

Our Vision

*Asante will be
recognized for
**medical
excellence,**
for
**outstanding
customer
service,**
and as a
**great place
to work.***

Crystal Ball Gazing:

A Look at the Future of Hospital Healthcare



Kent L. Brown, FACHE
Chief Executive Officer
Rogue Valley Medical Center



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Medical Terminology

Cauterize –

Made eye contact with her



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Medical Terminology

Dilate –
To live long



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Medical Terminology

Enema –

Not a friend



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Medical Terminology

Impotent –

Distinguished, well known



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Medical Terminology

Labor pain –

Got hurt at work



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Medical Terminology

Rectum –

It almost killed him



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Medical Terminology

**Rheumatic –
Amorous**



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Medical Terminology

Seizure – Roman emperor



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Tumor –

An extra pair



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Welcome to



Rogue Valley Medical Center

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During the past year, Rogue Valley Medical Center:

- Performed 574 open-heart surgeries
- Performed 17,553 surgical procedures
- Treated 38,557 patients in the ER
- Served 15,941 inpatients
- Served 322,600 outpatients
- Welcomed 1,549 babies into the world



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RVMC Regional Services

- Only neonatal intensive care unit (NICU)
- Only high-risk OB services
- Only dedicated pediatric unit
- Only IP behavioral health unit
- Nationally ranked cardiac services
- Dubs Cancer Center
- Joint Replacement Center



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Annual Uncompensated Care FY 2010

Bad Debt	\$ 4.5 million
Charity	<u>39.2</u> million
Total Uncompensated	\$43.7 million



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Asante Health System Beyond Healthcare

- Employs nearly 4,000 people
- Largest year-round employer
- Economic benefit
 - local purchases: \$30 million
 - salaries: \$150 million



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Healthcare Trends

The Governance Institute



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1. The Economy: Expect the Worst, Hope for the Best

- Unemployment will remain high
- Demand for healthcare services will remain depressed
- Bad debt will persist or increase
- Charity care will increase



2. Physician – Hospital Alignment

- Patient volume and revenues have fallen and will continue to do so for both
- Healthcare reform will favor primary care
- Hospitals will work closely with specialists as bundled payment structures grow
- Hospitals will continue to employ more physicians



3. Consolidations and Closures

- Opportunities for some hospitals, catastrophe for others
 - acquisitions
 - conversion to alternate use
 - closure
- Market forces will drive consolidations
 - combined resources
 - correction for size based on market need



4. Capital Access and Expenditures

- Access to capital will remain difficult
- Capital expenditures focused on essential profit
 - core business
 - information technology infrastructure
 - revenue generating equipment and services
 - streamlining care processes



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5. Clinical Quality/Patient Outcomes

- Pay-for-performance programs will evolve
 - quality metrics
 - cost
- Value based purchasing
- Increased transparency to public



6. Value

- Patients will have more choices
- Choice will be based on:
 - value
 - benefit design
 - provider network
 - accessibility
 - perceptions of quality



7. Healthcare Reform: Payment and Payor Mix Changes

- Concept to functional policies, programs, regulations
- Implementation will take many years
- Likely majority of providers at Medicare rates
 - 3-5 years
 - Asante receives @ 70% of costs (not charges)
- But really, who knows at this point????



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Crystal Ball Gazing



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In this business, every
crystal ball
is very, very fuzzy.

- Seth Young



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Picture the post-reform health care system:



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Every community has its own integrated organization, where the doctors are employees and efficient team work makes wasted effort a thing of the past.



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Every patient has health insurance, a medical home and an up-to-date electronic health record.



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Or not ...



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Accountable Care Organization (ACO)

- A network of health care providers that band together
- Provides the full continuum of health care services for patients
- Receives a lump sum payment for all care provided to a patient
- Accountable for quality and cost of care



Coordinated Care Organization (CCO)

- Oregon's version of an ACO for Medicaid patients
- Requires a waiver from the federal government
- Likely to be the first state with such a program going into effect July 2012

"The objective here is not to finance and deliver medical care, it's to keep people healthy."

Governor John Kitzhaber



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Bundled Payments

- A form of provider payment
- A provider or hospital receives a single payment for all of the care provided for an episode of illness
- Contrasted with payment per service rendered



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Medical Home

- A health care setting where patients receive comprehensive primary care services
- Directs and coordinates care
- Access to linguistically and culturally appropriate care



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Value-based Purchasing (VBP)

- A system that links payments to improved performance by health care providers
- A portion of the payment is withheld until the end of the year
- The amount the hospital receives back is based on improved performance
- Goes into effect October 1, 2012



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Value-based Purchasing (VBP)

- 70% of the pay back is based on quality measures (core measures)
- 30% of the pay back is based on patient experience (HCAHPS)
- October 2013: adds mortality, 8 hospital acquired conditions, and 9 AHRQ measures



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Value-based Purchasing (VBP) Quality Measures (70%)

- 12 Clinical Quality Measures
- Core Measures
 - AMI
 - Heart Failure
 - Pneumonia
 - Healthcare Associated Infection
 - Surgical Care Improvement (SCIP)



Value-based Purchasing (VBP) Patient Experience (30%)

- Based on Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) questionnaire
- 9 patient experience measures (domains)
 - 1) communication with doctors
 - 2) communication with nurses
 - 3) responsiveness of hospital staff



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Patient Experience (continued)

- 4) pain control
- 5) communication about medicines
- 6) cleanliness of hospital environment
- 7) quietness of hospital environment
- 8) discharge information
- 9) overall care



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The Institute for Healthcare Improvement (IHI) *TRIPLE AIM*

Simultaneous accomplishment of three critical objectives:

- Improve the health of the population;
- Enhance the patient experience of care (including quality, access and reliability); and
- Reduce, or at least control, the per capita cost of care.

Core Competencies Needed to Achieve the Triple Aim

Core competencies are key *operational imperative* areas of focus, where providers must possess specific strategic capabilities.

1. Hospital/Physician Integration and Alignment
2. Efficiency
3. Patient Experience
4. Medical Excellence



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Hospital/Physician Integration and Alignment

Providers must excel at aligning the skills and the interests of physicians and hospitals to improve quality and value for patients.

How will you help your organization excel at hospital/physician integration and alignment within oncology services?



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Efficiency

Providers must excel at maximizing efficiency throughout the health system. They will need to employ quality management systems and other tools to streamline processes and deliver efficient, high-quality patient care.

How will you help your organization excel at maximizing efficiency within oncology services?



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Patient Experience

Providers must excel at providing a patient experience that meets both physical and emotional needs.

How will you help your organization excel at patient experience within oncology services?



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Medical Excellence

Providers must excel at optimizing the use of evidence-based practices and technologies, resulting in superior clinical outcomes in a patient-centered environment.

How will you help your organization excel at medical excellence within oncology services?



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**“If you don’t know where
you are going, any road will
get you there.”**



*Cheshire Cat to Alice
From Lewis Carroll's
Alice in Wonderland*



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**“But I don’t want to go among
mad people” said Alice.**

**“Oh, you can’t help that,” said
the cat. “We’re all mad here.”**

Lewis Carroll



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Questions?