

# Paddling Upstream: Concerns of a Hospital Administrator

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## Objectives

As a result of participating in this activity, learners will be able to:

- a. Identify political, reimbursement and economic challenges impacting healthcare providers and hospital administrators.
- b. Recognize the impact of political, reimbursement and economic changes on the long and short-term success of healthcare providers.
- c. Understand what steps healthcare administrators can take to address these issues and position their institutions for success.

## Question 1

What are the 5 top issues that concern you most in your role as a hospital administrator?

1. Government requirements/mandates
2. Evolving payment models
3. Cost of technology/investments
4. Pharmacy costs
5. Healthcare workforce shortages

Source: Top 2017 Challenges Healthcare Executives Face: [Managed Healthcare Executive](#)

## Question 2

As a hospital administrator, what State political and/or regulatory issues concern you the most?

1. Federal uncertainty
2. Term limits/lack of institutional history
3. Lack of knowledge on health care issues
4. Medicaid future, supplemental payments, managed care

## Question 3

As a hospital administrator, what Federal political and/or regulatory issues concern you the most?

1. Repeal and replace maneuvers w/o vetting
2. Delegation positions on healthcare issues
3. Continue cuts under ACA plus more on top with Medicaid including per capita caps and/or block grants

# Commonwealth Fund Data-OK Impact

## Projected Impact AHCA & BCRA

### Health Care Coverage

**157,000  
more uninsured**

The Senate bill (BCRA) would increase the number of uninsured people under age 65 in Oklahoma by 157,000 by 2022.

Source: L.J. Blumberg, et al. State-by-State Coverage and Government Spending Implications of the Better Care Reconciliation Act, Urban Institute, June 28, 2017

### Hospital Finances

Under the AHCA (House bill), Oklahoma hospitals would face a 10% increase in uncompensated care (treatments and services not paid for by an insurer or patient) and 0.8 percentage point reduction in annual operating margins by 2026. Rural hospitals would face a 7% increase in uncompensated care and 0.8 percentage point reduction in operating margins.

Source: R. Haight, A. Dobson, J. DeVries, and M. K. Abrams, "How the American Health Care Act's Changes to Medicaid Will Affect Hospital Finances in Every State," To the Point, The Commonwealth Fund, June 23, 2017.

**10% increase in  
uncompensated  
care costs**

### State Revenue

**\$5.5 billion in federal  
funding potentially  
lost**

Oklahoma could face Medicaid spending cuts of between \$493 million and \$5.5 billion between 2020-2026 under the AHCA and BCRA.

Source: C. Mann et al., "Expect the Unexpected: The Impact of Medicaid Caps," To the Point, The Commonwealth Fund, June 30, 2017.

### Jobs

The BCRA would lead to about 7,000 fewer Oklahoma jobs by 2026.

**7,000 fewer jobs**

Source: L. Fu, E. Steiner, E. Brantley et al., The American Health Care Act: Economic and Employment Consequences for States, The Commonwealth Fund, June 2017.

### Opioid Treatment

**Lives at risk**

An estimated 40 lives were saved in Oklahoma from opioid overdose in 2016 due to Medicaid-covered naloxone.

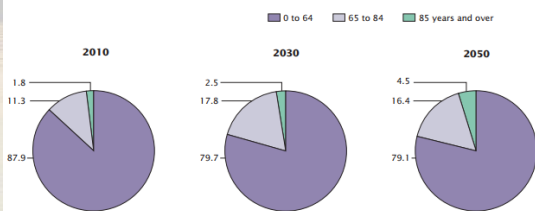
Source: R. G. Frank and C. E. Fry, "Medicaid Expands Access to Life-saving Naloxone," To the Point, The Commonwealth Fund, July 5, 2017

# Demographic Disaster

## Baby Boomers turning 65

## Current Long Term Care #

Figure 7. Percent Distribution of the U.S. Population by Age Group: 2010, 2030, and 2050



Source: U.S. Census Bureau, 2012 Population Estimates and 2012 National Projections.

FIGURE 7 – LONG-TERM CARE FACILITY USAGE AND COSTS

| Nursing Facilities Only           | Bed Days  |
|-----------------------------------|-----------|
| SoonerCare Funded Bed Days        | 4,603,288 |
| Total Occupied Bed Days           | 6,908,780 |
| Total Licensed Bed days           | 9,668,120 |
| SoonerCare % of Occupied Bed Days | 66.6%     |
| Occupancy Rate*                   | 71.5%     |

## Medicare Solvency?

- Projections who solvent until 2019
- A year later than predicted in 2016
- Result of slower national health spending
- Program costs predicted to grow by 3.6% of GDP to 5.6 by 2041 largely by increased enrollment

Source: Medicare Board of Trustee Report 7.3.17



## Question 3 (cont.)

As a hospital administrator, what Federal political and/or regulatory issues concern you the most?

Current discussions:

1. Site neutral provisions
2. 340B
3. Physician owned facility roll back

## Question 4

What opportunities do you see for urban and rural providers to collaborate?

1. Partnership and/or affiliations
2. ACO models/value based/bundled payments
3. Telemedicine
4. Post acute care
5. Reference labs
6. CAUTION: Exercise due diligence: "If it sounds too good to be true, it probably is"

## Question 5

What complications have you had to deal with in regard to implementation of value-based reimbursement?

1. Survey: 68.6% have barely started
2. FFS v. alternative reimbursement
3. Reliable data for decision making, including capital investments
4. Clinical alignment with best partners

Source: 2016 State of the Industry, *Managed Health Care Executive*

## Question 6

How do you view the current status of the relationships between physicians and hospitals?

- Migration from independent to hospital employment continues (Accenture)
- Physician practice consolidation continues (Leavitt Partners)
- Employment does not necessarily improve patient access and may not have an effect on quality of care (Merritt Hawkins)
- 7% of physicians plan to hasten retirement (Becker's)

## Question 7

**What is the current status of population health management initiatives in Oklahoma?**

OU Physicians are currently involved in the following:

1. Comprehensive Primary Care Plus (CPC+)
2. Million Hearts
3. BC/BS Shared Savings
4. Medicare Annual Wellness Visit

**What should rural providers be doing?**

Medicare Annual Wellness Visits plus programs that make sense for your size

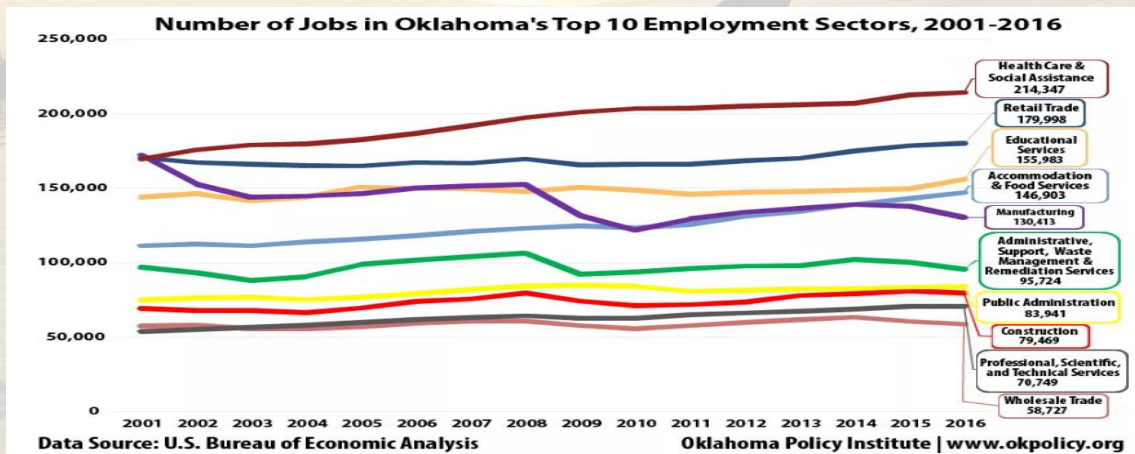
## Question 8

What technology related issues have your organizations had to deal with lately?

### 1. EMR Issues

## Question 9

- What can you do? Tell your story.



## References

Top 2017 Challenges Healthcare Executives Face: [Managed Healthcare Executive](#)  
[Commonwealthfund.org/interactives/2017/july/aca-repeal-debate-factsheets/Oklahoma](http://Commonwealthfund.org/interactives/2017/july/aca-repeal-debate-factsheets/Oklahoma)  
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Oklahoma Health Care Authority 2016 Annual Report

U.S. Census Bureau, 2012 Population Estimates and 2012 National Projections

2016 State of Industry Survey, Managed Health Care Executive

[Newsroom.Accenture.com/news/many-us-doctors-will-leave-private-practice-for-hospital-employment](http://Newsroom.Accenture.com/news/many-us-doctors-will-leave-private-practice-for-hospital-employment)

Beckers: 6 findings on state of physician practice, employment in 2016

Beckers: 7% of physicians plan to hasten retirement

Oklahoma Policy Institute: Health care is increasingly central to Oklahoma's economy



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Thank you!

