



SIMPLE BUT POWERFUL SOLUTIONS THAT PRODUCE RESULTS

Now What – Do You Have A Bridge Strategy for Transitioning to a Value Based System? May 2014

While the debate about healthcare reform, costs and access continues to swirl with uncertain results, several trends challenge sustainability and action rather than watchful waiting is required:

1. Downward trend in utilization rates.
2. Fluctuation in demand for healthcare services driven by changes in insurance coverage.
3. Revenues not keeping pace with cost increases.
4. Continued increase in total cost of care continues with government, payers and employers sounding the alarm bells.
5. More risk being shifted to providers and providers are struggling to manage risk.
6. Consolidation continues to increase across all segments of the healthcare sector.

How Will Successful Healthcare Leaders Bridge the Change and ensure Sustainability ?

The *seven imperatives* healthcare organizations must master to ensure sustainability:

1. Continued focus on remaining **community competitive** in terms of cost, quality, outcomes, access and loyalty. This is to ensure they remain indispensable in the marketplace. It is not a one-time initiative. Self-assessment is not sufficient nor is being just as good as your competitor. If you are not a “must have” provider you will not be sustainable.
2. Develop and pursue a **contemporary payer strategy** that carefully identifies how you will be business with current and future government and commercial payers, and self-insured employers in your market. The strategy must identify who you will do business with under what terms, who you will partner with to drive added value, and who you might bring into your market.
3. Acquire **value based, accountable care or population health capabilities** including assumption of risk and be willing to transform your care delivery model on a timely basis in partnership with your physicians.
4. Partner with or build an effective **tightly managed care delivery network** incorporating all levels of care to ensure the delivery of **the right care at the right time at the right cost**.
5. Acquire the means **to control 100% of the premium dollar** directly or through meaningful partnerships with insurers or other providers willing and able to provide the incentives and revenue streams needed to finance a new sustainable model of care delivery.
6. Implement plans to **quickly and effectively right size** the organization’s acute, post-

acute, and ambulatory services to match changes in demand.

7. Execute a **“bridge” strategy** to strategically guide your organization in the transition from your current revenue arrangement to your expected care delivery model and attendant payment arrangements. The bridge strategy will vary by market and organization but is likely to span a three to five year time frame.

What You Will Need

Developing and executing your **“bridge strategy”** will require **three resources or enablers** in short supply in healthcare organizations:

1. **Leadership and talent** with experience in non-traditional disciplines including: managing a population, developing networks, transforming primary care, managing referrals, negotiating and managing risk contracts, developing insurance products, and transforming organizations.
2. **Technology** to enable seamless coordination of care across an integrated delivery network and to assure access and connectivity between providers and the populations or patients they serve.
3. **Cash for** investments in care delivery that enable reimbursement to shift from volume to value and to “right size” your organization.

The Difficult Choices Ahead: Five Immediate Steps

The imperatives and enablers in your market though perhaps different than what has been suggested require careful and immediate attention. Five immediate steps to develop and begin implementation of your bridge strategy :

1. Determine which imperatives are critical for your success.
2. Determine whether you can assemble the needed resources to respond on a timely basis.
3. Determine whether you need to partner or align with others to achieve sustainability
4. Develop and begin implementation of your payer strategy.
5. Develop and execute your plan as quickly as possible.

We Can Help

Call or email me @ 201 656 1004 or ehindin@hhadvisors.com for additional conversation about how we might help you complete your assessment and your plan.



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