

New Hanover County Partnership Advisory Group

Meeting 8

February 6, 2020



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APPROVAL OF MINUTES



RFP NON-DISCLOSURE AGREEMENT LOG

RFP DISTRIBUTION LIST TRACKER

Contacted by Navigant	Declined to Participate	Indicated Potential Interest	Requested NDA	Executed NDA
2 Organizations	11 Organizations	8 Organizations	2 Organizations	9 Organizations
<p>Google</p> <p>WakeMed</p>	<p>Advocate Health Care</p> <p>Carilion Clinic</p> <p>Geisinger</p> <p>Haven</p> <p>Intermountain Healthcare</p> <p>Johns Hopkins Medicine</p> <p>Juniper Advisory</p> <p>Kaiser Permanente</p> <p>Mayo Clinic</p> <p>Universal Health Services (UHS)</p> <p>Virginia Mason</p>	<p>AGRA Capital</p> <p>Ascension Health</p> <p>BlueCross BlueShield of North Carolina</p> <p>Citi on behalf of Vidant Health</p> <p>Cone Health</p> <p>Flagstone Heritage</p> <p>Hospital Acquisition Services</p> <p>Pontus Capital</p>	<p>Cleveland Clinic</p> <p>Sentara Healthcare</p>	<p>Atrium Health</p> <p>Bon Secours Mercy Health</p> <p>Duke Health</p> <p>HCA Healthcare</p> <p>LifePoint Health</p> <p>Novant Health</p> <p>Optum</p> <p>UNC Health Care</p> <p>Trinity Health (MI)</p>



GOVERNANCE RECAP

GOVERNANCE RECAP

CURRENT BARRIERS OR LIMITATIONS IDENTIFIED BY NHRMC BOT

Category	Detail
Diplomatic Hurdles	Board appointment process: <ul style="list-style-type: none"> • Considerations outside of core competencies may be focus for selection • Suggests leadership unreflective of NHRMC’s service area • Limits enforcement of accountability
Growth Outside the County	Investments are limited to within New Hanover County: <ul style="list-style-type: none"> • Creates inability to organically grow throughout the entire service area • Restricts participation in merger and acquisition activity outside the County
Branding Inflexibility	Branding flexibility is limited per current contracts: <ul style="list-style-type: none"> • Prevents alterations to NHRMC “Main Campus” should economic/strategic rationale exist • Limits branding of initiatives outside of the County
Financing Opportunity	Borrowing power restricted to County-issued debt or non-recourse debt: <ul style="list-style-type: none"> • Curtails NHRMC access to capital and ability to make future investments
Investment Limitations	Cash investments limited to highly-rated, highly-liquid securities/investment options: <ul style="list-style-type: none"> • Prevents investments supporting innovative or higher risk initiatives • Reduces ability to effectively respond to newer competition
Scale Limitations	Size and pace of growth is constrained: <ul style="list-style-type: none"> • Challenging to keep pace with industry transformation and expertise required • Unable to achieve fundamental economies of scale needed

GOVERNANCE RECAP

IMPACT OF RESTRUCTURING AS INDEPENDENT

Barriers or Limitations Identified by NHRMC BOT

		Diplomatic Hurdles	Investments Outside of County	Branding Inflexibility	Financing Opportunity	Investment Limitations	Scale Limitations
Organizational Legal Structure	No legal structure change	Appointment process	Limited to only cash and non-recourse debt	Branding alterations difficult	NHRMC Obligated Group, limited debt capacity	Only specific, highly conservative investments	Lacking in Scale
	Create System Parent	More flexible if County allows some self-perpetuation	Partially resolved, but no additional debt capacity	Potential flexibility in branding alterations	More options, but no additional debt capacity	Potentially more options but with restrictions	Not Resolved
	Convert to Hospital Authority	Partially Resolved (self-perpetuation through nominee process)	Partially resolved, but no additional debt capacity	Commissioners must approve authority name change	More options, but no additional debt capacity	Subject to special regulations	Not Resolved
	Convert to Private nonprofit 501(c)(3)	Current appointment process no longer applies	Partially resolved, but no additional debt capacity	Name changes are not restricted	More options, but no additional debt capacity	Not subject to special regulations	Not Resolved

GOVERNANCE RECAP

OPEN DISCUSSION

Summary of Discussion

- Outlined NHRMC/County **current structure**
- Summarized **key industry trends/ challenges**
- Presented **current barriers/ limitations** identified by NHRMC BOT
 - Diplomatic Hurdles
 - Investment Outside of County
 - Branding Inflexibility
 - Financing Opportunity
 - Investment Limitations
 - Scale Limitations
- Reviewed potential **independent, stand-alone** restructuring options
 - SystemCo
 - Hospital Authority
 - 501(c)(3) Community General Hospital (public to private nonprofit)

- Summarized Governance Best Practices
 - **Health System as Operating Company:** Most advanced health systems are functioning as operating companies by standardizing key functions
 - **Board Formation and Competencies:** Board members should be selected based upon competencies, experience and diversity targets
 - **Board Accountability:** Boards should maintain the ability to set and enforce participation guidelines
- Presented **range of partnership options** and implications on **governance and control**
 - Specific Purpose Contractual Relationships
 - Specific Purpose Joint Ventures
 - Enterprise-Wide Transaction Structures

GOVERNANCE RECAP

KEY PERFORMANCE ELEMENTS CONSIDERATIONS

The PAG identified the following KPE considerations during meeting 7:

- Preserve local representation in NHRMC governance
- Flexibility in legal structure to address identified barriers and limitations
- Achieve governance best practices
- Refined appointment process for addressing political impact & optimizing board competencies



NHRMC STRATEGIC DIRECTION RECAP

NHRMC STRATEGIC DIRECTION RECAP

NHRMC MISSION, VISION, AND VALUES

Our Mission...

Leading Our Community to Outstanding Health

Vision for the Future...

NHRMC is an industry leader in a new era of healthcare delivery. Our thriving community serves as a national model of achieving excellence for all. We are committed to:

- *Fostering a culture of transformation through empowerment, innovation, and inclusivity.*
- *Delivering exceptional quality, affordability, and personalized experiences throughout the wellness continuum.*
- *Advancing health and vitality for all through a community integrated model of collaboration.*
- *Cultivating a diverse and extraordinary workforce dedicated to our mission.*

And Values...

Ownership, Teamwork, Communication, Compassion

NHRMC STRATEGIC DIRECTION RECAP

NHRMC STRATEGIC PLAN

Plan on a Page

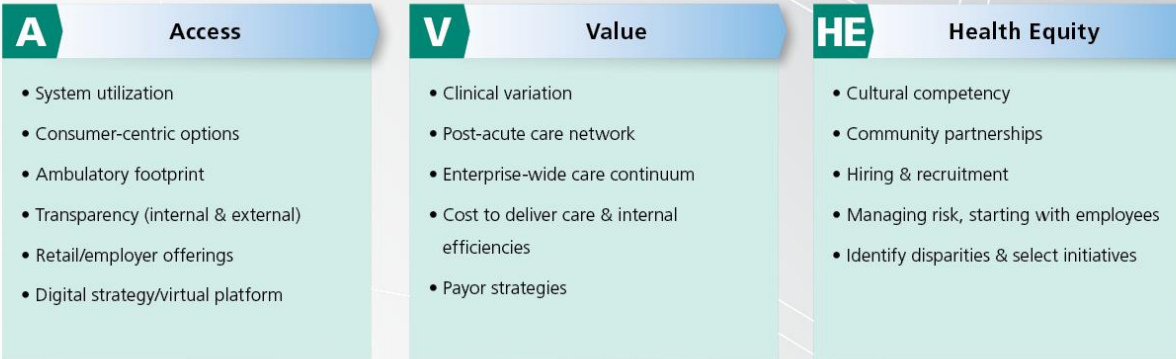
Over the next five years our success will be measured by the following:

SUCCESS MEASURES



We want to excel and distinguish ourselves in the following:

FOCUS AREAS



STRATEGIC INITIATIVES

We will prioritize the following elements across all areas:

SERVICE & OPERATIONAL EXCELLENCE



Leading Our Community to Outstanding Health



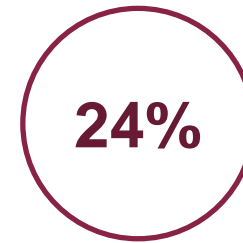
NHRMC STRATEGIC DIRECTION RECAP

GROWING & AGING POPULATION

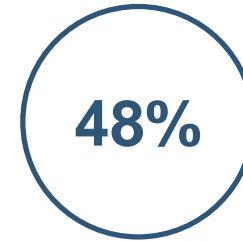
Historical Market Population Growth (2010-2018)

	Population (% Change)	Over age 65 (% Change)
New Hanover County	14.6%	17.7%
Pender County	19.1%	18.0%
Brunswick County	27.3%	31.5%
North Carolina	8.9%	16.3%

Projected Market Growth Projections (2017-2030)



INPATIENT



OUTPATIENT



**EMERGENCY
DEPARTMENT**

NHRMC STRATEGIC DIRECTION RECAP

VOLUME DEMANDS

Average Occupancy Rate By Unit

	FY14	FY19	Ppt. Change FY14-FY19
Adult Surgery (2)	85.1%	95.4%	10.3%
Nephrology (3)	88.8%	95.7%	6.9%
Neuro/Surgery (4)	85.6%	94.7%	9.1%
Medical (5)	92.1%	95.1%	3.0%
Hospitalists (6)	94.3%	91.3%	(-3.0%)
PCU/Stoke (7)	89.5%	91.7%	2.3%
Cardiac Med Tele (8)	84.8%	95.1%	10.3%
Cardiac Med/Surg Tele (9)	74.5%	90.5%	16.0%
Pulmonology/Oncology (10)	88.6%	89.9%	1.3%



Case Mix Index
Increased 10.3%
5 years



Average Length of Stay
Increased 7.8%
5 years

**Average Occupancy
North Carolina Urban Hospitals 67%**

NHRMC STRATEGIC DIRECTION RECAP

“DAY IN THE LIFE”

A Typical Day in NHRMC System:

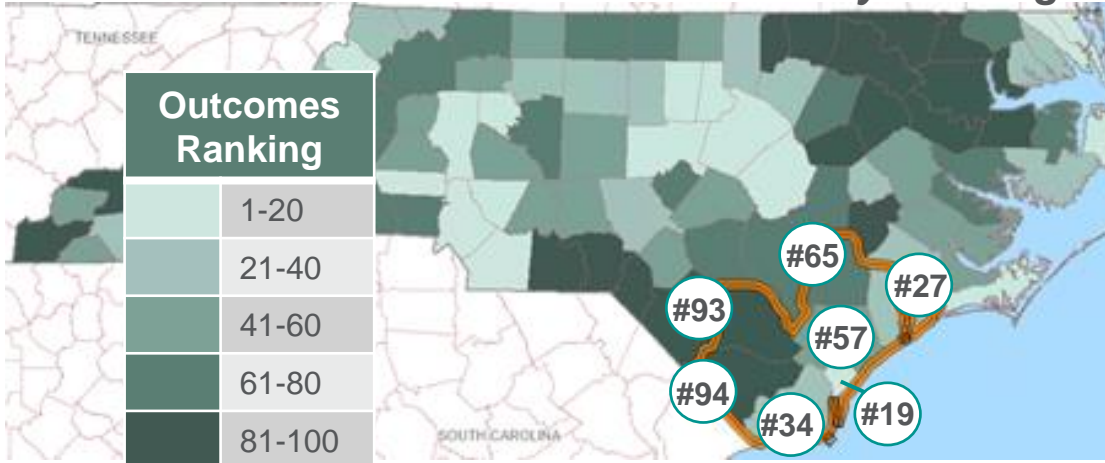
- 112 patients will be admitted
- 411 patients will visit our emergency departments
- 117 patients will have surgery
- 12 babies will be born
- 121 patients will be transported by AirLink/VitaLink/EMS
- 353 patients will receive cancer treatment
- 1,782 patients will visit NHRMC Physician Group practices
- \$3.17 million will be spent on running the hospital
- \$1.42 million will be paid to employees
- \$627,123 worth of free care will be provided to those who can't pay

\$0 tax dollars will be paid by taxpayers for this service

NHRMC STRATEGIC DIRECTION RECAP

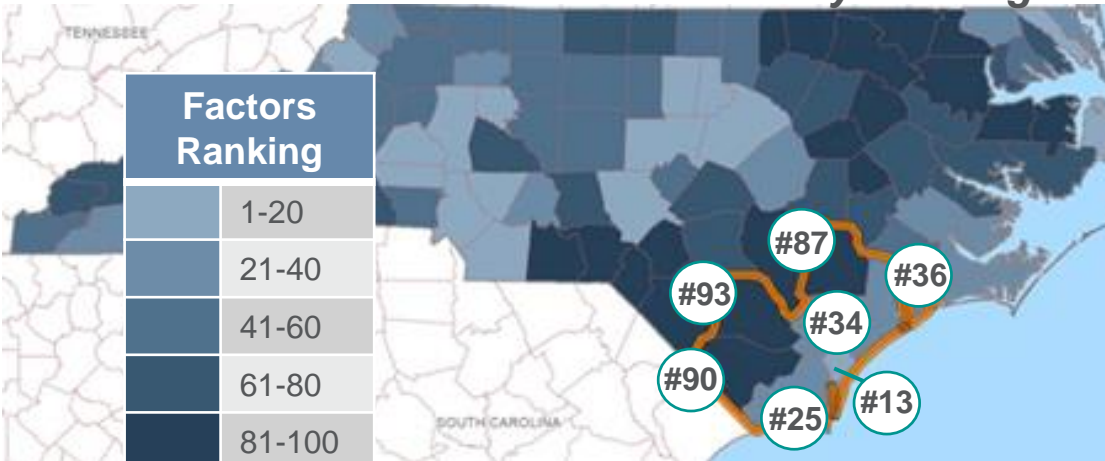
COMMUNITY HEALTH STATUS AND HEALTH NEEDS

North Carolina Health Outcomes County Ranking



- North Carolina is ranked 36 of 50 states in America's Health Rankings 2019 Report
- Within North Carolina, NHRMC's service area varies in health outcomes and factors with **portions of the service area performing in the bottom 20th percentile of the state**

North Carolina Health Factors County Ranking



- While there are varying levels of performance throughout the service area, there are specific health indicators that present risk for NHRMC's patient population, including **severe housing problems and limited access to healthy food**

Source: County Health Rankings & Roadmap, America's Health Rankings, Healthy North Carolina 2030



DISCUSSION OF NHRMC STRATEGIC NEEDS

STRATEGIC NEEDS METHODOLOGY

- The following pages detail strategic needs material to the future success of New Hanover Regional Medical Center
- Strategic needs include:
 - **Significant operational needs** required to effectively run the organization today and in the foreseeable future
 - **Programs that would advance the mission** and the population health aspects of the strategic plan
 - **Significant strategic investments** needed to pursue relevant growth opportunities and protect our core business
 - **Scaling health system infrastructure** to anticipate serving as the health system of choice for and meet the growing healthcare demands of the 7-county service area

STRATEGIC NEEDS

IMPLEMENTATION COMPLEXITY AND INVESTMENT

Strategic needs vary in complexity and investment required. The below scales seek to categorize the lift associated with addressing each strategic need.

Implementation Complexity



Moderately Complex

- Components of program are beginning to be put in place
- Can be addressed in near-term following investment (12-24 months)

Highly Complex

- Represents a new program, venture, business process, or clinical service not existing today
- Likely to require hiring outside experts or finding strategic partners
- Requires 3+ years

Financial Demand



Limited Financial Demand

- Low to moderate capital investment needed
- Moderate additional operating expenses
- Moderate risk exposure

Significant Financial Demand

- High capital investment needed
- High additional operating expenses
- High risk exposure

STRATEGIC NEED

EXPANSION AND RECONFIGURATION OF ACUTE CARE FACILITIES

Expansion and Reconfiguration of Acute Care Facilities



Current Challenge	Strategic Need	Targeted Goal
<p>Current bed occupancy at NHRMC Main Campus is above 90% and growth in over-65 population (~18% over 5-years) is expected to drive additional growth and complexity. Capacity and configuration is not sufficient to handle expected growth in volume and complexity (historical 5-year CMI growth of 10.3%) even with expected shift of volumes from inpatient to outpatient setting (e.g., 14% decline in Medicare inpatient utilization)</p>	<ul style="list-style-type: none"> Main Campus expansion and investment in other locations to increase capacity and accommodate 24% projected growth in inpatient volume by 2030 Service distribution initiative to relocate services from the Main Campus to other acute care facilities and outpatient locations and/or leverage digital solutions where possible 	<p>Build additional acute care capacity at the Main Campus in order to ensure that it remains a modern, accessible acute care campus, and distribute certain services throughout the service area to meet population needs more effectively</p>
<p>Industry Trends</p> <ul style="list-style-type: none"> Reconfiguring facilities to support lowest cost site of care is a strategic need across the industry, but few systems will need to simultaneously address reconfiguration with demand for increased capacity NHRMC will need to pursue a series of investments similar to the single example on the right 		<p>Industry Example</p> <p>Situation: 300+ bed medical center experienced substantial capacity constraints on its main campus</p> <p>Solution: Recommendations were developed to expand outpatient campus to incorporate a specialty hospital of +30 beds, +5 ORs and +30-bay PACU</p> <p>Implementation: 22-month project with expected ~\$55 million in investments</p>

Source: Navigant Client and Subject Matter Expert Experience

STRATEGIC NEED

AMBULATORY NETWORK DEVELOPMENT

Ambulatory Network Development



Current Challenge	Strategic Need	Targeted Goal
<p>Health system is not configured for value-based care: footprint is largely constrained to New Hanover County and presence within County is concentrated at Main Campus. Additionally, NHRMC must accommodate expected growth of 48% in outpatient volumes by 2030 and offer patients convenient, affordable care options</p>	<ul style="list-style-type: none"> • New ambulatory locations across the seven county service area to meet patient demand and accommodate service distribution from inpatient to outpatient setting: <ul style="list-style-type: none"> • Additional primary care sites • Scotts Hill Medical Campus expansion • Central medical office buildings to consolidate specialists • Additional emergency department site • Other varying levels of ambulatory care service locations 	<p>Offer 24/7 access, expand access points in areas expecting major growth, and create a regional network within which to direct and coordinate care</p>

Industry Trends

- Health systems are developing ambulatory strategies to increase access, meet patient preferences, and lower cost of care
- Health system revenues have continued to shift towards a greater balance between sites of care from **30% outpatient and 70% inpatient revenue split in 1995** to a **48% outpatient and 52% inpatient revenue split in 2017**. Additionally, the median volume of **outpatient surgeries conducted by non-profit health systems has grown by ~18% over the past 5-years (2014-2018)**

STRATEGIC NEED

EVIDENCED-BASED PROTOCOLS

Evidenced-Based Protocols



Current Challenge	Strategic Need	Targeted Goal
<p>Accelerating efforts to reduce clinical variation and standardize care delivery requires a robust clinical transformation program backed by data systems and additional expertise. NHRMC program build time expected to be 3+ years</p>	<ul style="list-style-type: none"> • Additional physician and other leaders with expertise in clinical transformation • Development of new clinical guidelines for both inpatient and outpatient settings • Tech-enablement of adherence (i.e., EMR programming) to streamline workflows • Investment in analytics to track adherence • Strategy to engage providers in the development, deployment and adherence to guidelines 	<p>Reduce clinical variation and increase adherence to standard care pathways to improve outcomes and reduce cost to treat while maintaining personalized and individualized care and service</p>

Industry Trends

- Waste accounts for an estimated 25% of total health care spending.
- +50% of this waste is due to care variation, including failures of care coordination, failures of care delivery, overtreatment or low-value care and pricing failure

Industry Example



Uniform process for treating stroke and sepsis results in \$800,000 in cost savings and revenue in one quarter

- Multidisciplinary care team codeveloped standards of care and streamlined protocols. Data analysts and quality outcomes specialists supported provider leaders

Source: JAMA; Modern Healthcare

STRATEGIC NEED

CARE COORDINATION ACROSS THE CONTINUUM

Care Coordination Across the Continuum



Current Challenge	Strategic Need	Targeted Goal
<p>New value-based payment models are structured on ability to manage care and expenses for services across the continuum including preventative health management and post acute transitions of care. Current system is fragmented and coordination across the continuum is limited</p>	<ul style="list-style-type: none"> • Analytics to identify quality gaps, high-utilizers, chronic conditions, transitions of care needs • Care management programs to address needs (e.g., chronic condition case management, transitions of care, medication adherence) • EMR interoperability to support care coordination and communication among providers • Preferred, integrated network of skilled nursing facility partners and other long-term care providers to provide timely, coordinated transitions of care 	<p>Coordinate with providers throughout the continuum to ensure adherence to preventative services, management of chronic conditions, and effective transitions of care to improve care and lower costs</p>

Industry Example

Northwestern Medicine (NM) has developed a three tier post-acute preferred network



- **Connected Level:** Focus on excellent care, patient care transitions and communication between sites of care
- **Preferred Level:** Connected Level + commitment to collaboration through education, training & technology
- **Preferred Plus Level:** Preferred Level + developing new programs with Northwestern Medicine

STRATEGIC NEED

ACO AND HEALTH PLAN DEVELOPMENT

Accountable Care Organization (ACO) and Health Plan Development



Current Challenge	Strategic Need	Targeted Goal
<p>NHRMC launched Medicare Shared Savings Program ACO (19k lives) and Medicare Advantage; Processes to manage population are largely manual and network of participating providers is limited. Transition to value-based care was limited in North Carolina, but recent risk-based contracts with Medicare, Medicaid and BlueCross require NHRMC to accelerate program development</p>	<ul style="list-style-type: none"> • ACO and value-based contracting functional support areas including care management, coding, quality improvement, and provider engagement departments • Population health management platform to automate processes and support new functional areas • Expanded network of providers to meet network adequacy throughout the service area • Leadership with expertise in health plan operations • Data aggregation system to analyze claims, EMR and other data sources • Growth in covered lives to support investment in ACO and Health Plan Development and spread risk over a larger population 	<p>Develop risk-sharing arrangements across payers (commercial/direct to employer, Medicaid) to serve patients across all seven counties. Covered lives goal: grow to 100k+ over 3 years</p>

Industry Example

Henry Ford Health Signs Direct Contract with General Motors



- 5-year contract covers health services for +20,000 General Motors employees and dependents in Southeastern Michigan
- Agreement sets an annual financial budget for the provision of health services and includes quality, cost and utilization targets that Henry Ford must adhere to

Source: Crain's Detroit

STRATEGIC NEED

INTEGRATED, REGIONAL HEALTH SYSTEM

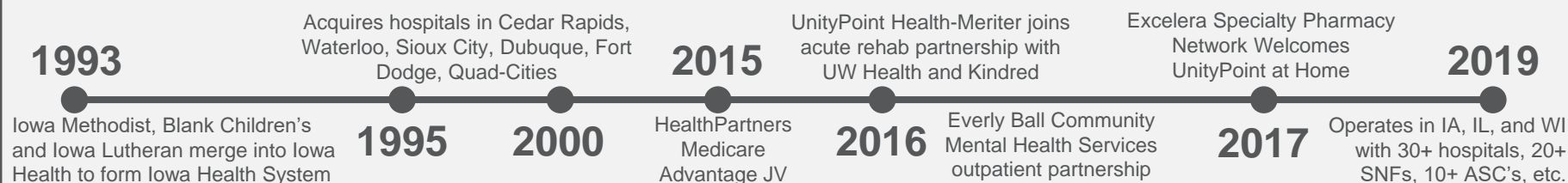
Integrated, Regional Health System



Current Challenge	Strategic Need	Targeted Goal
<p>NHRMC is constrained in its ability to pursue partnerships outside of New Hanover County. These partnerships are required to grow NHRMC as a regional, integrated health system that can offer coordinated care closer to home and drive improvements in health status and outcomes across the seven county service area</p>	<ul style="list-style-type: none"> Partnerships with acute care hospitals, specialty hospitals, SNFs, LTAC, ASCs, medical groups, and other traditional healthcare providers through acquisition or joint venture Joint ventures with non-traditional healthcare providers to drive innovation and create higher margin / higher growth revenue streams to help offset expected losses as reimbursement for other services decline Expertise and capabilities to optimize strategic partnerships 	<p>Transition and grow health service operations in order to create a regional network, to improve access and coordinate care throughout the service area</p>

Industry Example

UnityPoint Health developed into an integrated system covering 11 markets over the past 30 years



*represents select examples to be illustrative rather than a comprehensive list of all UnityPoint M&A and organic development

Source: UnityPoint Website, Definitive Healthcare

STRATEGIC NEED TRANSPARENCY

Transparency



Current Challenge	Strategic Need	Targeted Goal
<p>Patients and providers require access to price and quality data. NHRMC transparency efforts include publicly available charge-master and internal cost/quality application. Complexity and volume of disparate services and differences in contracts and benefit design across payers presents challenges</p>	<ul style="list-style-type: none"> • Expertise in data management to accurately report expected cost for all services across all payers • Cost and quality data integrated with existing consumer-facing technology • Programming to make cost and outcome data available to providers at time of consult • Education and support programs to assist patients in making informed medical decisions 	<p>Empower providers and patients with relevant cost and outcomes-related data to inform medical decision-making</p>

Industry Example

Baylor Scott & White implements automated pricing tool helping patients accurately estimate costs



- Costs are projected based on procedure, insurance, demographics, potential deductible obligations and expected authorized amounts from insurance

STRATEGIC NEED

FULL-SCALE HEALTH EQUITY PROGRAM

Full-Scale Health Equity Program



Current Challenge	Strategic Need	Targeted Goal
<p>NHRMC existing health equity program is limited in scale and funding. Minimal use of data to identify opportunities and measure effectiveness of programs. NHRMC seeks to address regional challenges (i.e., New Hanover County among bottom performers in state on Affordable Housing and Access to Healthy Food)</p>	<ul style="list-style-type: none"> • Expertise in health equity to design full-scale, community-based programs, develop a funding strategy, and demonstrate expected impact • Data analytics to identify disparities in health outcomes by patient origin, ethnicity, socio-economic status to launch targeted initiatives • Dedicated resources to engage community partners to co-develop full-scale programs • Additional diversity training to equip staff and providers with knowledge to support health equity 	<p>Launch full-scale health equity program to develop community partnerships, address social determinants of health and reduce health disparities. As NHRMC takes on clinical and financial risk among populations, the program must broaden its offerings in order to minimize disparities in health outcomes</p>

Industry Example

Anne Arundel Medical Center (AAMC) – wins AHA’s Carolyn Boone Lewis Equity of Care Award



- Formed the Health Equity Task Force (HETF), a 22-person board to focus on Health Disparities, Culture of Inclusion and Diversity, and Stepping Into the Community
- “Partnerships are central to our mission of enhancing the health of the people we serve”
Partnerships and initiatives include: accurate collection of race, ethnicity and language data to identify disparities; new nonprofit organization to address issues related to racism and discrimination; a non-traditional primary care clinic within a senior apartment complex

Source: Institute for Diversity and Health Equity, Anne Arundel Community Benefit Report

STRATEGIC NEED

AVOIDING STAFF SHORTAGES

Avoiding Staff Shortages



Current Challenge	Strategic Need	Targeted Goal
<p>Like the rest of the healthcare industry, NHRMC will continue to combat shortages in nurses, nurse assistants, healthcare technicians, therapists, etc. Expected population growth and corresponding rise in demand for healthcare services will require NHRMC to grow staff despite industry-wide shortages. Historically, NHRMC grew from just under 4,000 employees to ~7,000 over the past 15 years</p>	<ul style="list-style-type: none"> • Youth engagement through community partnerships and programs to develop healthcare workers • Further development of talent pipeline through partnerships with educational institutions • Differentiated value proposition across compensation, benefits, professional development and work environment 	<p>Retain existing staff and successfully recruit new talent to ensure adequate staffing as rapid pace of growth continues</p>

Industry Example

Catholic Health (Buffalo, NY) and D'Youville College's Health Professions Hub

- Secured a \$5 million grant for the development of a Health Professions Hub to offer learning opportunities for high school, undergraduate, and graduate students

Atlantic Health System (NJ) boasts 91% retention and falls on Fortune's Best Companies to Work For

- Sited a key to success as competitive benefits which include on-site child care, financial incentives for healthy living, tuition reimbursement and career coaching


Source: CHA Website, Becker's Hospital Review

STRATEGIC NEED

DEVELOPING AND RECRUITING TALENT AND EXPERTISE

Developing and Recruiting Talent and Expertise

Implementation Complexity: 

Financial Demand: 

Current Challenge	Strategic Need	Targeted Goal
<p>To ensure clinician representation at all levels and keep pace with new business models and functions in healthcare, additional expertise is needed</p>	<ul style="list-style-type: none"> Recruitment and retention efforts to identify and attract staff with new expertise and competencies outside of traditional healthcare services Formal and informal provider leadership training, development and mentorship programs to develop provider leaders 	<p>Recruit talent to successfully expand into new services and develop provider leaders</p>

Industry Trends

- Health systems are increasingly launching formal provider and staff leadership programs to develop talent within their organizations. The most advanced programs are partnerships with local universities to leverage outside expertise in business and healthcare management
- Successful programs will link formal education with opportunities to lead initiatives within the health system both during and after completion of the program

STRATEGIC NEED

PROVIDER NEEDS

Provider Needs



Current Challenge	Strategic Need	Targeted Goal
<p>Recent provider needs assessment identified provider recruitment target of at least 90 FTEs based on existing gaps, expected market growth, and succession planning</p>	<ul style="list-style-type: none"> To meet community needs, recruitment of additional providers is required: PCP need (20+), Medical Specialist (30+), Surgical Specialist (15+), and Pediatric Specialist (20+) Develop an advanced practice provider strategy to achieve a balanced model Further develop value proposition to attract and retain providers <ul style="list-style-type: none"> Engage providers through leadership development programs Invest in technology to ease day-to-day operations Identify and deploy additional strategies to support resiliency 	<p>Innovations in provider workflow and deployment of advanced practice providers ensures all providers practice at top of license to meet community needs</p>

Industry Example

Mayo Clinic Reduces Physician Burnout by 7% at the same time the national rate increased 11%



Established Program on Physician Well-Being that leads research studies to improve physician well-being:

- Trains new leaders and re-trains leaders never taught skills needed to engage healthcare employees
- Enrolled 1,800+ physicians and scientists in Colleagues Meeting to Promote and Sustain Satisfaction (COMPASS) group meetings to encourage collegiality, shared experience, connectedness, mutual support

Source: American Association for Physician Leadership, American Medical Association, Mayo Clinic Website

STRATEGIC NEED

PARTNERSHIPS FOR HIGHLY-SPECIALIZED SERVICES

Partnerships for Highly-Specialized Services



Current Challenge	Strategic Need	Targeted Goal
<p>Service area population will not support certain highly-specialized services. No current partnership to ensure patient access and coordination</p>	<ul style="list-style-type: none"> Partnerships to provide access to some highly-specialized services (e.g., burns, transplants, highly-specialized pediatrics, etc.) and participation in research trials for rare complex diseases not available within service area Programs to coordinate care that ensure patient records and treatment plan communication with partner 	<p>Patients have timely access to highly-specialized services and care leaving the service area is coordinated with preferred partner</p>

Industry Example

Lafayette General Health (745 Beds) and Ochsner open pediatric subspecialty clinic JV (2017)



- Pediatric specialties planned to be incorporated: cardiology, plastic surgery, gastroenterology and neurology
- Patients and their parents will be able to self-refer to the clinic, and local pediatricians will have the benefit of referring their patients to a pediatric program that is nationally recognized in subspecialty care

STRATEGIC NEED

ENGAGING INDEPENDENT PROVIDERS

Engaging Independent Providers



Current Challenge	Strategic Need	Targeted Goal
<p>Independent providers are an integral part of the community's care team. To support community providers and perform on new value-based payments (e.g., bundles, quality measures) NHRMC must continue and further partnerships with independent providers</p>	<ul style="list-style-type: none"> • Closely aligning with independent medical staff in order to ensure there is a healthy and vibrant group of non-NHRMC employed providers • Operational services (GPO, technical support, etc.) to support independent providers • Development of and ability to track adherence to performance incentive measures for providers in ACO or health plan network 	<p>Continue and expand programs to align with independent medical staff, including joint ventures, service line management, and practice management and support services, as well as stepping-up efforts to recruit independent providers to the Service Area</p>

Industry Trends

Health systems in a market with a high proportion of independent providers have successfully engaged independent providers as an integral part of the care team by working with them to streamline interactions

- Large scale deployment of EMR connectivity and EMR best practice and record completion trainings
- Implement block scheduling to accommodate independent providers and create easy access to operating rooms
- Develop independent physician councils to enable communication channels to talk through pain points

STRATEGIC NEED

CONSUMER-FRIENDLY TECHNOLOGY

Consumer-Friendly Technology



Current Challenge	Strategic Need	Targeted Goal
<p>Current consumer engagement in existing platforms is limited (online portal, telemedicine, app, etc.) and new technology is needed to further leverage connected health</p>	<ul style="list-style-type: none"> • On-demand urgent care e-visits available to new and existing patients • Increase functionality of NHRMC app (i.e., personalization, health data collection, etc.) • Further develop telemonitoring capabilities through growth in existing program and partnerships with retail and other conveniently located access points • Identification & understanding of consumer needs and preferences • Retail-like patient experience, including advancements in scheduling, billing and communication 	<p>Provide patient access, support adherence and engagement, and monitor patient health through technology to offer a frictionless experience and improve patient outcomes</p>

Industry Example

Intermountain Healthcare Implements VisitPay to Transform Patient Financial Experience



Intermountain-VisitPay Partnership began in 2014 and the patient-facing payment portal went live in 2017

- Over **130,000 users** have registered to use the VisitPay platform
- The health system has watched **patient satisfaction grow to almost 90%**
- Intermountain Healthcare has **enjoyed a 29% yield lift (bottom line)** since implementing VisitPay

Source: VisitPay Website, Becker's Hospital Review

STRATEGIC NEED

TELEMEDICINE ADOPTION


Telemedicine Adoption



Current Challenge	Strategic Need	Targeted Goal
<p>NHRMC recently deployed limited telemedicine capabilities and uptake is minimal (primary care visits <500, disease specific pilot programs) and not all telemedicine services are reimbursed under current contracts</p>	<ul style="list-style-type: none"> • Education and engagement strategy for patients and providers to accelerate adoption • Processes and protocols to integrate telemedicine into patient care processes • Additional programs to offer a broader range of services to a larger patient population • Expertise in telemedicine contracting and coding to ensure reimbursement for services not reimbursed through current contracts 	<p>Leverage telemedicine as key component of larger access strategy to improve convenience, engagement, access, and, ultimately, overall health outcomes</p>

Industry Example

Mercy Health (MO) develops world's first facility dedicated to Telehealth with four stories including:

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- **vICU:** Monitors patients' vital signs and provides second set of eyes to bedside caregivers in 30 ICUs in five states
 - **vStroke:** Stroke cases can be seen immediately by a neurologist via a two-way audio and video connection
 - **vHospitalists:** Orders needed tests or reads results, resulting in quicker care
 - **vEngagement:** Reduces the patients' need for hospitalization and helps them live independently longer
 - Also designed to be a workspace for developing innovations in patient care, training and product testing

STRATEGIC NEED TECHNOLOGY PLATFORM

Technology Platform



Current Challenge	Strategic Need	Targeted Goal
<p>Despite significant investment of \$750 million in capital investment and operating expenses over the past 10 years, current technology platform is not sufficient to support today's health system given increasing role and importance of analytics and technology in healthcare delivery</p>	<ul style="list-style-type: none"> • Analytics to support care coordination, ACO / health plan, clinical transformation, transparency and continuous improvement • Centralized scheduling platform to improve patient access and convenience • Improved decision-making and enterprise strategic planning informed by analytics • Enhanced cybersecurity efforts to protect the organization from data breaches and extortion 	<p>Deploy advanced technology platform to support an integrated, regional health system and improve outcomes and health status across the service area</p>

Industry Example

Geisinger integrates EHR data with other sources (satisfaction surveys, wellness apps, etc.)



- Geisinger's **Unified Data Architecture** (enterprise-wide analytic structure that enables break down of big data) results are applied to practical, point-of-care issues.

STRATEGIC NEEDS

SUM OF STRATEGIC NEEDS

The combined implementation complexity and financial demand of all strategic needs inhibits NHRMC's ability to optimally address each of these demands at the required pace

Strategic Need	Implementation Complexity	Financial Demand
Expansion & Reconfiguration of Facilities	Progress indicator: 3/4	Progress indicator: 4/4
Ambulatory Network Development	Progress indicator: 3/4	Progress indicator: 4/4
Evidenced-Based Protocols	Progress indicator: 3/4	Progress indicator: 2/4
Care Coordination Across the Continuum	Progress indicator: 3/4	Progress indicator: 2/4
ACO and Health Plan Development	Progress indicator: 4/4	Progress indicator: 4/4
Integrated, Regional Health System	Progress indicator: 2/4	Progress indicator: 2/4
Transparency	Progress indicator: 1/4	Progress indicator: 1/4
Full-Scale Health Equity Program	Progress indicator: 2/4	Progress indicator: 2/4
Avoiding Staff Shortages	Progress indicator: 2/4	Progress indicator: 2/4
Developing & Recruiting Talent & Expertise	Progress indicator: 1/4	Progress indicator: 1/4
Provider Needs	Progress indicator: 2/4	Progress indicator: 2/4
Partnerships for Highly-Specialized Services	Progress indicator: 1/4	Progress indicator: 0/4
Engaging Independent Providers	Progress indicator: 3/4	Progress indicator: 1/4
Consumer-Friendly Technology	Progress indicator: 2/4	Progress indicator: 2/4
Telemedicine Adoption	Progress indicator: 2/4	Progress indicator: 1/4
Technology Platform	Progress indicator: 2/4	Progress indicator: 2/4

STRATEGIC NEEDS

LINK TO GOALS & OBJECTIVES (1/3)

Addressing NHRMC strategic needs are foundational to achieving the Goals & Objectives

Goals & Objectives	Strategic Need
<p>1. Improving Access to Care and Wellness</p>	<p>Expansion & Reconfiguration of Facilities; Ambulatory Network Development; Care Coordination Across the Continuum; Integrated, Regional Health System; Partnerships for Highly-Specialized Services; Consumer-Friendly Technology; Telemedicine Adoption</p>
<p>2. Advancing the Value of the Care</p>	<p>Expansion & Reconfiguration of Facilities; Ambulatory Network Development; Evidenced-Based Protocols; Care Coordination Across the Continuum; ACO and Health Plan Development; Transparency; Partnerships for Highly-Specialized Services; Telemedicine Adoption; Technology Platform</p>
<p>3. Achieving Health Equity</p>	<p>Full-Scale Health Equity Program</p>

STRATEGIC NEEDS

LINK TO GOALS & OBJECTIVES (2/3)

Addressing NHRMC strategic needs are foundational to achieving the Goals & Objectives

Goals & Objectives	Strategic Need
4. Supporting our Staff	Full-Scale Health Equity Program; Avoiding Staff Shortages; Developing & Recruiting Talent & Expertise
5. Partnering with Providers	Developing & Recruiting Talent & Expertise; Provider Needs; Engaging Independent Providers; Technology Platform
6. Driving Quality Care Throughout the Continuum	Care Coordination Across the Continuum; ACO and Health Plan Development; Technology Platform
7. Growing the Level and Scope of Care	Expansion & Reconfiguration of Facilities; Evidenced-Based Protocols; Partnerships for Highly-Specialized Services; Telemedicine Adoption

STRATEGIC NEEDS

LINK TO GOALS & OBJECTIVES (3/3)

Addressing NHRMC strategic needs are foundational to achieving the Goals & Objectives

Guiding Principle	Strategic Need
8. Investing to Ensure the Long-Term Financial Security	Expansion & Reconfiguration of Facilities; Ambulatory Network Development; Integrated, Regional Health System; Technology Platform
9. Strategic Positioning	Expansion & Reconfiguration of Facilities; Ambulatory Network Development; ACO and Health Plan Development; Integrated, Regional Health System
10. Governance	<i>Described in Governance Barriers and Limitations</i>



MEETING FLOW AND NEXT STEPS

MEETING FLOW AND NEXT STEPS

RECAP OF STRATEGIC NEEDS

PAG Support Team suggests introducing topics in one meeting and recapping the discussion in the subsequent meeting:

Meeting #7; 1/23/2020

Governance & Organizational Models

Meeting Topics

1. NHRMC County Ownership and Current Governance Overview
2. Governance Best Practices
3. Evaluation of Potential Governance Structures and Organizational Models
4. **Open Discussion: Governance KPE Considerations**

Meeting #8; 2/6/2020

Identification of Strategic Gaps

Meeting Topics

1. **Governance Recap**
2. Strategic Direction Recap
3. Gap Analysis to Strategic Plan and Prospects of Closing Gaps through Strategic Options
4. **Open Discussion: Strategic Needs KPE Considerations**

Meeting #9; 2/20/2020

Long-Range Financial Plan

Meeting Topics

1. **Strategic Needs Recap**
2. NHRMC Long-Range Financial Plan and Capital Needs
3. Sources for Financing Future Capital Needs
4. Option to Remain Independent and Related Effect on County and Tax Payers
5. **Open Discussion: Long-Range Financial Plan KPE Considerations**

Meeting #10; 3/5/2020

NHRMC Strategic Outlook

Meeting Topics

1. **Long-Range Financial Plan Recap**
2. NHRMC Strategic Outlook
 - a) Vision for an Independent NHRMC
 - b) Major Gaps to Address
3. Expected Impact of Partnership
4. **Finalization of Key Proposal Elements for Inclusion in any Go-Forward Recommendation**

The Open Discussion and Recap sessions will inform the draft Key Proposal Elements to be shared with the PAG for review and finalization

OPEN DISCUSSION





CLOSING REMARKS

Thank You