

# OSF HealthCare

## Market Segmentation Channels for Growth

The Leadership Institute Roundtable

October 19, 2017



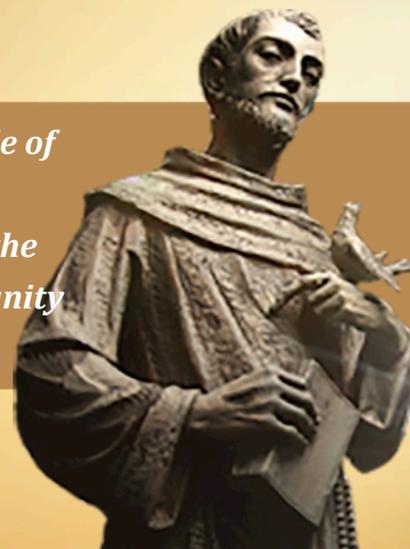
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HEALTHCARE

# OSF HealthCare

Mission, Vision, Values

## OUR MISSION

*In the spirit of Christ and the example of Francis of Assisi, the Mission of OSF HealthCare is to serve persons with the greatest of care and love in a community that celebrates the Gift of Life*



## Our Vision

Embracing God's great gift of life,  
we are one OSF Ministry transforming health care  
to improve the lives of those we serve.

## Our Values

Compassion • Employee Well-being • Integrity • Justice • Leadership •  
Stewardship • Supportive Work Environment • Teamwork • Trust

# OSF HealthCare ACUTE CARE HOSPITALS



## OSF HealthCare Saint Francis Medical Center PEORIA, ILLINOIS

- Level 1 Trauma Center
- Teaching Affiliate of the University of Illinois College of Medicine
- 629 licensed beds
- Distinct rehab unit
- College of Nursing
- Transplant center



## OSF HealthCare Saint Anthony Medical Center ROCKFORD, ILLINOIS

- Level 1 trauma center
- 254 licensed Beds
- College of Nursing
- Regional burn center



## OSF HealthCare Saint Anthony's Health Center ALTON, ILLINOIS

- 203 licensed beds



## OSF HealthCare St. Joseph Medical Center BLOOMINGTON, ILLINOIS

- Level II trauma center
- 149 licensed beds
- Skilled nursing unit



## OSF HealthCare Saint Elizabeth Medical Center OTTAWA, ILLINOIS

- 97 Licensed beds
- In and outpatient behavioral health
- Affiliated Center for Health – Streator has robust outpatient services and free-standing emergency center
- Level II trauma center



## OSF HealthCare St. Mary Medical Center GALESBURG, ILLINOIS

- 81 licensed beds
- Level II trauma center
- Rural referral center



## OSF HealthCare Saint James-John W. Albrecht Medical Center PONTIAC, ILLINOIS

- 42 licensed beds
- Sole Community Hospital



## OSF HealthCare St. Francis Hospital & Medical Group ESCANABA, MICHIGAN

- 25 licensed beds
- Critical Access Hospital



## OSF HealthCare Saint Paul Medical Center MENDOTA, ILLINOIS

- 25 licensed beds
- Critical Access Hospital



## OSF HealthCare Saint Luke Medical Center KEWANEE, ILLINOIS

- 25 licensed beds
- Critical Access Hospital



## OSF HealthCare Holy Family Medical Center MONMOUTH, ILLINOIS

- 23 licensed beds
- Critical Access Hospital

# Integrated Health Care



OSF Physician Enterprise is a comprehensive, integrated network of health care facilities, services, physicians:

- OSF Multi-Specialty Group of approximately 530 physicians
- 404 advanced practitioners
- 250 physician offices and clinics
- Approximately 1.7 million annual patient visits
- 325 specialty physicians

## Three systemwide service lines:



- **Cardiovascular** – 80+ providers
- **Children's**
  - 132 devoted inpatient beds with 500+ full-time equivalent employees
  - Home of Jim and Trudy Maloof St. Jude Midwest Affiliate clinic and the nation's first St. Jude-affiliated pediatric hematology/oncology division
- **Neurosciences**
  - 60+ member physicians
  - Offers many complex neurological services not available outside major metropolitan areas – such as a Level 4 Epilepsy Center and a Comprehensive MS Center



## Oncology Services:

- The Center for Cancer Care offers virtually all outpatient cancer services in one location and is the regional leader in cancer care.

## Ambulatory Services:

- **Ambulatory Care Sites**
  - 13 Centers for Health, 13 OSF PromptCares, 75 OSF HealthCare Medical Group locations
- **Home Health Services**
  - Telemonitoring and Case Management
- **Home Medical Equipment**
- **Hospice Services**
- **OSF Hospice Home** – 16-bed facility
- **OSF Pharmacies**
  - Two retail pharmacies
- **OSF Rehabilitation** – hospital and outpatient



## Supportive Services:



- **Aviation**
  - Average 2,200 patient transfers per year by four licensed helicopters
- **Medical Education**
  - Nine residency programs with 223 residents, five fellowship programs with 19 fellows, one general dentistry residency with four residents, one general pharmacy residency with four residents, one pediatric specialty residency with one resident
- **Ministry Shared Services**
  - Compliance, Facilities and Management, Healthcare Analytics, Health and Wellness Services, Hosting, Performance Improvement, Retail Services, Supply Chain, Marketing & Communications
- **Preferred Skilled Nursing Network**

Learning is about the

*journey,*

not the

destination



# Performance Risk versus Insurance Risk

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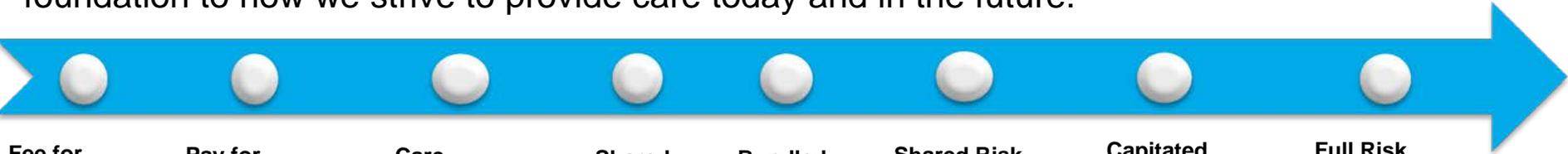
- Pay for Performance
- Care Management Fees
- Shared Savings
- Shared Risk
- Full Risk
- Private Label
- Joint Venture
- Provider Sponsored/Owned Health Plan



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# New Payment Models

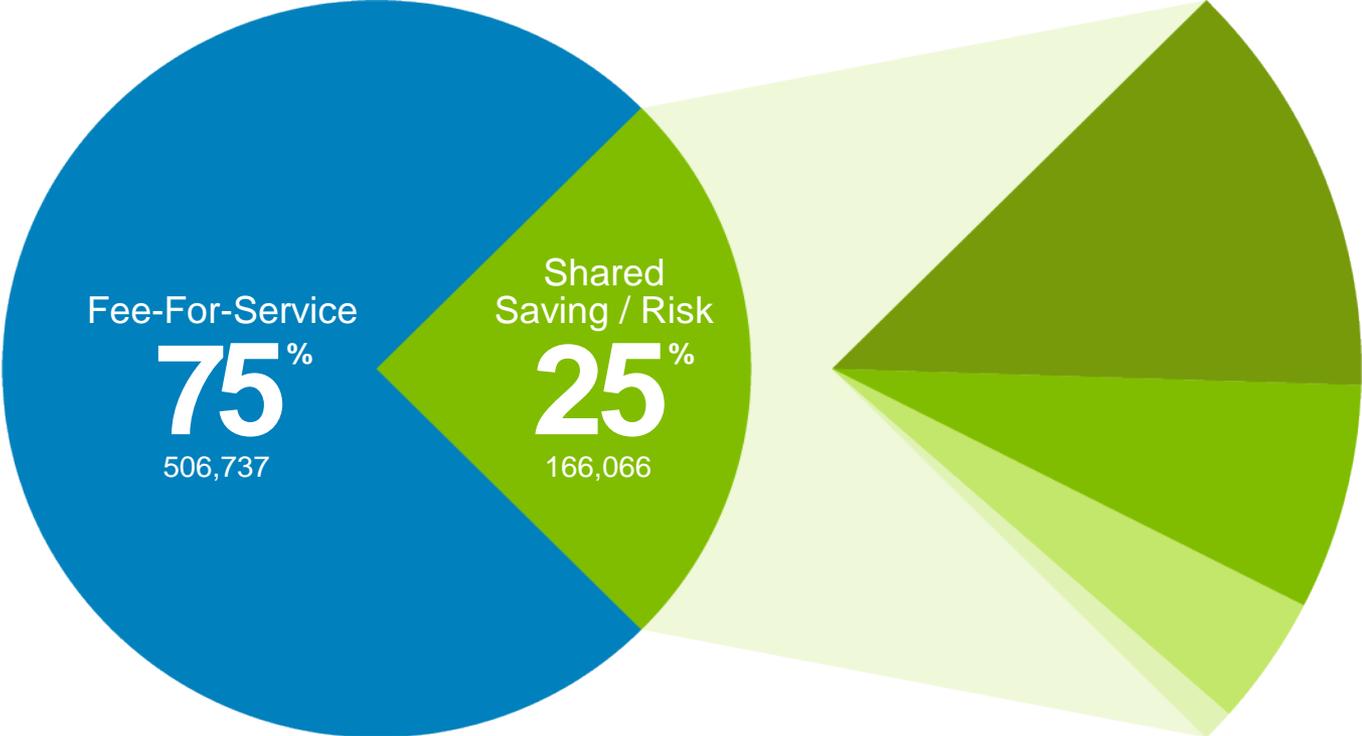
Accountable Care activities exist across the OSF HealthCare Ministry and are foundation to how we strive to provide care today and in the future.



- |   |   |  |   |   |   |   |  |
|---|---|--|---|---|---|---|--|
| <b>Fee for Service</b>  | <b>Pay for Performance/Bonus</b>  | <b>Care Management/ Medical Home PMPM</b>  | <b>Shared Savings</b>   | <b>Bundled Payment</b>  | <b>Shared Risk (Clinical Risk)</b>  | <b>Capitated Risk</b>   | <b>Full Risk (Clinical &amp; Actuarial Risk)</b>                         |
| <ul style="list-style-type: none"> <li>• United PPO</li> <li>• Aetna PPO</li> <li>• Cigna PPO</li> <li>• Coventry OAP (State of IL)</li> <li>• HFN</li> <li>• Humana PPO/HMO</li> <li>• Multi Plan</li> <li>• PHCS</li> </ul> | <ul style="list-style-type: none"> <li>• BCBS PPO IP</li> <li>• BCBS PPO IP (Escanaba)</li> <li>• Caterpillar</li> <li>• Meridian - Medicaid HMO</li> <li>• CCAI – Medicaid HMO</li> <li>• Molina – Medicaid HMO</li> <li>• HAMP – Medicaid HMO</li> <li>• IlliniCare – Medicaid HMO</li> </ul> | <ul style="list-style-type: none"> <li>• Humana Medicare PPO</li> <li>• Illinois Health Connect (TANF) - Medicaid</li> <li>• CCAI (SPD) – Medicaid HMO</li> <li>• Molina – Medicaid HMO</li> <li>• Illini Care – Medicaid HMO</li> </ul> | <ul style="list-style-type: none"> <li>• Humana Medicare PPO</li> <li>• BCBS ACO</li> </ul> | <ul style="list-style-type: none"> <li>• BPCI – Rockford</li> </ul> | <ul style="list-style-type: none"> <li>• BCBS HMOI (Peoria &amp; Bloomington)</li> <li>• HAMP HMO/POS</li> <li>• Medicare MSSP - 3</li> </ul> | <ul style="list-style-type: none"> <li>• Humana Medicare HMO</li> </ul> | <ul style="list-style-type: none"> <li>• OSF Mission Partners</li> </ul> |

# New Payment Models

Total lives served – P4P Not included



Shared Savings
84,236 (13%)
Shared Risk
48,725 (7%)
Employee Self Insured
26,821 (4%)
Capitated Risk
6,284 (1%)



# Medicare Advantage in Insurance Risk Model?

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- Avoids “actuarial risk” through joint venture that is limited to Medicare Advantage plans.
- Accelerates Speed to Market:
  - Plan retains ownership of MA products, eliminating need to re-apply for CMS contract
  - Reinsurance or risk arrangement still allows provider to share or take full risk in product offerings
  - Avoids resetting membership at 3-stars, as required for new products
- Enables participation in the governance and setting the strategic direction of health plan
- Creates another point of alignment with regional providers.
- Allows greater control over developing a clinically integrated network of providers that are aligned from a quality and financial perspective.
- Capitated model for beneficiaries in market(s) captures the benefits of investments in population health.



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# Partner Alternatives

## National Payer

- Access to capital
- Access to employer group contract

## Regional Payer

- Depth of knowledge, experience with local market

## Regional Provider Plan

- Shared culture
- Established local reputation

## Out-of-Market Plan

- Willingness to partner for mutual market growth
- Shared culture

- Can be inflexible in contract negotiations

- National scale priorities may decrease local focus

- Geographically limited
- May limit future expansion

- May lack financial stability, durability in early years of operation

- May not allow any brand recognition

## Pros

## Cons

# Questions?