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

Institute of Medicine, 2013
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

American Medical Association, 2013
Why the US is Different

Social/Political

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

American Medical Association, 2013
“Every system is perfectly designed to produce the outcomes it was designed to achieve”
- Peter Senge
Current Health Care Business Model is Based on Volume

The more you do, the more money you make
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

Patient Value

Low Cost

- Links to patient outcomes
- Integration of health services
- Alignment of incentives

High Quality

- Shared accountability amongst providers
- Enhanced patient accountability
- Use of “system” design
Federal Programs to Support Patient Value

- ACOs
- MBQIP
- Community health needs assessments
- Value-based purchasing
- Medicare shared savings
- Electronic health records
Accountable Care Organizations (ACOsWith)

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