



NATIONAL
RURAL HEALTH
RESOURCE CENTER

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Keeping Rural Hospitals Afloat in a Sea of Change



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US Health Outcomes

- Highest cost
- Lowest quality
- Most limited access
- Highest rate of chronic illness
- Shortest life expectancy





Why the US is Different

High cost

- Lower percent paid by government
- More complex care provided
- High administrative costs
- Limited negotiation of prices
- More specialists
- Payment for volume





Why the US is Different

Social/Political

- US more distrustful of government
- Reluctance to achieve equal outcomes
- Diverse population
- Political divisiveness
- Special interest influence



System Design

“Every system is perfectly designed to produce the outcomes it was designed to achieve”

- Peter Senge





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Current Health Care Business Model is Based on Volume

The more you do,
the more money
you make





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Future Health Care Business Model Based on Patient Value

Quality + Service

Cost

= Patient Value





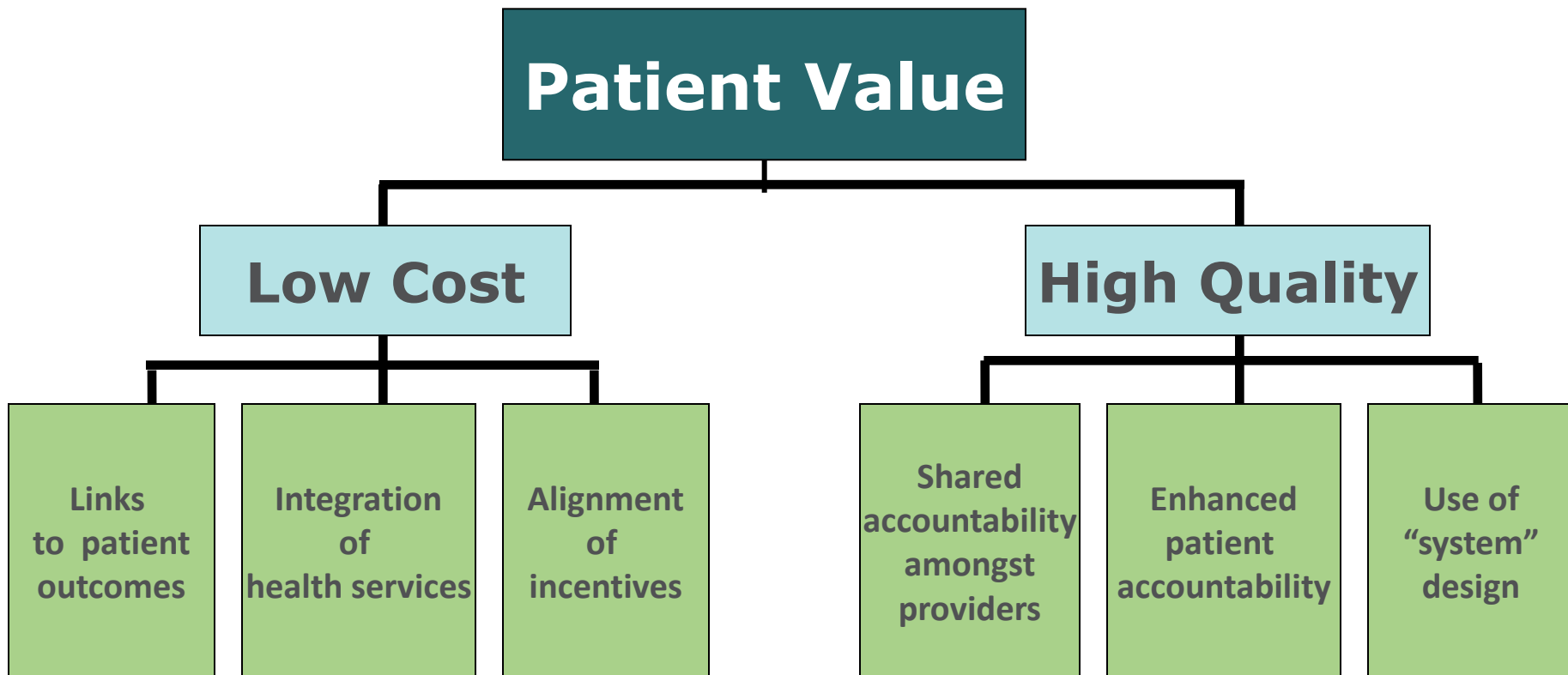
Patient Value = Triple Aim

- Better health
- Better care
- Lower cost





Drivers of a Patient-Value Health System





Federal Programs to Support Patient Value

- ACOs
- MBQIP
- Community health needs assessments
- Value-based purchasing
- Medicare shared savings
- Electronic health records

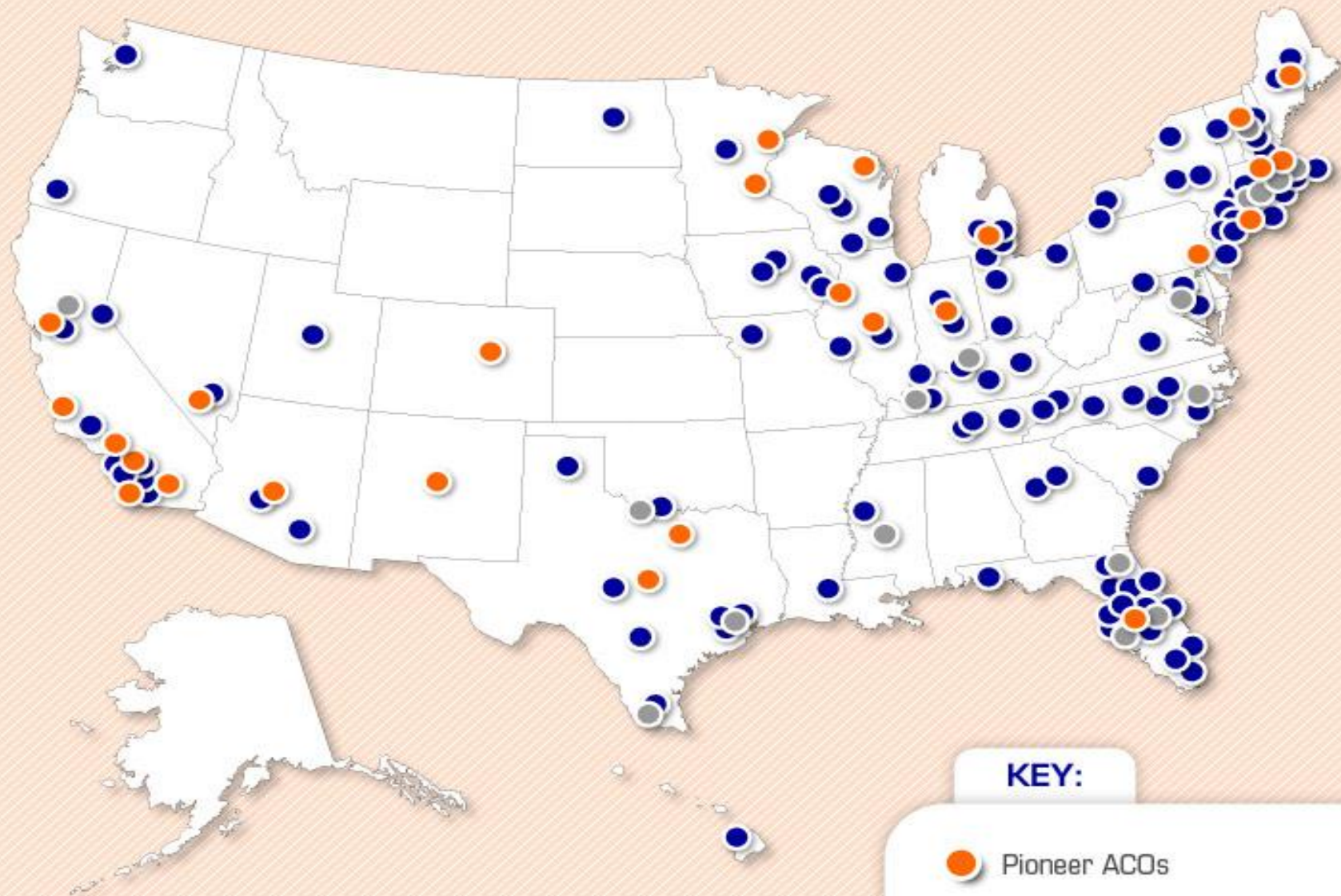




Accountable Care Organizations (ACOs)

- ACOs get paid for managing groups of Medicare patients
- Share savings with CMS
- Revenue centers become cost centers
- Incentives to keep people healthy

MAP: 2012 MEDICARE ACCOUNTABLE CARE ORGANIZATIONS



KEY:

-  Pioneer ACOs
-  Advance Payment ACOs
-  Medicare Shared Savings ACOs



Medicare Shared Savings Program

Improved quality

+

Improved patient experience

+

Reduced costs

= Incentive Payments





Transitioning from Volume to Value Strategies

- Align medical-hospital leaders
- Use business tools & techniques
- Improve internal efficiencies
- Educate board members
- Partner and collaborate





Transitioning from Volume to Value Strategies

- Explore affiliations
- Engage ACOs
- Listen to the patient
- Listen to the community
- Publicly report quality





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We are in this Together





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