accurate proposal. Be responsive and open.
6. *Evaluate responses.* It can be daunting to review proposals from a number of ED groups, and it’s often a challenge to differentiate among them. This is why it’s critical to spend time on the front end drafting an RFP that is intended to elicit responses that address your key challenges/goals. To facilitate this process, APP has created a customizable Evaluation Template to help make your review process smoother and more objective.
7. *Meet in person with the finalists.* This is a critical decision for your hospital. It’s essential that you meet all the team members who you’ll be working with to ensure there’s a good fit.
8. *Notify all participants of your decision.* You’ll want to ensure you notify all participants of your decision in a relatively short time frame. You’ll want the group you select to have at least 90-120 days to ramp up.
9. *Facilitate a smooth transition.* Strong ED groups will have a formal transition plan in place, including establishing relationships with key staff members and procuring the information necessary to ensure the transition is as seamless as possible for you and your team.

10. *Evaluate performance early and regularly.* Even with the most thorough evaluation process, sometimes it can become obvious early on that the new group isn’t meeting your needs. While you want to ensure they have enough time to recruit a full team and impact metrics, if you’re not seeing definitive results within six months of contract start, it may be time to re-evaluate your decision. If there was another group that impressed you in the RFP process, consider bringing them back in to talk. While it can be easier to take the path of least resistance and remain with a poor group, it takes a toll on your nursing staff, medical staff, patient care, and ultimately on your reputation in your community.

Hospital CEO Tip #4

”Don’t underestimate the value of intangibles. While one group may meet all your needs on paper, does their culture sync with yours? Are the team members people you trust and enjoy working with? You’ll be spending a good bit of time with this team—you need to feel good about them.”

SUMMARY

Conducting an RFP process for your ED management partner can be a daunting process, but it doesn’t have to be. In many instances, if a hospital has identified a group they feel comfortable with and can meet their needs, you can enter discussions directly and ask for a proposal while forgoing a formal RFP, which streamlines the process and reduces the burden on your team. If you do decide to conduct a formal RFP, the tips in this white paper and associated Proposal template and Evaluation Template, based on feedback from your peers, should help to ensure a successful result for you, your team, and ultimately your patients.