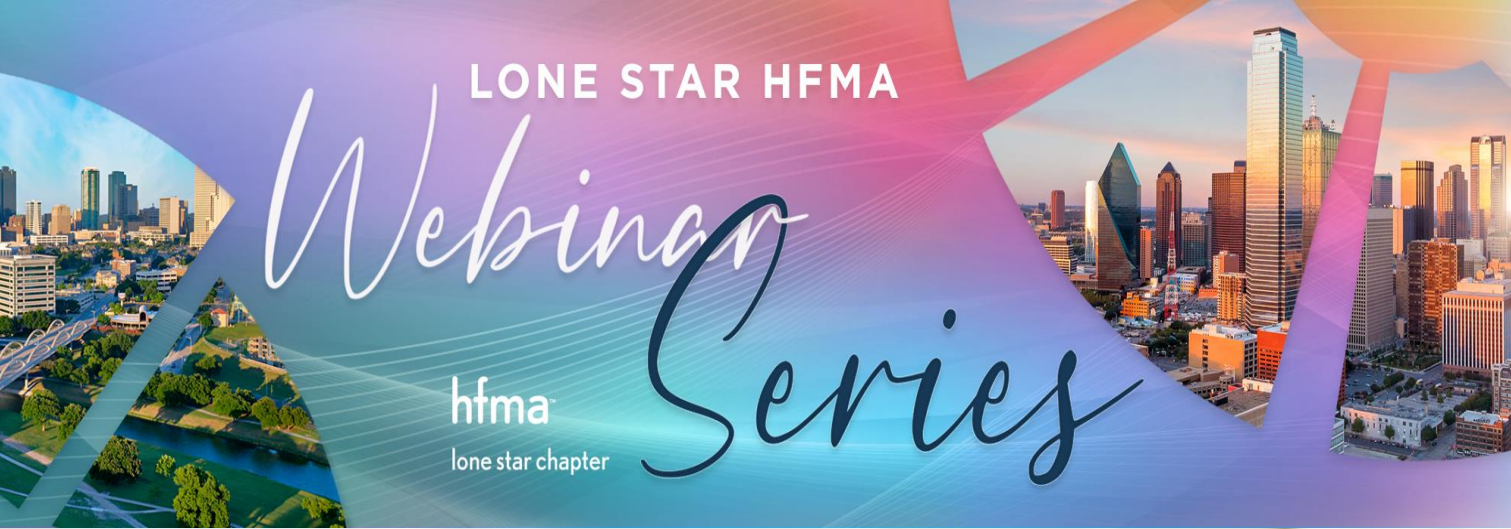




HEALTHCARE HOT TOPICS

Presented by:

David Francis
Jim Watson
BDO Center for Healthcare Excellence & Innovation
March 15, 2023



BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



Jim Watson

PRINCIPAL, BDO HEALTHCARE ADVISORY

- ▶ **30+ years experience** at senior levels (Maxicare, FHP, United Healthcare, CIGNA, Advocate Healthcare, Rush Health, PBC Advisors)
- ▶ **Focused experience in:** Payor/Provider Contracting, Value-Based Care Models, Provider Sponsored Health Plans, Medicaid Reform, Expert Witness Work
- ▶ **BDO top 5** international consulting, audit, tax company focused on health systems, private equity, and physician networks



630-302-3106

jwatson@bdo.com



DAVID FRANCIS

Managing Director, Management Consulting

- ▶ David brings 35+ years of Healthcare Leadership and C-Suite experience spanning clinical operations, practice management strategy, accountable care and value-based medicine delivery, and revenue cycle operations.
- ▶ David oversees healthcare management consulting services for BDO USA. In his role, David is responsible for the growth and delivery of BDO's management consulting suite of services that include patient access transformation, clinical operations strategy, revenue cycle advisory, and interim leadership and management delivery.
- ▶ David served as National Chief Operating Officer (COO) for Steward Medical Group (SMG) at Steward Health Systems, the nation's largest privately held integrated health system. David completed his master's in healthcare administration at Simmons University in Boston.
- ▶ Prior to his experience in the civilian health care sector, David spent eleven years in the United States Coast Guard in health care services treating and supporting active-duty military and their dependents.



617-456-2447

dfrancis@bdo.com



Who We Are: About BDO

“People who know, know BDO”

BDO INTERNATIONAL

Accounting & Audit
57%

Tax
22%

Consulting Advisory
21%

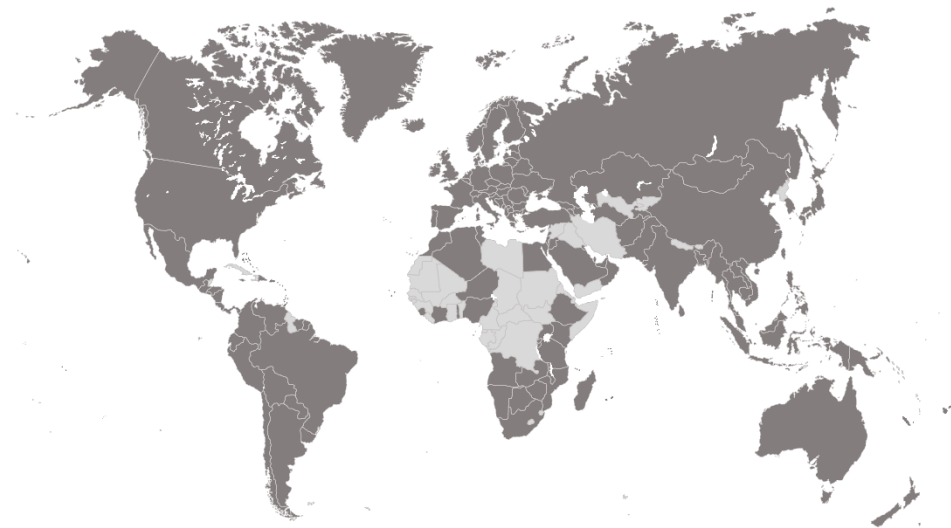


162
COUNTRIES

1,500*
OFFICES



73,854+
TOTAL PERSONNEL



EXCEPTIONAL SERVICE. WORLDWIDE.

With a network spanning more than 160 countries worldwide, BDO is the 5th largest global network of public accounting firms. Our seamless global approach allows us to serve clients through a central point of contact, granting access to relevant experience across borders — [where](#) and [when our clients need us](#).

Agenda for Today



Introduction & Learning Objectives



Current State of Affairs What's Happening in the Industry



CFO Survey



Payor Contracting & Value-Based Care (VBC)



Patient Access



The Path Forward

Session Summary & Learning Objectives



The US healthcare system has been dramatically impacted by the COVID-19 pandemic. As a result of the pandemic, there are significant impacts to healthcare providers on many levels, with immediate opportunities and challenges.

Today's program will highlight findings from our recent CFO Survey, and focus on a couple key areas: Patient Access and Payor Contracting.

Learning Objectives:

1

Understand macrotrends affecting the US healthcare system today

2

Gain insight into CFO healthcare industry outlook based on recent survey data

3

Exploring the short term and longer-term opportunities and challenges in post-pandemic healthcare delivery and financing, focused on two (2) key areas: Patient Access and Payor Contracting.

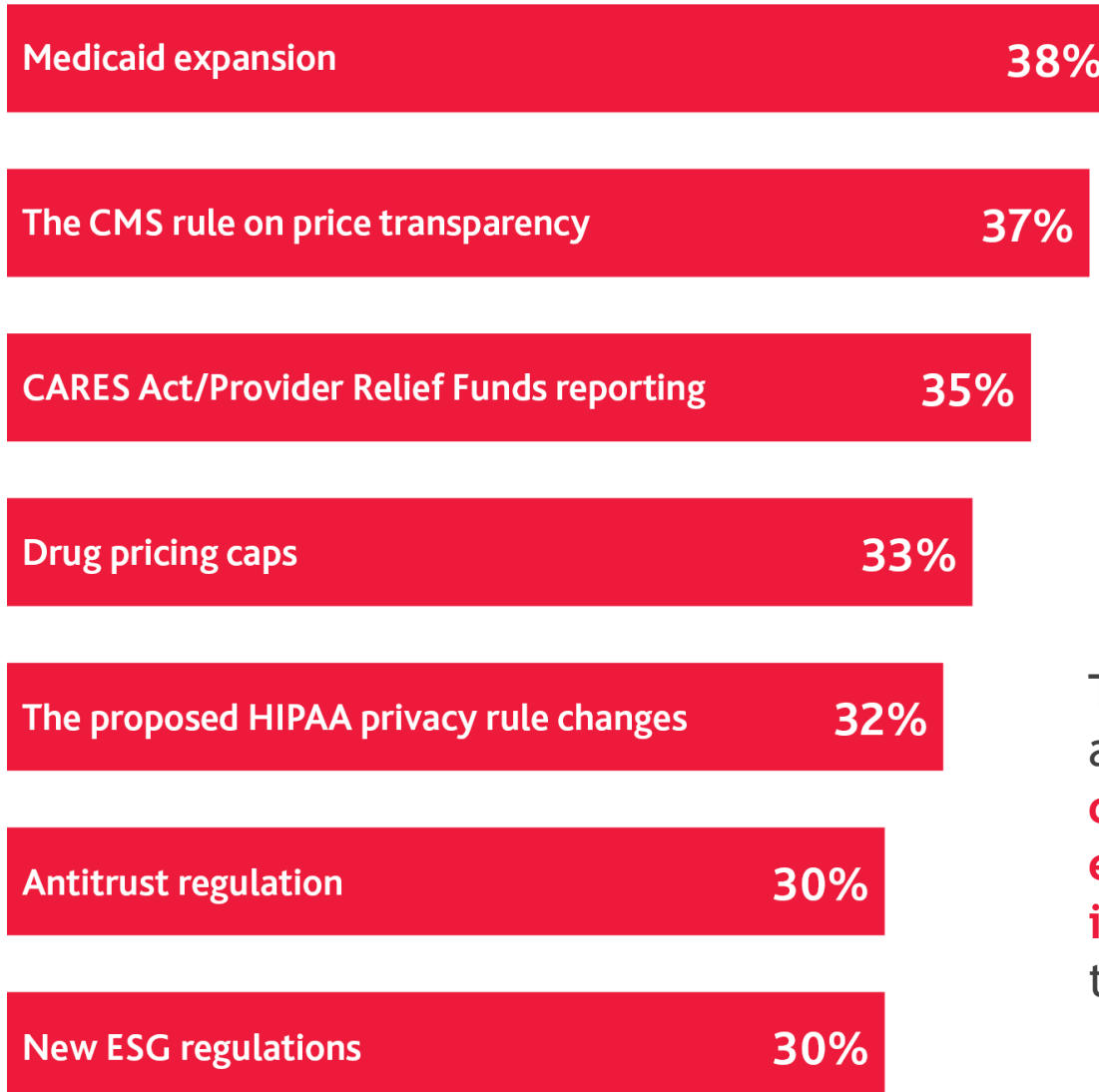
4

Glean practical tactics and ideas to implement in your organization.

Key Transformative Forces in U.S. Healthcare Today

- ▶ Stabilizing and Moving Forward from Pandemic to Endemic
- ▶ Staffing & Talent: Labor Shortages
- ▶ Supply Chain Challenges
- ▶ Cost Increases at a time we are focused on Total Cost of Care
- ▶ Changes in Reimbursement
- ▶ Changes in Healthcare Delivery models
- ▶ Revenue Cycle and EMR Integrations and Transformations
- ▶ Advancing Health Equity: Discontinuing a healthcare system of “haves” and “have nots”
- ▶ Site Of Service Differentials and Steerage
- ▶ Impact of M&A Transactions and Private Equity
- ▶ Impact of mega-payers and mega health systems
- ▶ State-level Medicaid Reform

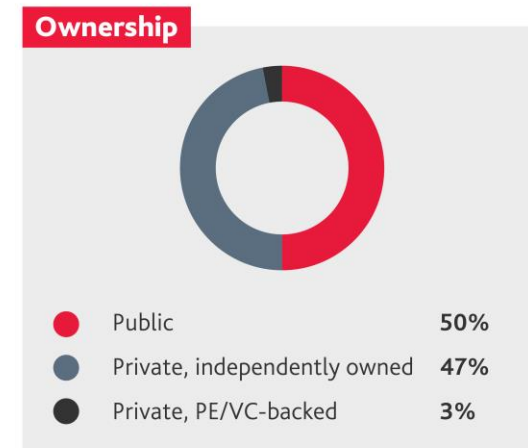
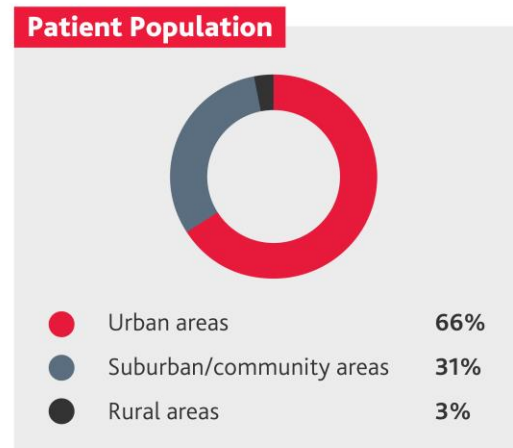
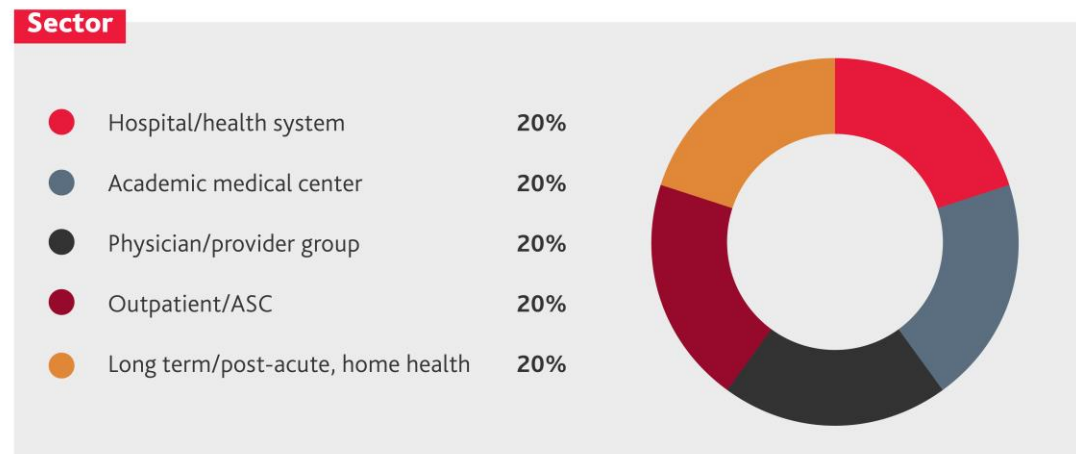
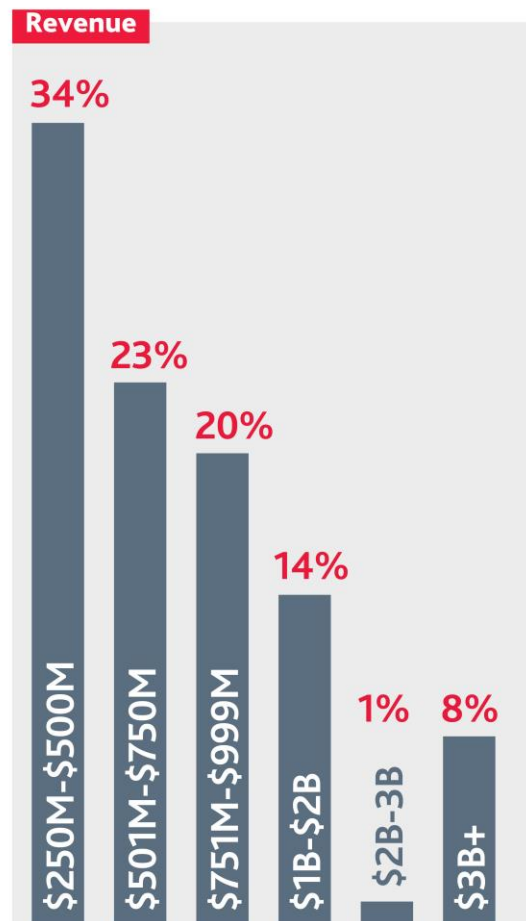
The Political & Regulatory Environment



The healthcare industry is not aligned on one major risk; rather **concerns are spread nearly equally over several regulatory issues** that exist or are expected to occur in the near future.

BDO 2023 Healthcare CFO Outlook Survey Methodology

The polled 100 healthcare industry CFOs with revenues ranging from \$250 million to \$3 billion in October 2022. The survey was conducted by Rabin Research Company, an independent marketing research firm, using Op4G's panel of executives.



Healthcare CFOs' upcoming plans and challenges in the year ahead.

Nearly three years after the COVID-19 pandemic began, our healthcare system is on the mend—but there are challenges ahead that healthcare organizations must be prepared to navigate for the challenging road ahead.



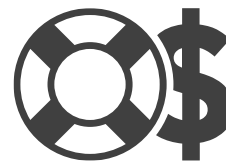
Healthcare's financial recovery is **uneven**, with some sectors struggling substantially more than others.



Dealmaking has slowed down in favor of **add-ons targeted** at expanding into new markets or growing market share.



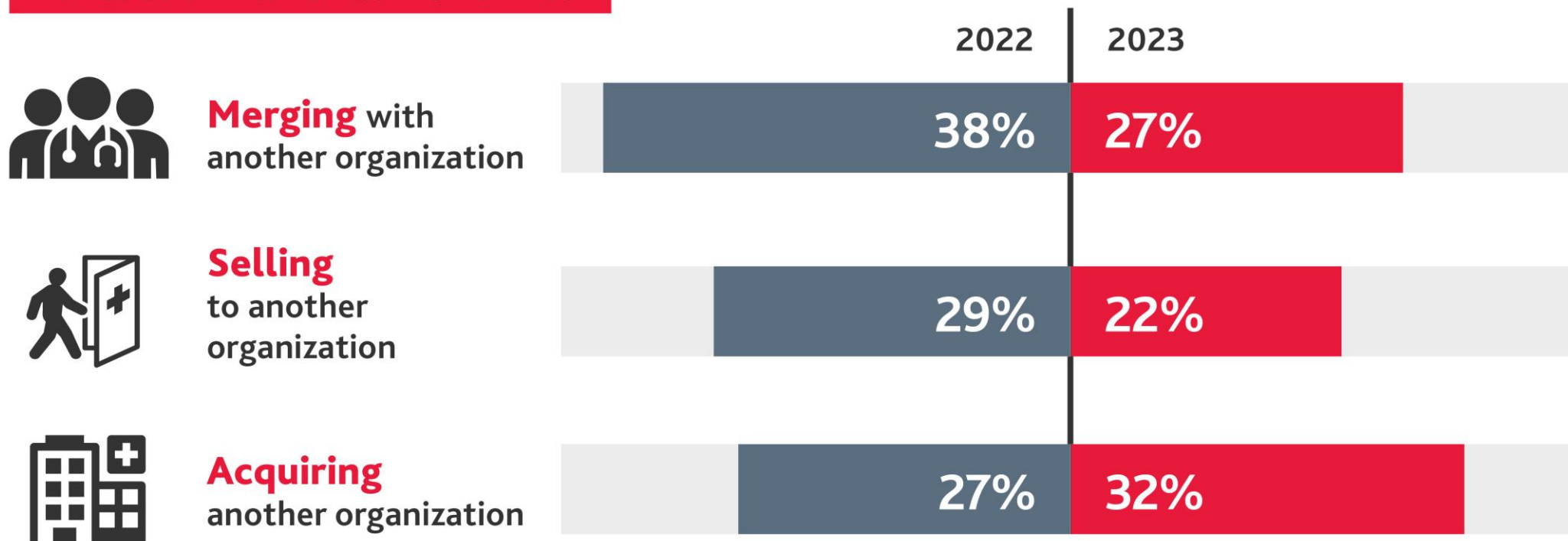
Organizations have **shifted their priorities** on digital transformation.



Financial distress was **more severe** than expected.

Healthcare CFOs aren't so big on big deals this year.

Transaction Plans Year-Over-Year



10 areas where CFOs are investing more, with less healthcare dollars

Healthcare's Investment Plans

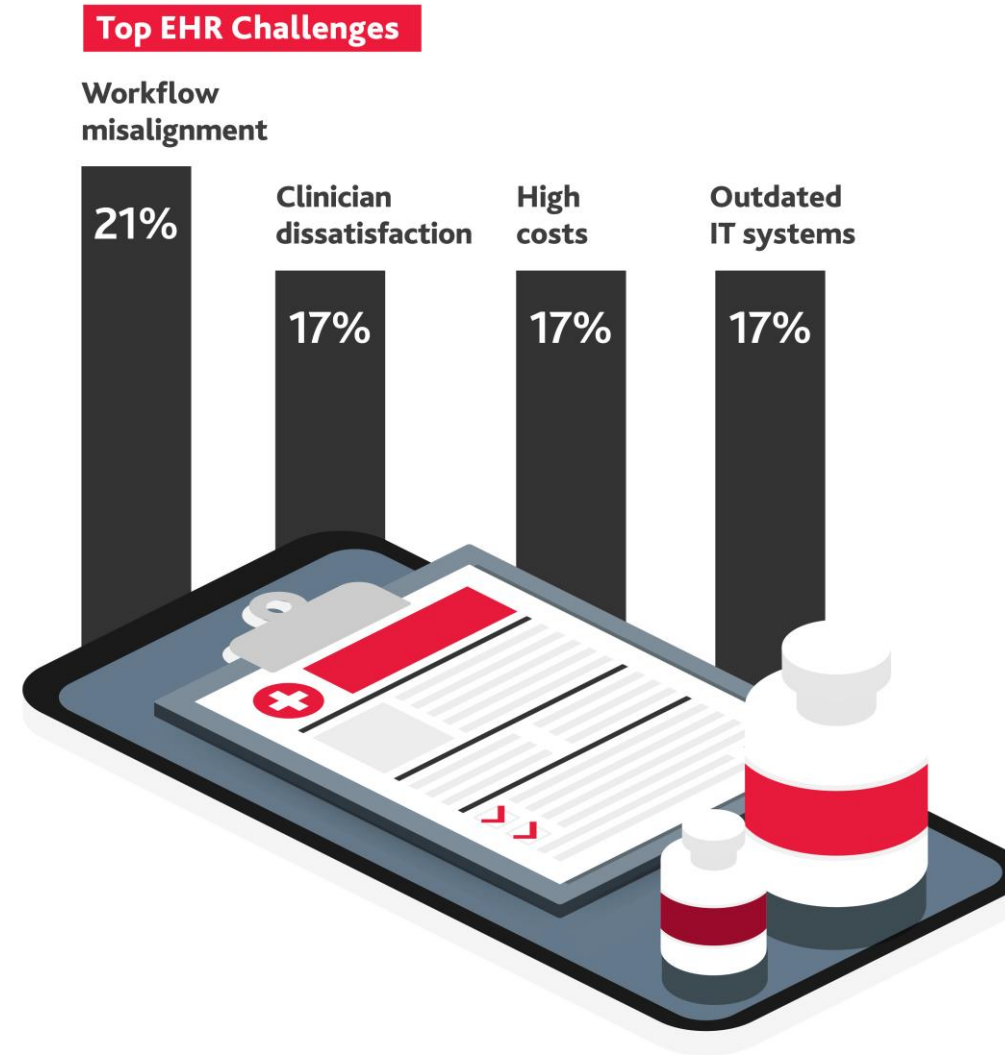
INVESTMENT AREA	Increase investment	Decrease investment	Partner with a capital provider or operator
Virtual/telehealth	50%	26%	21%
Behavioral health	49%	23%	25%
Hospice/palliative care	48%	27%	19%
Specialty services	47%	26%	21%
Elder care	47%	16%	31%
Home care	46%	20%	31%
Primary care	45%	21%	31%
Post-acute residential care	44%	30%	22%
Retail properties	43%	24%	28%
Ambulatory service centers (ASCs)	40%	28%	28%

Healthcare's gaps are widening.

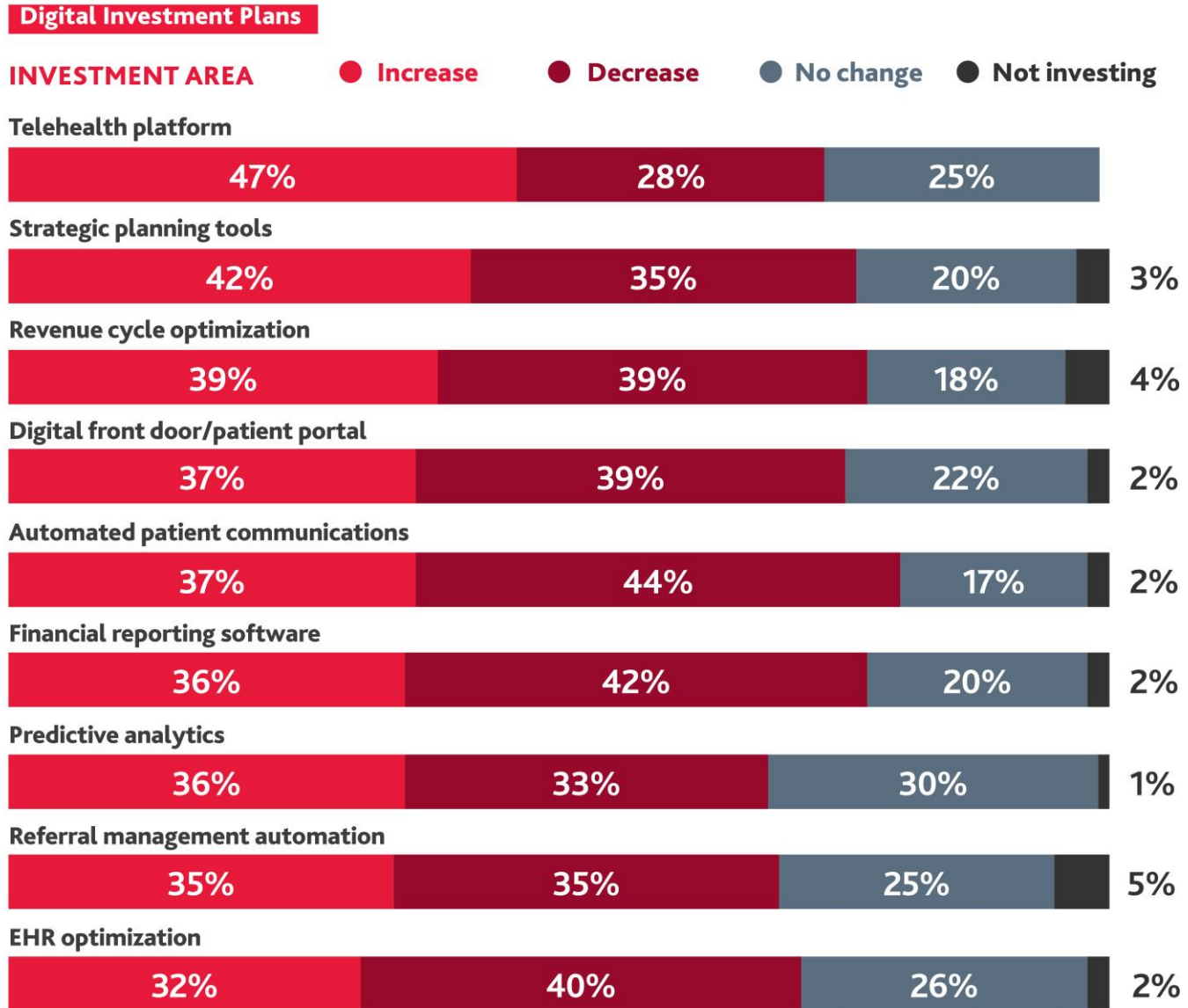
- ▶ Many healthcare organizations struggled to fulfill their financial covenants in 2022.
- ▶ Long-term, post-acute and home health organizations struggled the most, with 75% reporting missed terms and defaults by October 2022.
- ▶ This is likely due to challenges attracting patients after the pandemic pushed patients away from these organizations, as well as high labor costs.
- ▶ At the other end of the spectrum, 30% of hospitals and health systems defaulted or failed to meet terms in 2022.



Only 19% of healthcare CFOs are very satisfied with their EHR systems.



Healthcare
shifts
priorities on
digital
investments.



Top M&A goals in 2023. Digital transformation is likely to drive deals.

Top M&A Goals in 2023

Enhancing
digital capabilities



28%

Expanding into
a new market segment



28%

Growing/capturing
market share



25%

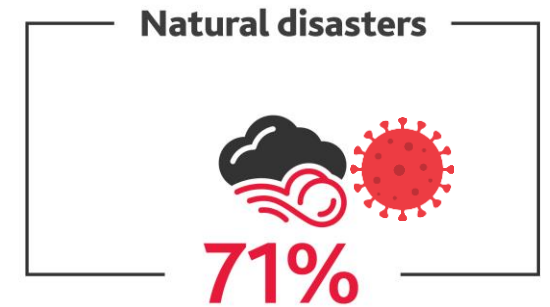
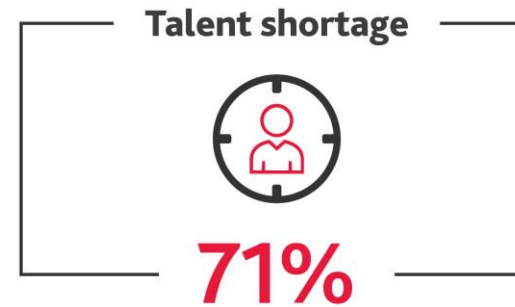
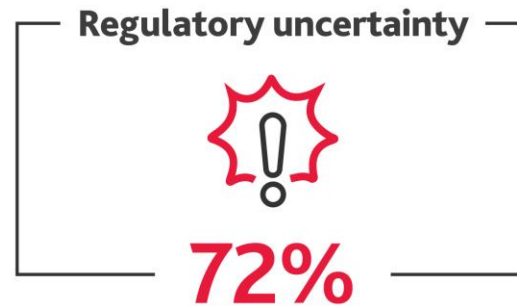
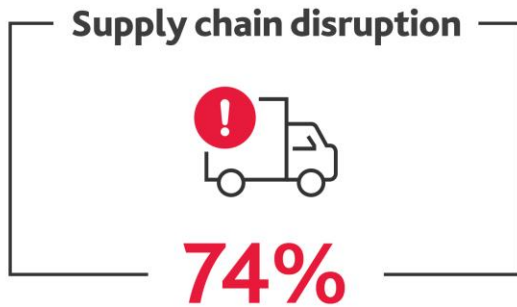
Enhancing product/
service offerings



18%

As healthcare advances in 2023, these headwinds could increase the divide among sectors.

Healthcare's Top Threats



Foundational Thoughts on Moving from Current State to Future State

Sustained Strain on the Healthcare System



Healthcare needs a financial checkup amid workforce and supply chain struggles.

Big Bets to Build the Future of Care: Value-Based and Consumer Centric



Healthcare is transforming and partnering to build the future of care.

Regulation and Reporting



From the Provider Relief Fund to pricing to ESG, regulations and reporting requirements are increasing.

Health Equity

While the term health equity is used widely, a common understanding of what it means is lacking.
What is health equity?

- ▶ In a report designed to increase consensus around meaning of health equity, the Robert Wood Johnson Foundation (RWJF) provides the following definition
 - Health equity means that everyone has a fair and just opportunity to be as healthy as possible. This requires removing obstacles to health such as poverty, discrimination, and their consequences, including powerlessness and lack of access to good jobs with fair pay, quality education and housing, safe environments, and health care.
 - Consensus around definitions for an issue such as health equity can help bridge divides and foster productive dialogue among diverse stakeholder groups. Conversely, a lack of clarity can lead to detours, and pose a barrier to effective engagement and action.

Environmental, Social, Governance (ESG)

SUSTAINABILITY DIMENSIONS



ENVIRONMENTAL

- ▶ Climate change
- ▶ Biodiversity
- ▶ Fresh water availability
- ▶ Water pollution
- ▶ Air pollution
- ▶ Circular economy
- ▶ Waste management
- ▶ Resource availability

SOCIAL

- ▶ Health and safety
- ▶ Diversity and equality
- ▶ Work-life balance
- ▶ Sustainable innovation
- ▶ Corporate citizenship
- ▶ Consumers' awareness
- ▶ Products and services innovation
- ▶ Sustainable consumption
- ▶ Community involvement

GOVERNANCE

- ▶ Corporate Governance
- ▶ Stakeholder engagement
- ▶ Anti-corruption
- ▶ Fair operating practices
- ▶ Risk and opportunity oversight
- ▶ Ethical behavior
- ▶ Responsible lobbying

Medicaid Expansion

BDO PRACTICAL INSIGHTS

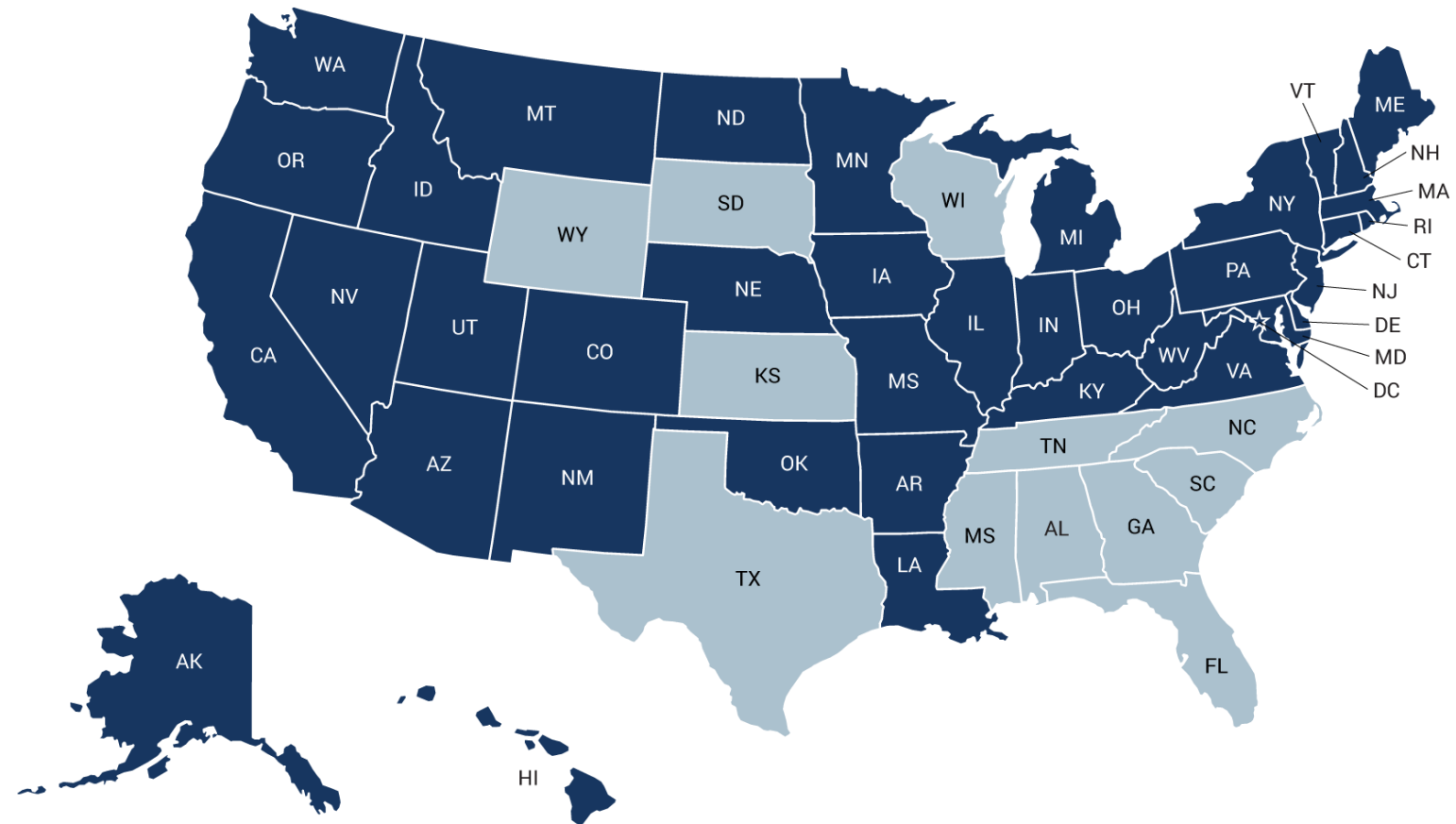
- ▶ Health insurance coverage during the COVID-19 Pandemic (under the Public Health Emergency mandate) gave a feel of universal coverage and its hard for states to think about taking it away.
- ▶ The few states that did not opt in have a compelling argument to do this now. When combined with the movement in Value-Based Care (VBC), Population Health Management (PHM) and Health Equity (HE), a fresh look at Medicaid Expansion makes considerable sense for the states, for the MCOs that serve these states, for providers and most importantly for healthcare consumers.
- ▶ There are significant growth opportunities for many industry stakeholders in the markets where Medicaid Expansion is being considered.
- ▶ The cost of not continuing coverage has the potential to be measured in terms of human life and elections won or lost.

WHAT'S HAPPENING:

- ▶ Between 5.3 million and 14.2 million low-income people could lose Medicaid coverage following the end of the PHE and federal continuous enrollment requirement.
- ▶ The American Rescue Plan Act of 2021 encourages non-expansion states to take up the expansion by providing an additional temporary fiscal incentive for states to newly implement the ACA Medicaid expansion. Under the law, states would receive the 90% ACA match for the expansion population.
- ▶ Under the law, states that do not have expansion in place when the bill was enacted would be eligible for a 5-percentage point increase in the state's regular, or traditional, match rate (FMAP) for two years if they implement the expansion.
- ▶ Experts estimate that the increase in the traditional match rate would more than offset the increased state costs of the expansion in every state.
- ▶ After the two years, states would continue to receive the 90% match for the expansion group and the traditional match without the 5-percentage point increase for the traditional population.

Current Summary of State Expansions

■ Not expanding (12 states) ■ Expanding (38 states and DC)



The “Contractualization” of Our Entire Patient Base and Payer Mix

THE MOVEMENT TO “VALUE-BASED CARE” (VBC) VIA PAYER CONTRACTS AND “ACCOUNTABLE CARE” MODELS

Risk Transfer Based on Actuarial Assumptions and Provider Ability to Manage Risk and Delegated Functions



Fee for Service



Pay for Performance



Medical Home Models



Clinically Integrated Networks (CINs, ACOs)



Shared Risk



Global Payment or % Premium

Different Metrics, Initiatives and Contract Models Across Commercial and Governmental Product Spectrum

Value-Based Care (VBC) Payment Models: What Are They?

- ▶ VBC payment models are reimbursement structures that incentivize provider organizations to improve the cost and quality of care
 - VBC payment models create performance risk and utilization risk
 - The VBC and bundled payment models create performance risk by holding organizations financially accountable for clinical outcomes and avoidable costs.
 - Models incentivize coordination and efficiency, not reduction of the overall volume of care
 - Shared savings models and capitation create utilization risk
 - Model incentivize organizations to reduce the overall volume of services delivered to achieve greater cost savings
- ▶ Value-Based Care (VBC) is next generation of Pay-for-performance (P4P); a/k/a also referred to as Value-Based Purchasing (VBP). Differing in scope, design, and complexity, these models include:
 - Medicare Shared Savings Programs (MSSPs)
 - Accountable Care Organizations (ACOs)
 - Clinically Integrated Networks (CINs)
 - Medicaid MCOs
 - Medicare Advantage plans and networks
 - CMS Direct Contracting Entities (DCEs)
 - Bundled Payment and Center of Excellence Programs (Commercial, Governmental)

What's Happening in VBC Contracting Across the USA

MEDICARE	MEDICAID	COMMERCIAL
Medicare Advantage models (MCO-based, Provider Owned, Hybrids)	Medicaid MCOs	Physician Network-Based (CINs, ACOs, IPAs/PHOs)
Direct Contracting with CMS	State level initiatives (i.e., Illinois HFS Medicaid Transformation)	Hospital-Network Based (CINs, ACOs, IPAs/PHOs)
Senior-Focused Integrated (Oak Street Health, Village MD, Cano Health, etc.)	Various MCO, HFS, Community- Based Models	Site of Service migrations can cause IDNs heartburn Challenges with SI v FI; Attribution v. Enrollment for PHM/VBC metrics

Core Issues in Contract Portfolios Today

- ▶ Underlying Actuarial Assumptions and Financial Modeling in Existing payer Contract Portfolios: Disrupted by Pandemic
- ▶ Adequacy of agreed to unit prices
- ▶ Increased Retroactive Disenrollment Among Patients
- ▶ Cost of care under capitated/risk contracts
- ▶ Ability to perform administrative requirements that subsequently created financial/incentive problems or compliance problems
- ▶ Impact to Publicly Reported Metrics and CMS Star Ratings



- ▶ These significant trends are impacting payer-provider relationships
- ▶ But its not just about payer contracts
- ▶ Moreover, the entire U.S. healthcare system is strained beyond capacity, inequitable in its access, and financially unsustainable in nearly 50% of hospitals

Pandemic Impact on VBC Contracts

The impact of COVID-19 on this hospital's Commercial Managed Care Contract Portfolio

- ▶ Adverse impact on return of 42.5%, or \$5.7M in profit margin
- ▶ Decrease in Surgical Admissions of 80% for the Observed Period
- ▶ Increase in high-cost Medical Admissions by 75% for the Observed Period
- ▶ Decrease in profitable Elective Outpatient Services
- ▶ Decreased/no earnings Value-Based Contracts/Pay-For-Performance arrangements (VBC/P4P)

Fee-For-Service Illustration										
Commercial Payor	Service Line	Budgeted Volume	Budgeted Total Cost	Budgeted Payment	Budgeted Profit	Actual Volume	Actual Costs	Actual Payment	Actual Profit	Total Budget Variance
Inpatient	Medical	500	\$15,000,000.00	\$17,250,000.00	\$2,250,000.00	900	\$36,000,000.00	\$41,400,000.00	\$5,400,000.00	\$3,150,000.00
Inpatient	Surgical	500	\$37,500,000.00	\$45,000,000.00	\$7,500,000.00	100	\$7,500,000.00	\$9,000,000.00	\$1,500,000.00	-\$6,000,000.00
Inpatient Stoploss	Catastrophic	25	\$2,500,000.00	\$3,375,000.00	\$875,000.00	10	\$1,000,000.00	\$1,350,000.00	\$350,000.00	-\$525,000.00
Inpatient	VBC P4P Incentive	Full Earn	\$0.00	\$0.00	\$0.00	1010	\$0.00		\$0.00	
Inpatient Total			\$55,000,000.00	\$65,625,000.00	\$10,625,000.00		\$44,500,000.00		\$7,250,000.00	-\$3,375,000.00
Outpatient	ER	1,000	\$1,000,000.00	\$1,500,000.00	\$500,000.00	300	\$300,000.00	\$450,000.00	\$150,000.00	
Outpatient	Surgery	700	\$3,500,000.00	\$5,250,000.00	\$1,750,000.00	200	\$500,000.00	\$750,000.00	\$250,000.00	
Outpatient	Imaging	2,000	\$600,000.00	\$900,000.00	\$300,000.00	500	\$75,000.00	\$112,500.00	\$37,500.00	
Outpatient	Lab	5,000	\$500,000.00	\$750,000.00	\$250,000.00	1000	\$50,000.00	\$75,000.00	\$25,000.00	
Outpatient	VBC P4P Incentive	Full Earn		\$0.00	\$0.00					
Outpatient Total			\$5,600,000.00	\$8,400,000.00	\$2,800,000.00	2000	\$925,000.00	\$1,387,500.00	\$462,500.00	-\$2,337,500.00
Grand Total					\$13,425,000.00				\$7,712,500.00	-\$5,712,500.00
										-0.425512104

Pandemic Impact on VBC Contracts

Here is an example of a 2020 Income Statement of a Commercial ACO, buoyed by both a drop in expenses and an increase in premium/capitation.

	Budgeted	Actual	Variance
Covered Lives	1000	1000	0
Premium/Capitation-MA	\$18,000,000	\$21,000,000	\$3,000,000
Expense-MA	\$17,100,000	\$14,700,000	\$2,400,000
Medical Loss Ratio (MLR)	\$15,300,000	\$12,600,000	\$2,700,000
Profit-Medicare Advantage	\$900,000	\$6,300,000	\$5,400,000
Covered Lives	1000	1000	0
Premium/Capitation- Comm	\$7,200,000	\$7,200,000	\$0.00
Expense- Comm	\$6,120,000	\$5,400,000	\$720,000
Medical Loss Ratio (MLR)	\$5,400,000	\$4,320,000	\$1,080,000
Profit-Commercial	\$1,080,000	\$1,800,000	\$720,000
Covered Lives	1000	1000	0
Premium/Capitation-PA	\$8,400,000	\$9,240,000	\$840,000
Expense-PA	\$7,980,000	\$8,778,000	\$798,000
Medical Loss Ratio (MLR)	\$7,140,000	\$5,544,000	\$-1,596,000
Profit-Public Aid	\$420,000	\$462,000	\$42,000

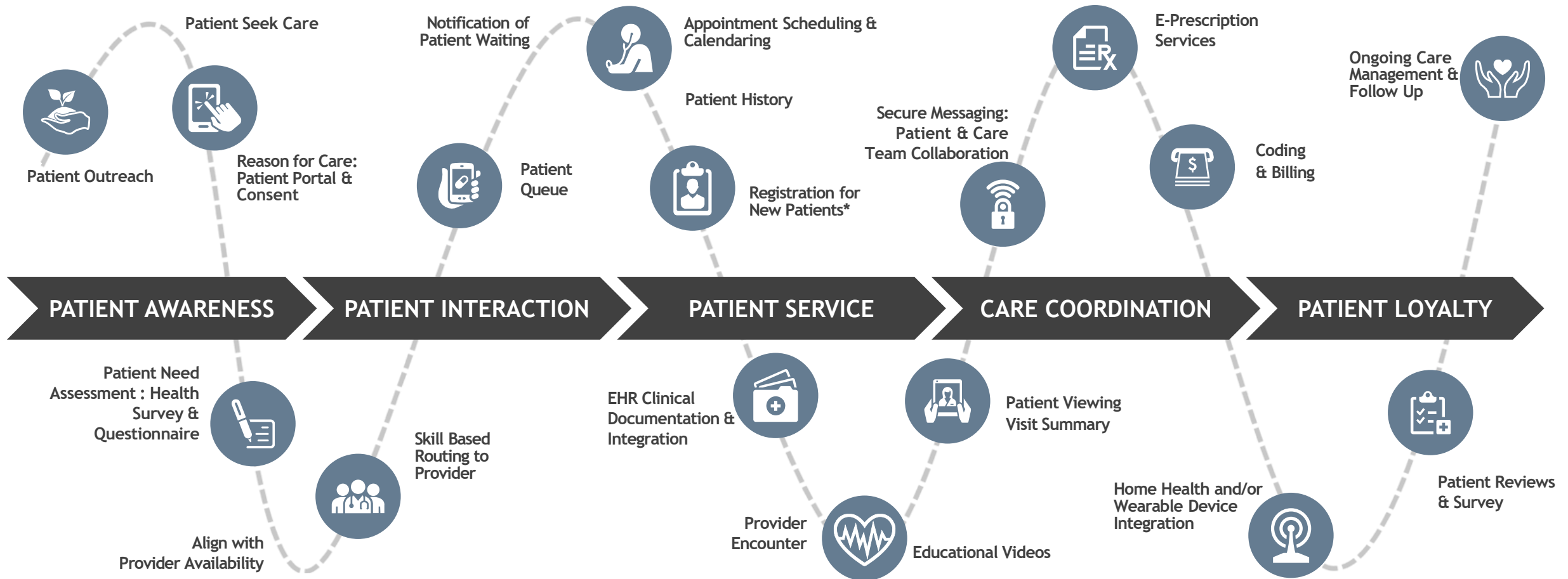
Today's Top Ten: Future Trajectory of Payor Contracting and Value-Based Care (VBC)

1. Attributed Product Models (PPOs, Claims-Based, PCP Concierge, Limited Referrals - more for care coordination than unit cost management)
2. Enrolled Product Models (HMOs, PCPs, Referrals, Capitation with high focus on utilization, post-acute care management, case management)
3. Total Cost of Care
4. Increasing Downside Risk
5. Patient Engagement 2.0: Incorporating technology and Social Determinants of Health (SDOH), while overcoming pandemic stay in place factor
6. Advancing Health Equity
7. Alignment of “Quality Metrics” and Incentives
8. Precision Coding
9. Real Time Data Sharing/Exchange, Access to EMRs, BlockChain Adjudication
10. Joint Ventures and Joint Governance



PATIENT ENGAGEMENT

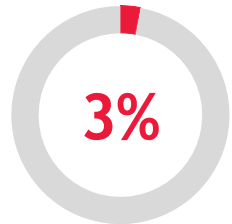
The “Stickiness” of Telehealth, Patient Portals and EMRs



PATIENT ENGAGEMENT

Six Generations, Six Sets of Expectations

% OF 2028 POPULATION

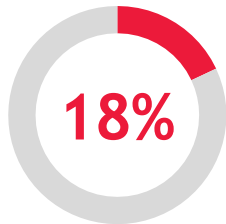


THE SILENTS

Born 1928 - 1945

AGE 83-100 IN 2028

- ▶ 83% Have A PCP
- ▶ Rely on word of mouth
- ▶ Technology averse

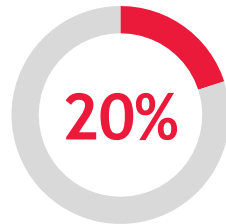


BABY BOOMERS

Born 1946 - 1964

AGE 63-82 IN 2028

- ▶ 83% Have a PCP
- ▶ Rely on MD rec
- ▶ One of the unhealthiest generations than any previous at same age

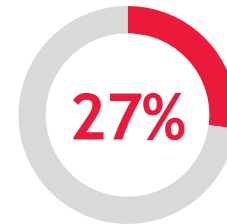


GEN X

Born 1965 - 1980

AGE 48-63 IN 2028

- ▶ 56% Have PCMD
- ▶ Feel less comfortable opening up to MD
- ▶ 1 in 4 say they've lost trust in doctor or hospital

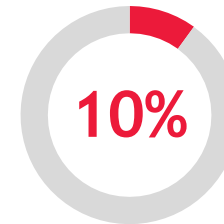


MILLENNIALS

Born 1981 - 1997

AGE 31-47 IN 2028

- ▶ 33% Have A PCP
- ▶ 1 In 4 use other care sites
- ▶ More likely than any generation to say they can tell their doctor anything

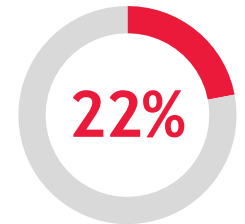


GEN Z

Born Late 1990s - 2000s

AGE 14-33 IN 2028

- ▶ Generation "Now"
- ▶ Time is a premium
- ▶ Need more info



GEN ALPHA

Born 2014 - Present

<14 YEARS IN 2028

- ▶ Complete immersion in tech
- ▶ Less human contact
- ▶ Long life expectancy
- ▶ Smaller family size with older parents

The New Revenue Cycle Frontier: Precision Coding

OVERVIEW OF THE REVENUE CYCLE

No Longer Just About The Front Office and Business Office

Mid-Cycle is Increasingly More and More Important for Driving Financial Stability and Improvements in Quality Performance



CODING

Specificity Matters in Risk Scoring

ICD-10 Unspecified or Condition	Risk Score
75 yr old Male	0.8608
E11.9 MD Type 2 unspecified	0.8129
N18.9 CKD unspecified	1.8073
I10 Hypertension	0.2236
Total	3.7046

ICD- Specified	Risk Score
75 yr old Male	0.8608
E11.22 DM type 2 with CKD	2.0399
N18.5 CKD Stage 5	1.8073
E20.0 Idiopathic Hypoparathyroidism	.7240
K21.9 GERD	0.2411
J45.909 Asthma, unspecified	0.4848
Total	6.1278

Risk scores for each condition reflect anticipated future cost of care for the patient and drive premium funding from payers.

Social Determinants of Health (SDOH)

- ▶ SDOHs are conditions in the environments in which people live, learn, work, play, worship and age

SDoH	
Food Insecurities	Physical Inactivity
Loneliness & Social Isolation	Income
Housing Quality & Instability	Social Status
Transportation	Employment & Working Conditions

- ▶ 60% of a person's health is impacted by behavioral, environmental and social conditions
- ▶ Your patients' lifestyle choices often can put them at higher risks for health challenges
- ▶ Identifying/Coding + Addressing SDoH = Comprehensive Approach to Patient Care

SDOH Coding Examples (Z-Codes)

Food insecurity

- Z59.4 Lack of adequate food/drinking water

Loneliness/lack of primary support group

- Z60.2 Problems related to living Alone
- Z60.4 Social Exclusion and Rejection
- Z63.8 Other specified problems related to primary support group
- Z63.9 Problems related to Primary Support Group, unspecified

Housing instability and problems with economic circumstances

- Z59.0 Homelessness
- Z59.1 Housing, Inadequate
- Z59.8 Other Problems related to housing and economic circumstances
- Z59.9 Problems related to housing and economic circumstances, unspecified

PAYERS

All Major Insurers Now Vertically Integrated

PAYERS							
Insurer	UHC ¹	Aetna	Cigna	Anthem	Humana	BlueCross BlueShield	Walmart?
PBM	OptumRx	CVS Caremark	Express Scripts	IngenioRx	Humana Pharmacy Solutions	Prime Therapeutics ²	Capital Rx ²
Specialty Pharmacy	BriovaRx	CVS Specialty	Accredo	CVS Specialty	Humana Pharmacy	AllianceRx ²	Walmart Specialty Pharmacy
Provider Services	OptumCare	Minute Clinic Health Hub	Cigna Collective Care	CareMore Health; Aspire Health	Partners in Primary Care; Conviva Care Center; Kindred at Home	Various Blues physician practices	Walmart Health

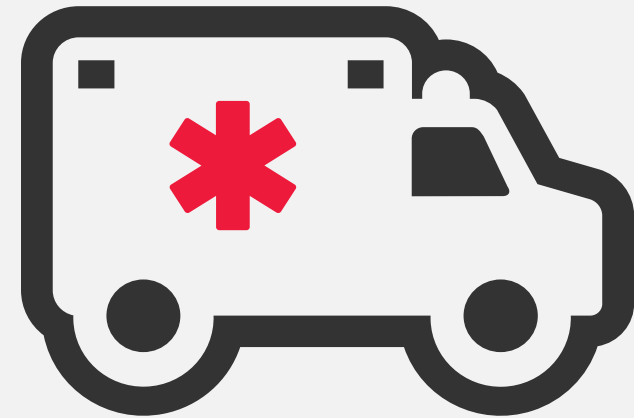
Source: Fein, "Insurers + PBMs + Specialty Pharmacies + Providers: Will Vertical Consolidation Disrupt Drug Channels in 2020?" Drug Channels, December 2020.

Considerations:

- ✓ Revisit your employee retention strategies
- ✓ Weigh your investment plans against community needs
- ✓ Prioritize financial reporting, dashboards, KPIs
- ✓ Optimize your existing technology before purchasing new solutions
- ✓ Consider deals/partnerships as a way to develop tech capabilities
- ✓ Plan for longer deal timelines; don't forget about post-deal integration
- ✓ View your Payor Contract Portfolio as greatest asset and risk
- ✓ This is not our mother's Revenue Cycle
- ✓ Promote and enhance your patient portal (for many reasons)



Optimizing Patient Access



Outline for Discussion

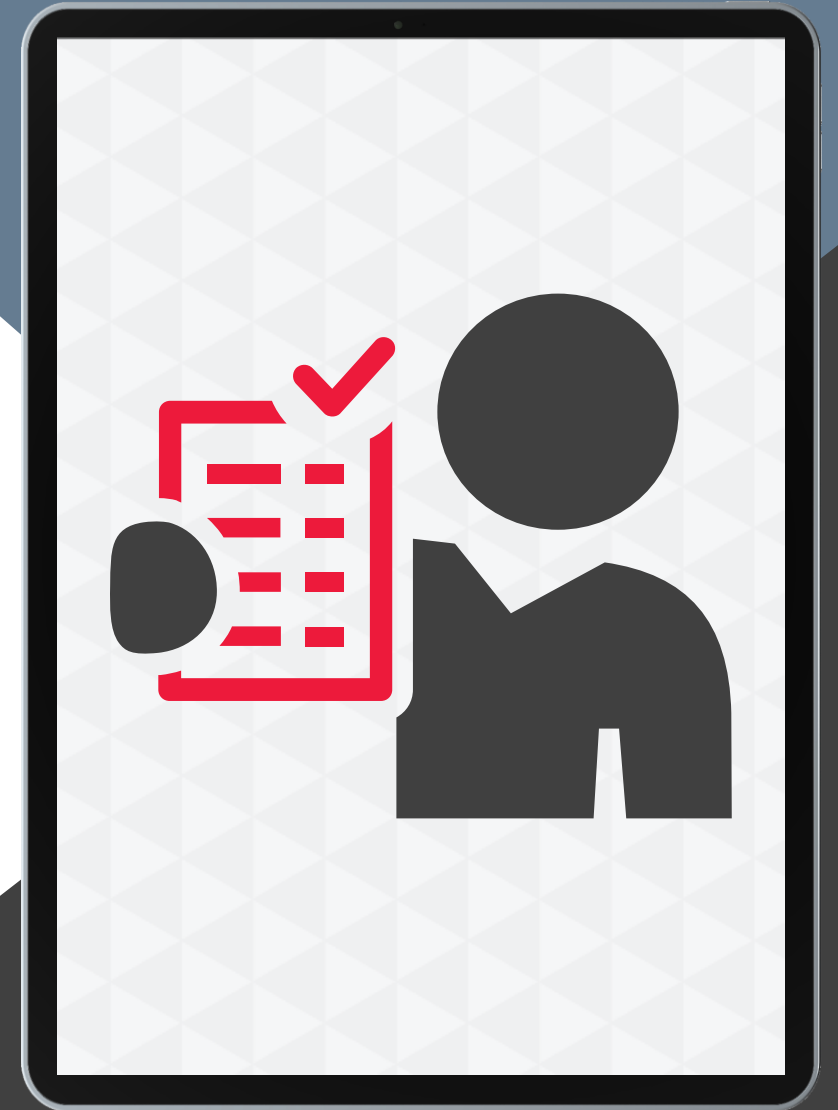
Healthcare Challenges

What is Patient Access

Why Patient Access is Critical

Key Actions Providers Can Take

A Success Story



Are you experiencing any of these challenges?



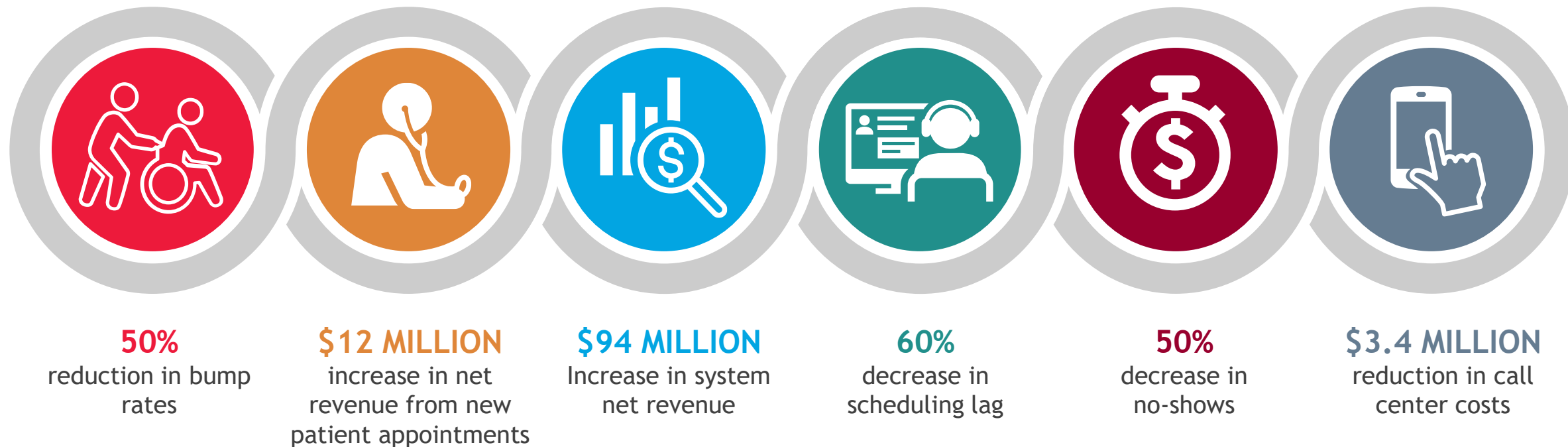
Optimizing Patient Access May Be an Important Next Step

WHAT DO WE MEAN BY PATIENT ACCESS?

Patient access is about ensuring patients have access to high quality care and information they need in a timely and efficient manner. From a provider perspective, patient access is essential for efficient practice operation, balancing patient demand with clinical resource productivity, managing patient populations and successfully managing value-based contracts.

Why Should You Optimize Patient Access?

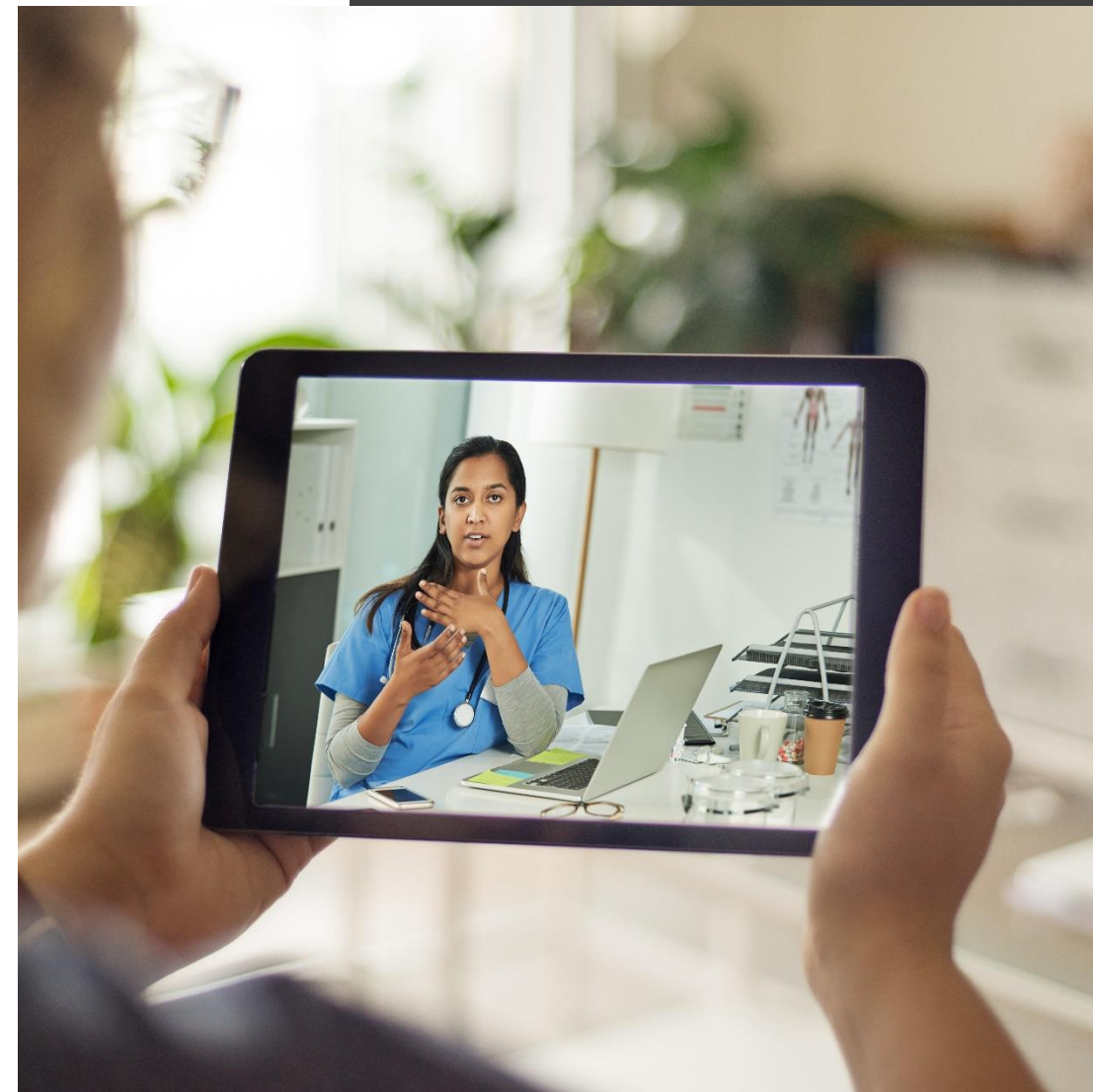
ORGANIZATIONS THAT OPTIMIZE THEIR PATIENT ACCESS EXPERIENCE SIGNIFICANT BENEFITS. SOME OF THE RESULTS OUR CLIENTS HAVE ACHIEVED INCLUDE:



Key Actions Providers Can Take

1. OPTIMIZE YOUR SCHEDULING TEMPLATE

- ☐ Review your current scheduling templates.
How long is each appointment type scheduled?
Which appointments, if any, must happen on a certain day or at a certain time?
- ☐ Revalidate the current rationale for templates, assess template design, standards and maintenance policies, and scheduling protocols.
- ☐ Adjust your scheduling templates to address identified gaps and inefficiencies.
- ☐ Evaluate updated scheduling templates for ease and accessibility by testing the patient portal and call center.
- ☐ Identify and rebook displaced patients to minimize disruption to your patients during implementation.



Key Actions Providers Can Take

2. IMPROVE REFERRAL STRATEGY

- ❑ Identify the KPIs you want to track to measure the efficacy of your referral strategy.
- ❑ Assess your current referral policies and procedures to identify gaps.
- ❑ Standardize the referral management processes both internal and external.
- ❑ Implement consistent and streamlined referral workflows supported by your health information technology system (ex. Epic).
- ❑ Establish governance for referral management standards/accountability.
- ❑ Train your clinicians and front-office staff in the new referral process.



Key Actions Providers Can Take

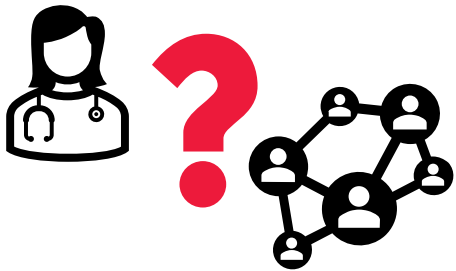
3. ENHANCE CALL CENTER

- ❑ Review performance data, call center structure and call center goals.
- ❑ Engage stakeholders, including staff, to understand the current state of the call center.
- ❑ Use operational and benchmark data and stakeholder feedback to define KPIs.
- ❑ Improve software, workflows, and tools to help boost patient engagement, call quality and call efficiency.
- ❑ Implement decision trees to improve workflows for the scheduling process.
- ❑ Pilot a staffing model for an optimized call center prior to go-live.
- ❑ Provide implementation support and training.
- ❑ Regularly evaluate key performance indicators.



Drive Engagement Across Your Organization

You want to create the most impactful change in the simplest way. How do you do that?
Get ahead of the questions and answer proactively:



Who?



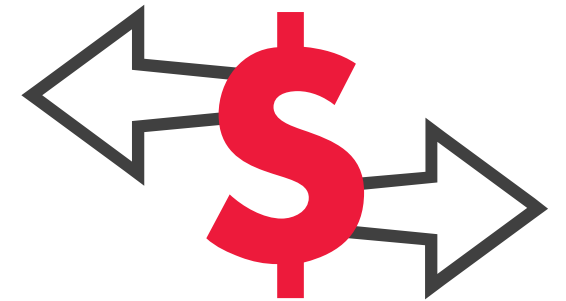
What?



Why?



How?



What is the outcome?
How will it support
internal stakeholders,
departments, and
ultimately the patients.

Case Study

PATIENT ACCESS TRANSFORMATION & DIGITAL FRONT DOOR TO CARE STRATEGY



INTRODUCTION

CLIENT PROFILE:

- ▶ Integrated Delivery Network
- ▶ 10 Hospitals
- ▶ 3,000 Employed Physicians

BRIEF COMPANY DESCRIPTION:

- ▶ 2020: \$1B in financial losses due mostly to COVID-19
- ▶ Long wait times for appointments, low provider productivity, loss of market share to competitive health systems

AREA OF FOCUS:

- ▶ Scheduling template optimization
- ▶ Digital Front Door Strategy

Case Study

PATIENT ACCESS TRANSFORMATION & DIGITAL FRONT DOOR TO CARE STRATEGY



BUSINESS CHALLENGE

- ▶ To improve the patient experience through timely access to clinical services, and the ease of appointment scheduling for new and existing patients
- ▶ To improve the provider experience through template design to enable them to meet or exceed individual productivity and patient volume targets
- ▶ Enhance the efficiency and effectiveness of practice operations in terms of scheduling, patient throughput, and improved resource and asset utilization
- ▶ Establish foundational design within HIT platforms to accelerate use of digital engagement

Case Study

PATIENT ACCESS TRANSFORMATION & DIGITAL FRONT DOOR TO CARE STRATEGY



KEY INITIATIVES

- ▶ Expand and accelerate direct self-service scheduling capabilities through patient portal and consumer facing website
- ▶ Consumer oriented approach for patient and visit retention
- ▶ Facilitate practice growth, but with a more efficient administrative staffing model
- ▶ Align templates with strategic needs of the provider or practice
- ▶ Address challenge of physician moral injury
- ▶ Asset utilization improvement
- ▶ Open self-service scheduling through website to capture new patients in a competitive market
- ▶ Leverage automation to shift volume from humans to digital tools resulting in an optimized staffing model

Case Study

PATIENT ACCESS TRANSFORMATION & DIGITAL FRONT DOOR TO CARE STRATEGY



RESULTS

- ▶ Bump rate reduced by 50% (from 2.1% to <1), cleaner schedules reduced provider-initiated cancellations
- ▶ Year 1 ROI:
 - \$12M increase in professional revenue from New Patient appointments
 - \$94M increase in revenue to system
 - 60% decrease in Scheduling Lag
 - 50% decrease in No Shows
 - \$3.4M reduction in call center costs due to shift towards online scheduling - 580,000 appointments scheduled online

Case Study

REFERRAL MANAGEMENT STRATEGY



INTRODUCTION

CLIENT PROFILE:

- ▶ Academic Medical Center
- ▶ 10 Hospitals
- ▶ 3,000 employed physicians

BRIEF COMPANY DESCRIPTION:

- ▶ 2020: \$1B in financial losses, due mostly to COVID-19
- ▶ Referral leakage to competitive health systems due to long appointment wait times

AREA OF FOCUS:

- ▶ Referral management strategy

Case Study

REFERRAL MANAGEMENT STRATEGY



BUSINESS CHALLENGE

- ▶ Ineffective Governance model with minimal referral management accountability
- ▶ Policies and procedures existed but not followed or were non-existent dependent on entity
- ▶ High volume referral work queues due to non-standardized processes and lack of management accountability
- ▶ Referral work queue rules were not reviewed for accuracy, resulting in high volumes of referrals stuck in Parent WQ
- ▶ Provider finder information inconsistent and outdated
- ▶ Manual referral workflow processes utilized outside of Software Platform

Case Study

REFERRAL MANAGEMENT STRATEGY



KEY INITIATIVES

- ▶ Design a standardized and efficient referral management structure centralized within each entity
- ▶ Enhance the patient referral experience improving quality outcomes and care coordination
- ▶ Build the foundation to support high-quality integrated and coordinated patient care access
- ▶ Implement consistent and streamlined referral workflows supported by optimized Platform functionality

Case Study

REFERRAL MANAGEMENT STRATEGY



RESULTS

- ▶ Implemented Cross-Entity Governance structure to collaborate and make decisions on operational and systematic solutions
- ▶ Developed/provided a Future State Roadmap with supporting recommendations maximizing efficiencies through centralization, standardization and system optimization
- ▶ Optimized 85 referral order composers cross-entity with department collaboration
- ▶ Identified supervisors accountable for 688 scheduling and authorization work queues
- ▶ Work queue clean up: deactivated 158 unused work queues
- ▶ Completed referral clean up: removed over 25,000 erroneous referrals from work queues
- ▶ 14,200+ referrals auto-authorized due to rule issue identification and correction

The Path Forward



Moving to Post-Pandemic Strategies

IMPROVING PERFORMANCE ACROSS THREE CRITICAL AREAS



FINANCIAL IMPROVEMENT

- ▶ Operating Cost Reduction
- ▶ Revenue Enhancement
- ▶ Payor Contracting/VBC strategy
- ▶ Corporate Development
- ▶ Restructuring & Turnaround



CLINICAL INNOVATION

- ▶ Workforce & Productivity
- ▶ Growth & Development
- ▶ Population Health Strategies
- ▶ Compliance & Risk Management
- ▶ Consumer Experience



DIGITAL TRANSFORMATION

- ▶ Have a Digital Strategy
- ▶ Manage/Balance: Risk & Opportunity
- ▶ Modernize Technology
- ▶ Lead Change
- ▶ Unlock the Power of Data

Thank You!



People who know
Healthcare, know BDO.

www.bdo.com/healthcare



BDO is the brand name for BDO USA, LLP, a U.S. professional services firm providing assurance, tax, and advisory services to a wide range of publicly traded and privately held companies. For more than 100 years, BDO has provided quality service through the active involvement of experienced and committed professionals. The firm serves clients through more than 65 offices and over 700 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of more than 88,000 people working out of more than 1,600 offices across 167 countries and territories.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.

This document contains information that is proprietary and confidential to BDO USA, LLP, the disclosure of which could provide substantial benefit to competitors offering similar services. Thus, this document may not be disclosed, used, or duplicated for any purposes other than to permit you to evaluate BDO to determine whether to engage BDO. If no contract is awarded to BDO, this document and any copies must be returned to BDO or destroyed.

Material discussed is meant to provide general information and should not be acted on without professional advice tailored to your needs.

© 2020 BDO USA, LLP. All rights reserved. www.bdo.com

