



AHA Workgroup On Hospital/FQHC Relationships

Redefining the “H”—Implications for Rural Health Clinics and FQHCs

November 2014

REDEFINING THE “H” AND THE IMPLICATIONS

Agenda

1) Recap of AHA’s Redefining the “H” Initiative

- Survey Results—National Forecast

2) Paths to the Future Based on Hospital Size

3) Beyond the Hospital--

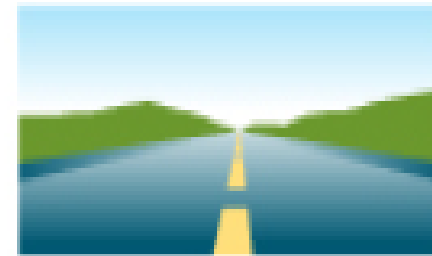
- *How are you positioning your Rural Health Clinic for health reform?*
- *What changes are likely in the way hospitals are working with FQHCs?*



IN 5 YEARS, WHAT WILL THE FIELD LOOK LIKE?

Strategic Directions

- **Movement away from fee-for-service...toward ‘integration’**
- **Emphasis on value vs. volume**
- **Emphasis on quality vs. Quantity**
- **First curve to the second**
- **From illness to health**



THE ROAD AHEAD:
Transforming Health Care

IN 5 YEARS, OVERALL FORECAST

NATIONALLY...

- More hospitals in health systems
- More physician affiliation with hospitals
- More providers owning health plans
- More value based payments
- More fixed/capitated payments

YOUR MARKET & ORGANIZATION...

- Mostly decreasing or flat total revenue
- Increasing outpatient revenue
- Split view on costs increasing or decreasing
- Providing more primary care, urgent, health/wellness and home health services; less so in nursing home, and social/human services
- Same or fewer inpatient beds
- Half planning to repurpose inpatient beds or inpatient space to outpatient/ambulatory, rehab, observation, psych, hospice
- Most patients will have primarily electronic healthcare interactions
- More retail clinic visits through mostly independent clinics
- Significantly fewer use of medical resources
- Implementing multidisciplinary teams
- Conducting telephonic outreach of discharged patients
- Half are implementing predictive analytics to identify high risk patients in some areas
- Primary talent gaps are population health management, data analytics, change management and non traditional health partnerships
- Many organizations are seeking Partner or Experiment path, but varies by hospital type

MORE OR FEWER HOSPITALS IN THE NEXT 5 YEARS?

Potential Paths

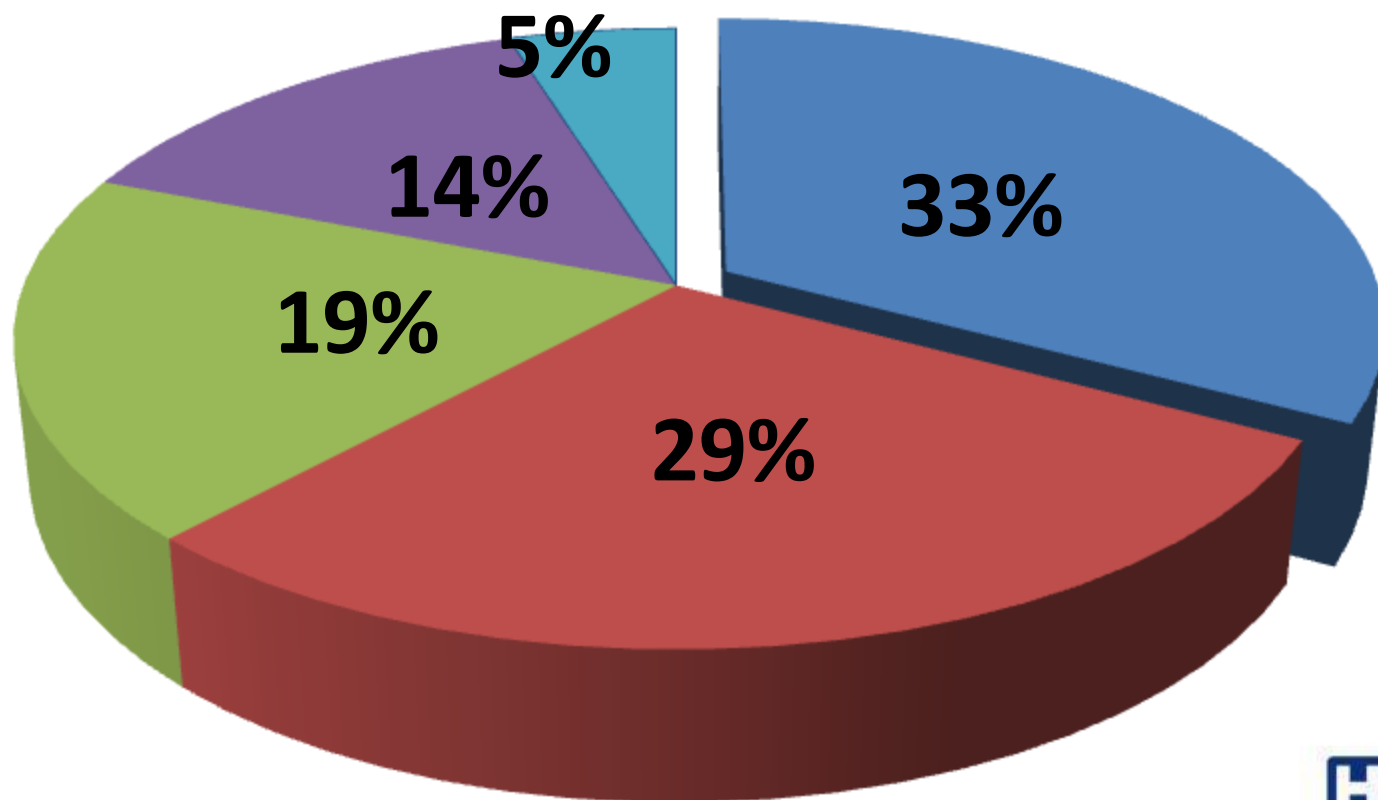
The AHA Committee on Research in its January 2014 report identified 5 potential paths for hospitals of the future. Results from over 1000 hospital and health system leaders are shown in the chart below.

- ✓ Partner: With a care delivery system or health plan
- ✓ Experiment: With new payment and care delivery models
- ✓ Integrate: By developing a health insurance function or services across the continuum of care
- ✓ Redefine: To a different care delivery system
- ✓ Specialize: To become a high-performing and essential provider



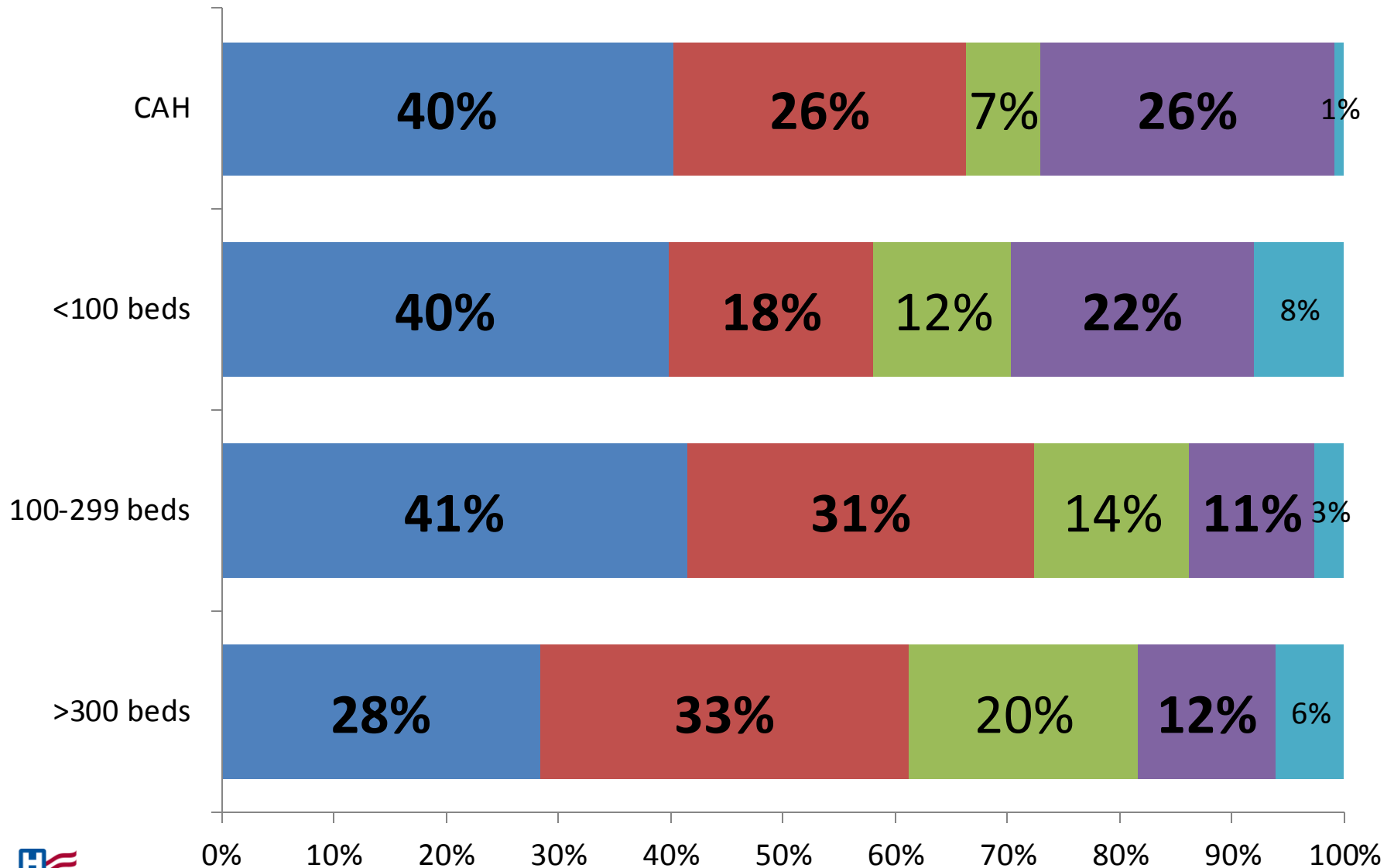
WHAT PATHS ARE HOSPITALS/SYSTEMS PURSUING?

■ PARTNER ■ EXPERIMENT ■ INTEGRATE ■ REDEFINE ■ SPECIALIZE



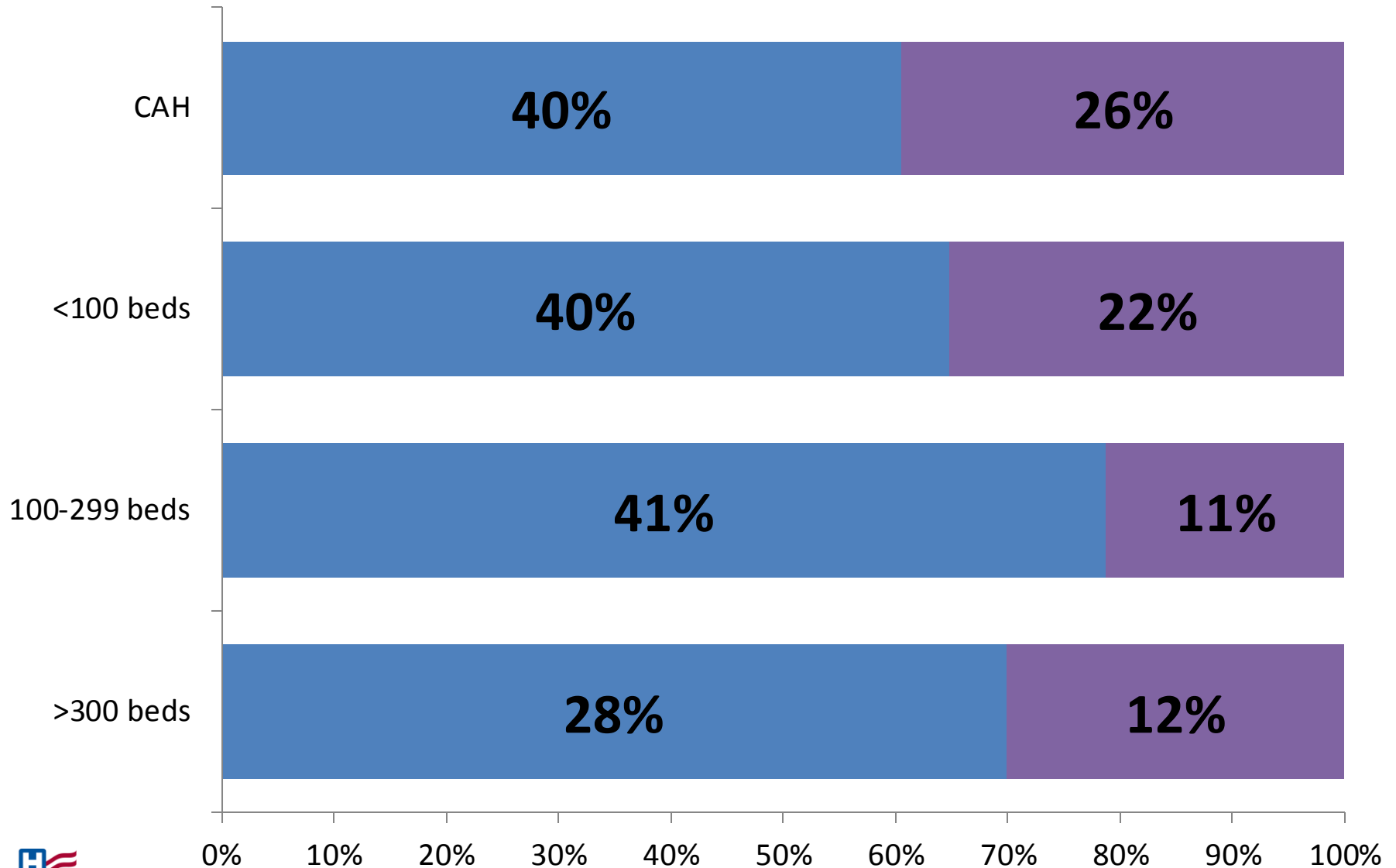
What Paths are Hospitals/Systems pursuing?

■ PARTNER ■ EXPERIMENT ■ INTEGRATE ■ REDEFINE ■ SPECIALIZE



What Paths are Hospitals/Systems pursuing?

■ PARTNER ■ REDEFINE



IN 5 YEARS, WHAT WILL THE FIELD LOOK LIKE?

More Health Care and Social Services

	Primary Care	Urgent Care	Health & Wellness	Nursing Home	Home Health	Social & Human
Total Responses	95% (1019)	81% (870)	94% (1012)	54% (583)	78% (837)	48% (517)
Yes, by stronger affiliation	21%	11%	19%	27%	21%	29%
Yes, through acquisition	24%	7%	5%	3%	5%	1%
Yes, through joint venture	7%	14%	12%	12%	14%	7%
Yes, through organic growth	43%	48%	58%	13%	38%	12%



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PATHS TO THE FUTURE

Ways to Partner

- ✓ Informal arrangements
- ✓ Strategic affiliations
- ✓ Contract management
- ✓ Joint operating company
- ✓ Joint venture
- ✓ Acquisition/merger



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**We invite your questions
and comments.**





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