Changing Market Place

- Affordable Care Act
  - Medicare Fee-for Service Cuts – $415 Billion by 2022
  - Accountable Care Organization
  - Healthcare Exchanges, Public and Private
    - Narrow Networks
- Medicare Advantage Growth
- Medicaid Expansion
- High Deductible Health Plans
  - Retail Revolution
    - Healthcare Industry from B2B to B2C (Business to Business - Business to Consumer)
Changing Market Place – Cont.

- Meaningful Use - IT Costs
- Value Based Payment - HHS Targets
  - Alternative Payment Model
    - 30% by 2016
    - 50% by 2018
  - Fee-For-Service Payment Tied to Value
    - 85% by 2016
    - 90% by 2018
- MACRA - Medicare Access and CHIP Reauthorization Act
- Industry Consolidation

“Our Mission is YOUR Health.”
Improving the Health of Populations

--Dr. Don Berwick
CVRMC’s Strategies

- Internal/External Environmental Assessment
- Strategic Planning: *Plan your work – Work your plan.*
- Service Excellence Strategy
- Quality Improvement Strategy
- Community Partnerships
- Growth
- Operating Performance
- Collaboration
- Regional Partnerships

“Quality, Efficiency, Compassion.”
Environmental Assessment

- Hospital Market Data
  - Service Area Definition
  - Demographics
  - Market Share
  - Internal Trends
  - Snapshot of Area Hospitals & Medical Centers

- Future Projections

- Physician Demand

“It’s All About You.”
2014 IP Patient Origin, Market Share & Population

Source: HealthTech, July 2015; iVantage Health Analytics; Note: Normal Newborns Excluded
**Service Line Opportunities** – 2014 PSA and SSA

- **Development Opportunities**
- **CVRMC PSA & SSA Market Share**
- **Build on Strength**

**CVRMC 2014 Market Share**

- **As Resources Allow**
- **Defend and Grow**

Source: HealthTech, July 2015; Stratasan; iVantage Health Analytics
Strategic Planning

• Comprehensive Planning Completed Every 3 Years
• Annual Updates
• Operational Plan – Pushed to Employees
• Quarterly Review with Board of Directors
• Bi-Annual Environmental Assessment
**Partnership Types**

- **Merger or Acquisition** -
  - Formal Purchase or Another Organization

- **Clinically-Integrated Network**
  - Collection of hospitals contracting jointly to improve coordination and outcomes

- **Accountable Care Organizations**
  - Independent entity, owned by one or several independent organizations to accept and share risk and savings

- **Collaboration**
  - Flexible umbrella structure often encompassing many independent organizations of geography that may serve as foundation for further integration

- **Clinical Affiliation**
  - An agreement to cooperate around a particular initiative or service line
Integration Considerations

• Governance – Independence / Local Control
• Mutual Benefit – Win, Win!
• Care Models - Improve quality
• Reduce Costs - Shared infrastructure, process efficiencies
• Cultural Alignment
• Community Benefit
• Branding/Identity
• Set Clear Goals and Expectations
• Payer Contracting
• Clinical IT
• Operations
• Access to Resources
  – Capital
  – Training
  – Clinical tools
  – Expertise
Questions?