

Banner Health / University of Arizona's Journey to Transform Academic Medicine

Agenda

- Historical Background - Banner Health's and the University of Arizona's Why?
- Our Journey
- Challenges and Opportunities
- EHR (Epic – Cerner) transition
- Discussion

Making health care easier, so life can be better.

Banner Health[®]

AT A GLANCE



\$7.8 billion
in revenue
in 2017



\$711.4 million
in community
benefits, including
\$97 million in charity

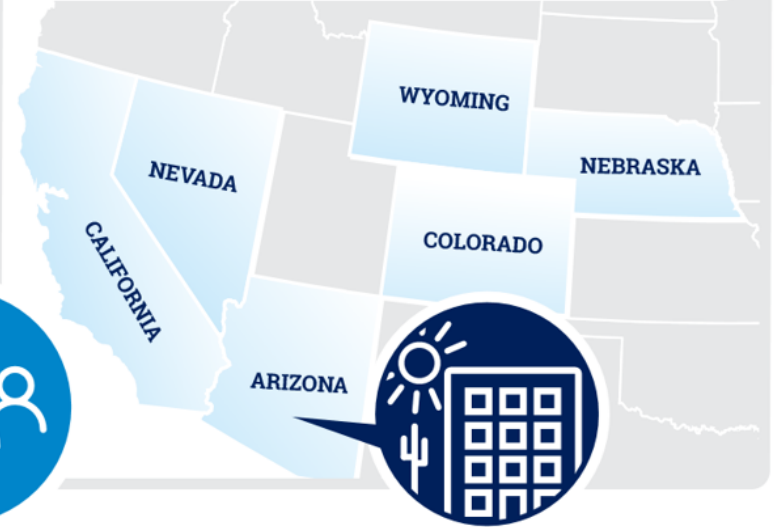


AA-
bond rating



49,000
total Banner
employees

STATES BANNER PROVIDES SERVICES



Headquarters
Phoenix, Arizona

OUR SERVICES



Everyday Care

- 45 Urgent Care Centers
- Ambulatory Surgery Centers
- 8,500+ Specialists
- 1,500+ Primary Care Doctors
- Occupational Health
- Behavioral Health
- Online Access for Patients



Other Services

- Pharmacy Services
- Lab Services
- Telehealth
- MRIs, X-ray and Imaging
- Music Therapy
- Pet Therapy
- Aromatherapy
- Osteopathy
- Acupuncture
- Massage Therapy



Hospitals

- Academic Medical Centers
- Urban Hospitals
- Rural Hospitals
- Children's Medical Centers
- Cancer Centers
- Surgery Centers



Recovery

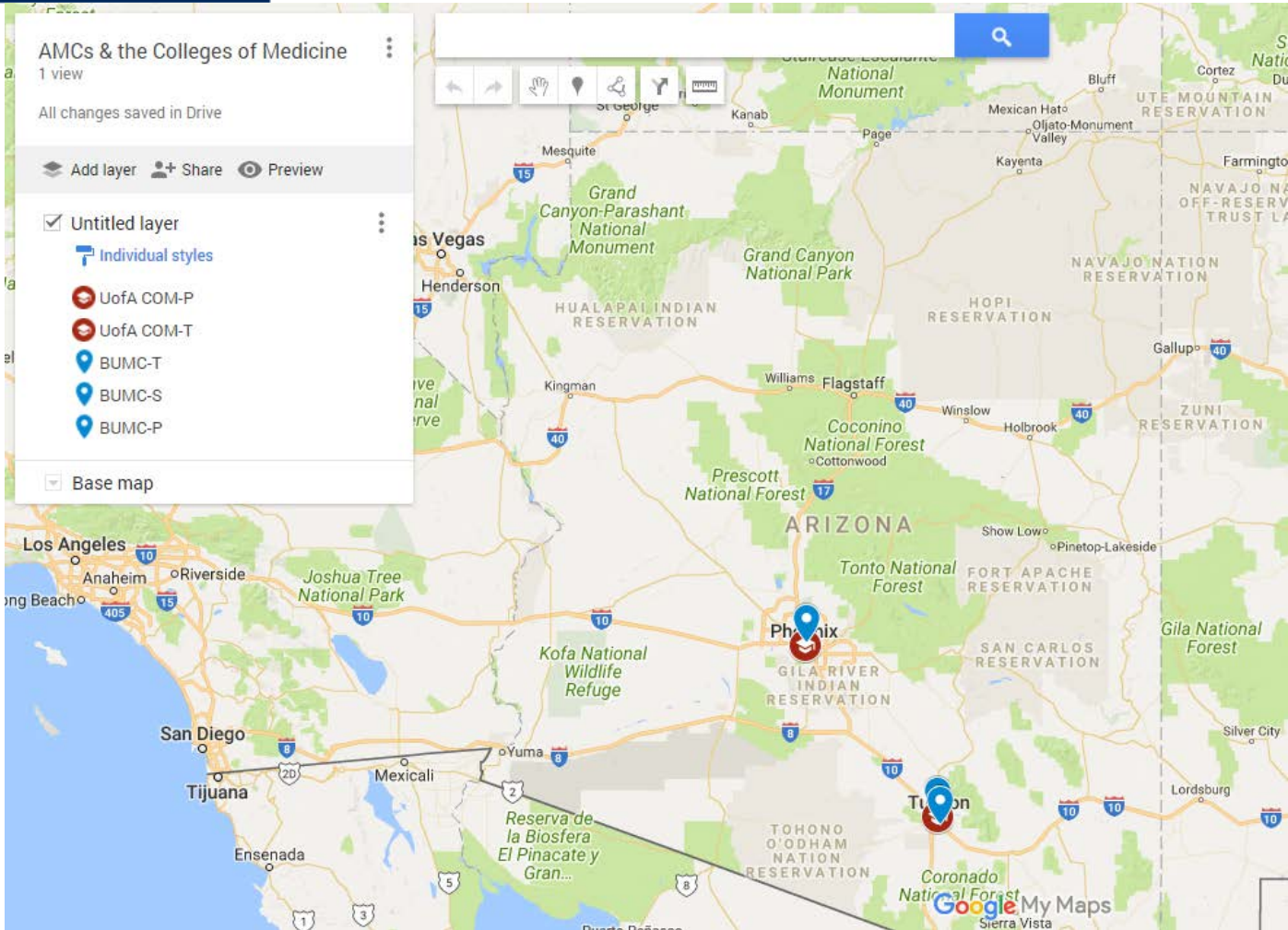
- Physical Therapy
- Inpatient / Outpatient Rehabilitation
- Skilled Nursing Facilities
- Home Care
- Hospice



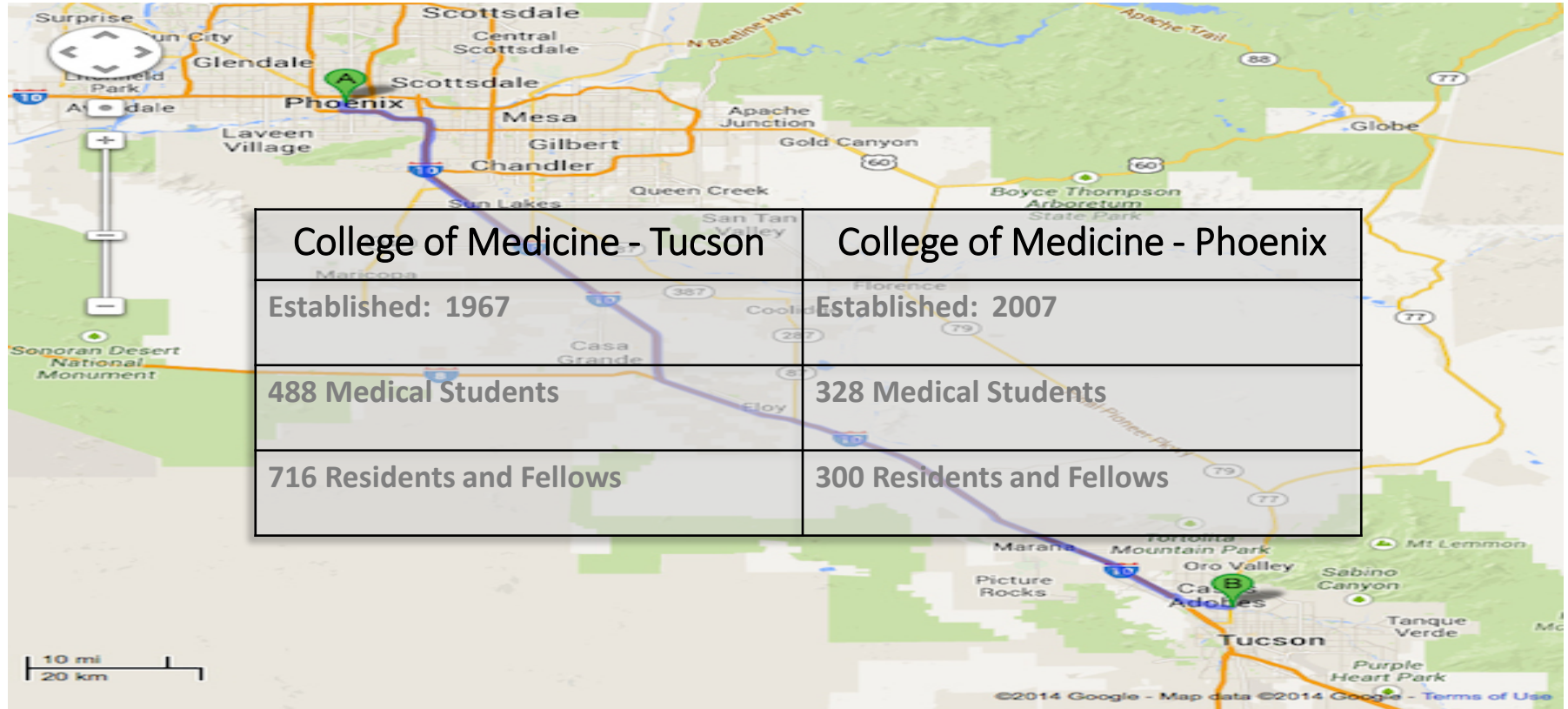
Academic

- 788 NIH Studies
- 97 Patents in 2017
- 1,000+ Clinical Trials
- Heart Institute
- Women's Institute
- Neuroscience Institute
- Digestive Transplant Institute
- Endocrine Institute
- Orthopedic and Spine Institute
- Breast Health Center





University of Arizona, College of Medicine Tucson / Phoenix



Banner Health's Original WHY

- Ensure Achievement of the Potential of College of Medicine Phoenix
- Differentiate Banner Good Samaritan Medical Center (Banner's Community Teaching Hospital)
- Accelerate Banner's Innovation Agenda

University of Arizona's Original WHY

- Ensure sustainable strong clinical partner and sustained financial support for then 6 year old College of Medicine Phoenix

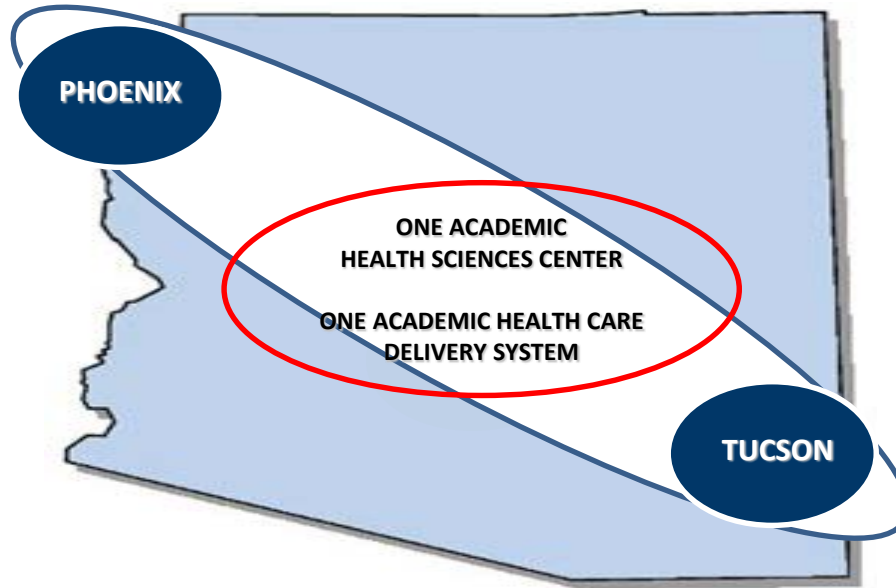
The Journey Begins from AZ Board of Regents

- December 2012: Approval to begin negotiating Banner Good Samaritan as Primary Clinical Affiliate for College of Medicine Phoenix



Change in Direction

- Q4, 2013: AZ Board of Regents Request Single Clinical Partner for Both Medical Schools



Banner Health's Stage 2 WHY

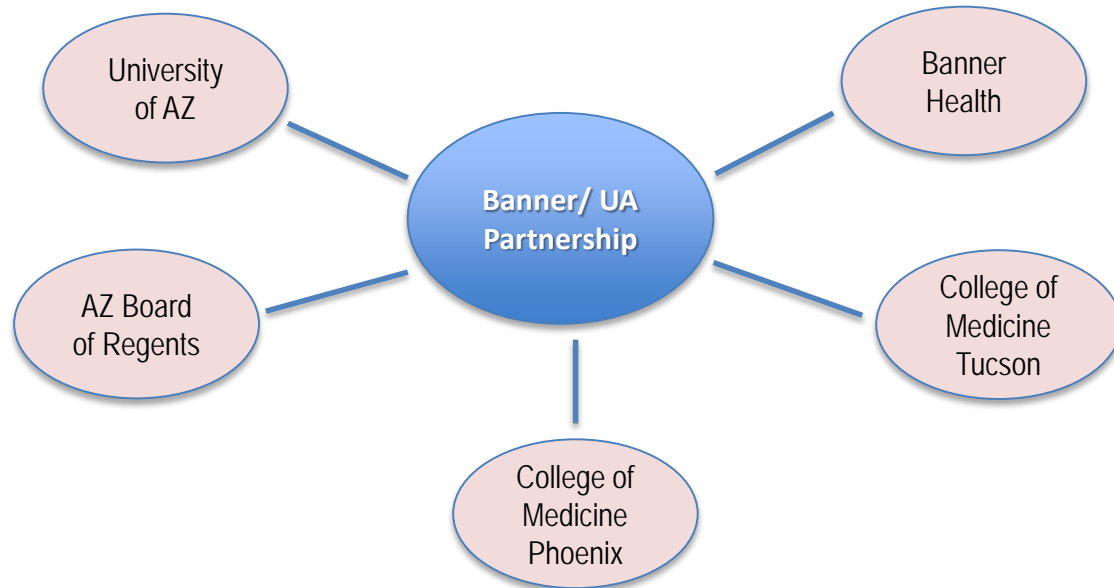
- Requirement to affiliate with College of Medicine Phoenix (our original goal)
- Access to Southern Arizona Population/ State-wide Contracting
- Acquisition of AHHCCS Plan
- Research and Innovation Engine to Accelerate Banner's Population Health Agenda
- Physician workforce pipeline (UME/GME)

University of Arizona's Stage 2 WHY

- Financial partner to support flagship College of Medicine Tucson
- Access to Banner Health's clinical repository for research
- Scale of Banner to train medical students and residents

New Negotiating Team Established (Multiple Stakeholders)

- Q4, 2013: AZ Board of Regents Request Single Clinical Partner for Both Medical Schools



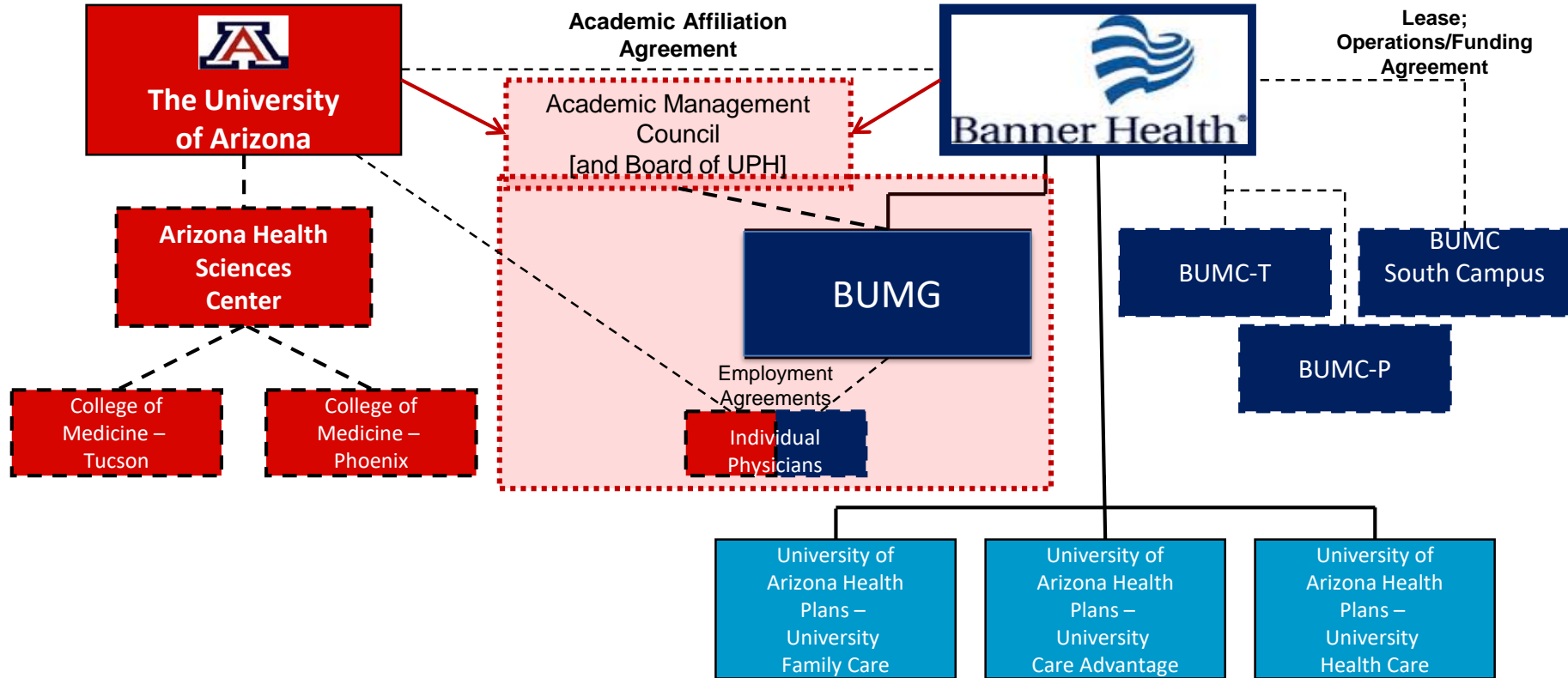
Key Points of Negotiation

- Employer of faculty
- Funds Flow (to whom and for what)
- Structure authority of faculty Plan CEO
- Governing Body Composition and Authority
- Research
- Budget

February 25, 2015

- Acquired Tucson clinical assets and defeased all debt
- 30 year affiliation agreement acknowledging Banner as exclusive clinical partner in AZ / formed Banner University Medical Group renamed AMC's (Banner University Medical Center- Phoenix, Tucson and South)
- Commitment to build hospital tower and ambulatory center in Tucson (\$500M) / memorialized 30 years of funds flow (Academic Affiliation Agreement)
- Established Division in Banner Health: Banner University Medical Group as a single faculty practice for Phoenix and Tucson

Governance Structure Established



A Tale of Two Cities

- TUCSON
 - Implementation of Banner's Operating Model
 - Community Reaction
 - Tucson : 6% of PCPs and 57% of Specialists ; "elephant on a stool"
 - Growth Challenged by market size and predominance of private practice providers
 - Lack of Alignment of Community Physicians
 - Development of New Academic Compensation Plan; Found to be unaffordable
 - 500 million + Investment in New Tower, new Ambulatory Clinics

Banner University Medical Center – Tucson



Project Scope

- 670,000 square feet – 9 story addition
- \$400 million project budget
- 202 new patient beds
- New ORs and pre-op/PACU bays
- New Diagnostic Imaging Department
- New Cath/EP Labs
- New front entrance
- New access from Campbell Avenue
- Improved visitor parking
- Construction started January 2016
- New facility ready for patient use April 2019
- 75,000 square feet of renovation in existing facility after new facility opens

Banner University Medical Center – South



Project Scope

- Relocation & expansion of Outpatient Behavioral Health Clinic from BUMCT Main Campus to Behavioral Health Pavilion
- MRI Replacement
- Fire Alarm System Upgrade
- Air Handling Replacements
- Kitchen Cooling Tower Replacement
- Medical Air Compressor Replacement

Initial Agenda- A Tale of Two Cities

- Phoenix
 - Transitioning a Community Hospital into a Academic Medical Center
 - University Faculty Titles
 - Role of Independent Physicians
 - Creation of Institutes
 - Transfer of Residency Programs
 - Formation of BUMG and academic compensation plan
 - Research Infrastructure
 - Open Medical Staff
 - Integration of an evolving AMC with our community hospitals within Banner Health
 - 500 million + Investment- New ED, New Tower, new Ambulatory Clinics

Aligning BUMCP and COM-P Physician Leadership



Banner University Medical Center – Phoenix



Project Scope

- New ED (90,000 visit capacity) & 40 Observation beds
- 2nd floor OR Expansion (4 ORs)
- Emergency generators and building plus utility bridge across Willetta and enclosed bridge for pedestrian use
- 16-story, 302-bed (256 beds built out – 8th & 9th floor shelled) patient tower
- Renovate certain existing space to move occupants out of West Tower

Key Accomplishments to Date of the Partnership

- People and Culture- Building a Common Purpose- Improving Employee Engagement-Leadership Effectiveness
- Improved Clinical Quality and Patient Safety
- Improved Efficiency and Effectiveness of Care
- Strategic Growth
 - Phoenix- Since 2013, Consistent 5-6% percent margin
 - Tucson- Improved financial performance by \$61M (growth and expense management)
 - Aligning Phoenix and Tucson - Advanced Lung Disease-Transplant; Advanced Heart Failure-Transplant
- Established GME Strategic Plan
- Established Research Strategic Plan
- Epic to Cerner Conversion (Tucson)

Banner University Medicine

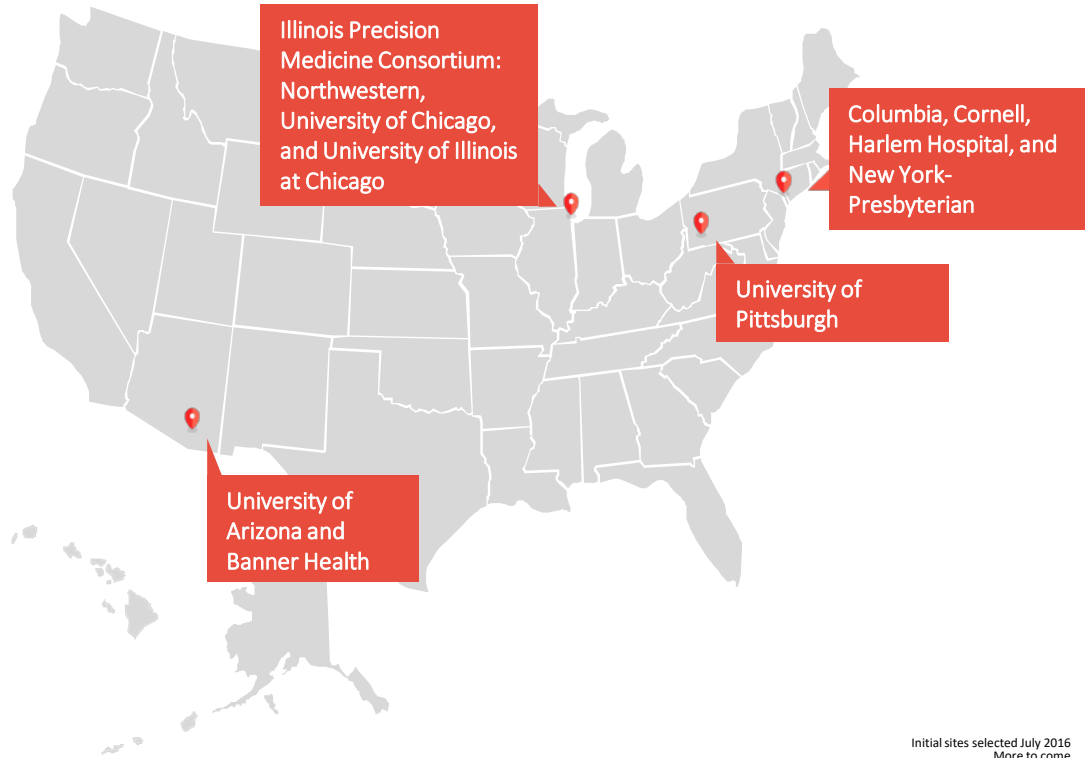
Banner and the University of Arizona, powered by their partnership, can and will transform medicine for the future.

Integrating advanced education, innovative medical discovery and our system wide data, we seamlessly deliver high-value, reliable, compassionate and individualized care to the key coordinator of all the healthcare needs of a multi-generational, extended family.

In a dynamic culture of curiosity we foster the scientific passion to create and apply new knowledge that resolves current and evolving challenges in healthcare.

Points of Pride of Partnership

AWARDED
PRECISION
MEDICINE
INITIATIVE



Initial sites selected July 2016
More to come

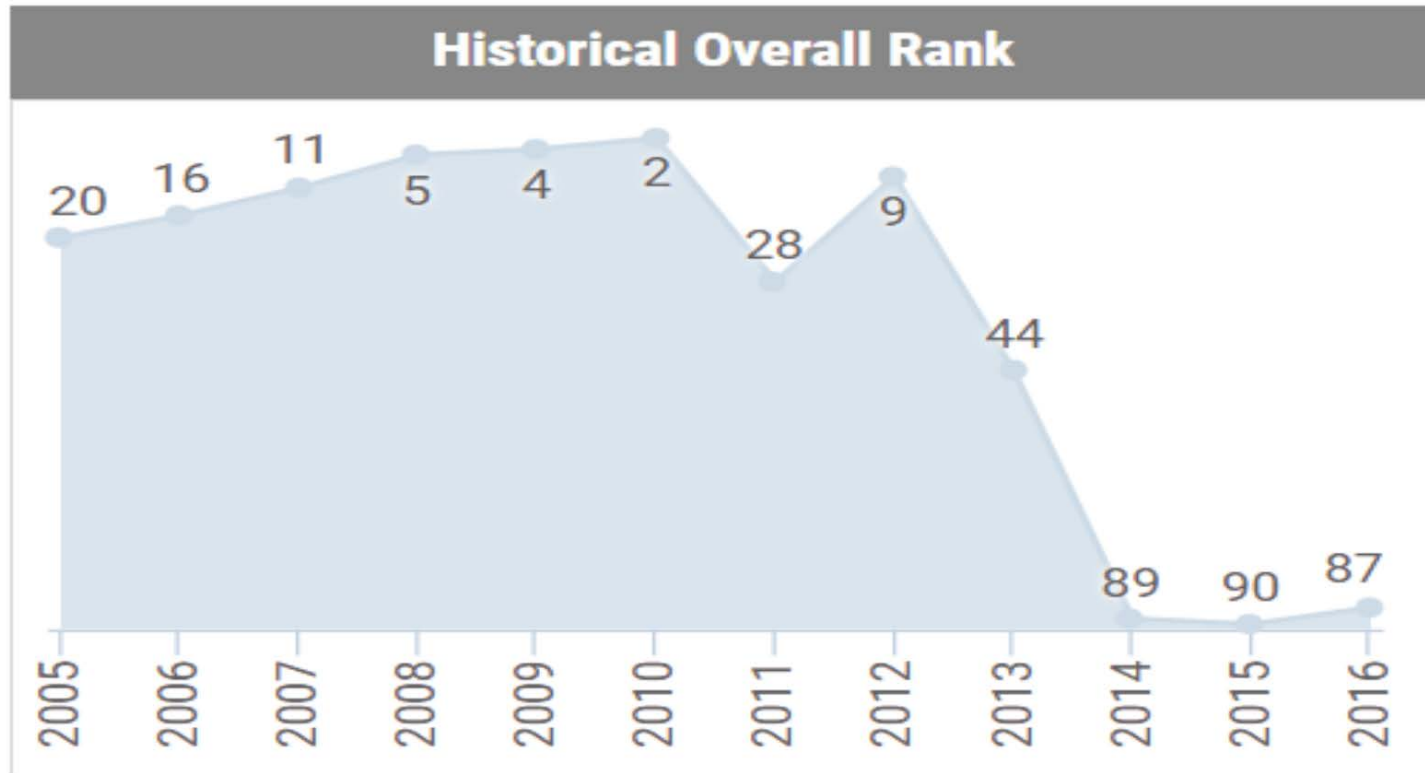
Banner-University Medical Center, Tucson

IMPROVEMENTS IN THE DELIVERY OF SAFE, EFFICIENT AND EFFECTIVE CARE

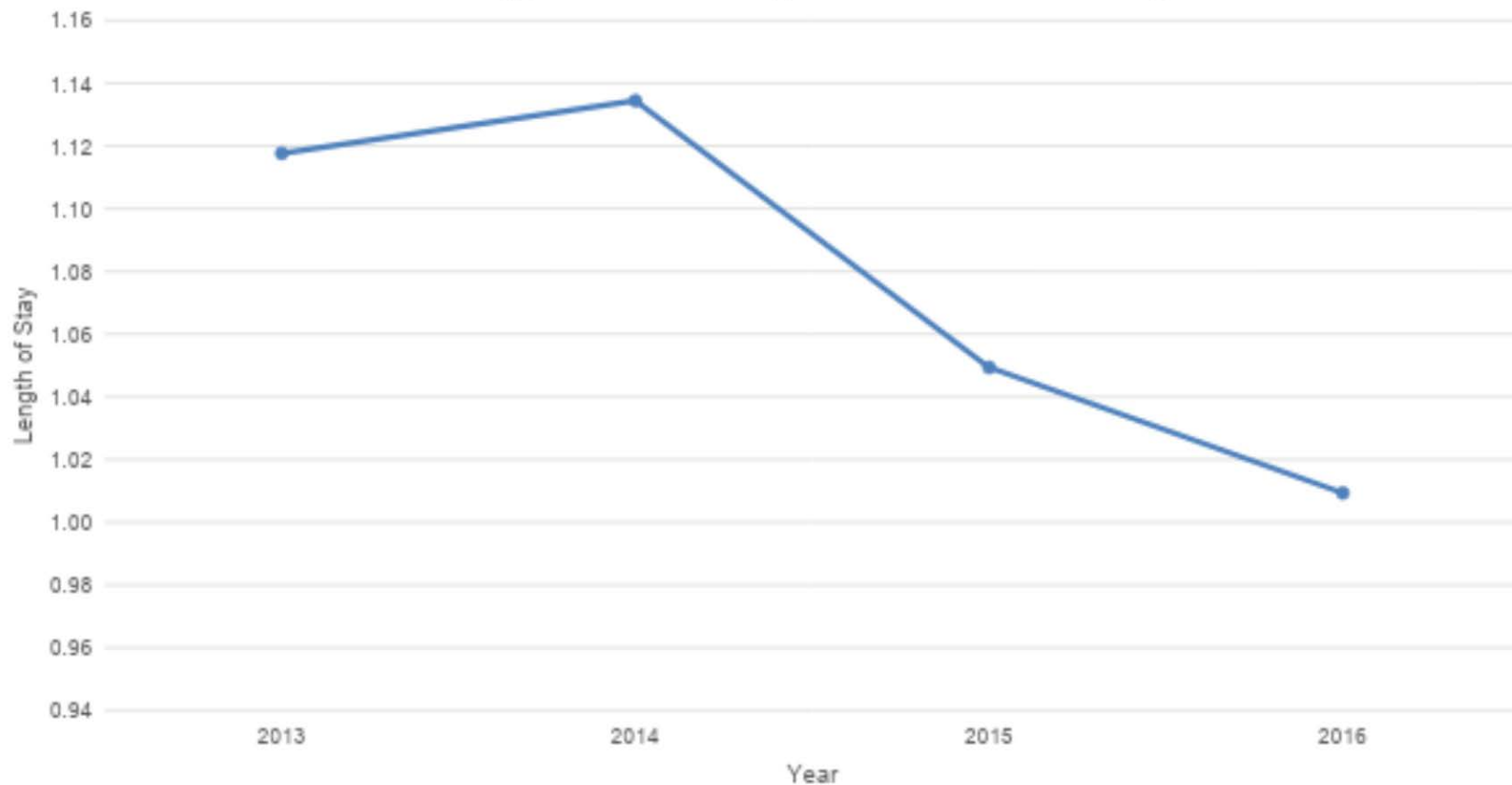
Harsh Realities of Today's Healthcare

- Quality is Assumed
- Cost matters
- Consumer is key
- Price transparency is critical
- Traditional sources of funding dwindling (NIH) , Philanthropy (outcomes not plaques)
- Downward pressure on physician and hospital reimbursement
- Get upstream with ACO
- Quality is no longer just clinical quality- now included patient access, patient experience, coordination of care

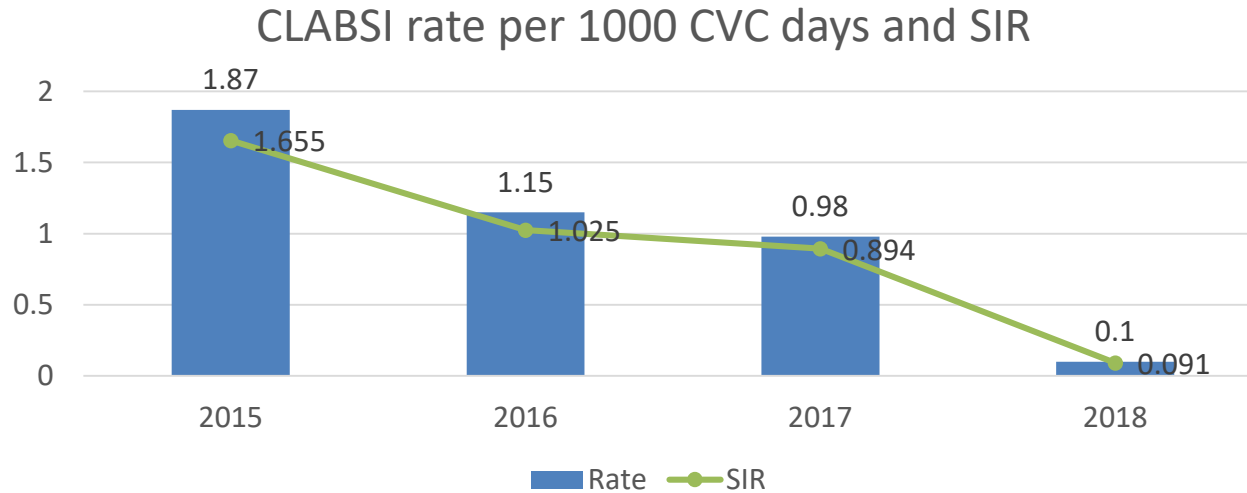
BUMCT Quality Performance vs. AMC Peers



BUMCT Length of Stay Index: Yearly Trend



CLABSI - CMS



Banner Health 'underestimated' scope of computer conversion in Tucson

By Stephanie Innes Arizona Daily Star Feb 10, 2018



Banner's Tucson hospitals, clinics in 'painful period' with computer system

New computer system is causing problems, including delays for patients, at Banner Health's Tucson hospitals and clinics.

System Lessons

- Assumed that if Cerner works throughout BH then it will work fine in Tucson.
- Stress test the system prior to a big go live
- Predict and map FTE adds needed to support new workflows (reg/sched, lab, pharmacy, rev cycle/integrity)
- We took an integrated delivery system and moved it to a cross venue model which has had major impacts – delays, patient dissatisfaction, inefficiency
- Unmasked major opportunities in revenue cycle and IT infrastructure
- BH Cerner system and workflows in some areas were not optimized prior to the go live, this was unmasked by the transition (e.g. I/O workflow, peds order sets, Insulin orders)

Local Lessons

- Much is the same between community hospitals and AMC's, but not everything. Teaching model and workflows have implications for EHR and revenue integrity
- Cancer center – practical issues got lost in philosophical/cultural tensions surrounding customization vs standardization
- sStabilize Tucson operations and financial situation, optimize Cerner, update rev cycle platform, then switch over.
- In general many physicians felt that they weren't engaged in the process and that they had no say in system configuration,
- Feedback about the education and training was that it was too general
- The front line nurses and physicians demonstrated amazing resiliency during the transition.
- We could have made the transition without cross venue, lab, or pharmacy delays, it would have gone much better.

Leadership Lessons

- Start with Purpose
- Slow Down to Go Fast
- Intentionally Learn Each Other First
- Build a team of Chairs
- Show up together internally and externally
- Optimize Academic and Clinical Leadership at Every Opportunity
- Teach WHY change is needed at every level
- Introducing Standardization and Banner's Standard Operating Model was necessary but tedious
- Culture trumps all else
- Preservation of Innovation in the face of Standardization

“I have not failed.
I’ve just found ten
thousand ways
that don’t work.”

- Thomas Edison