

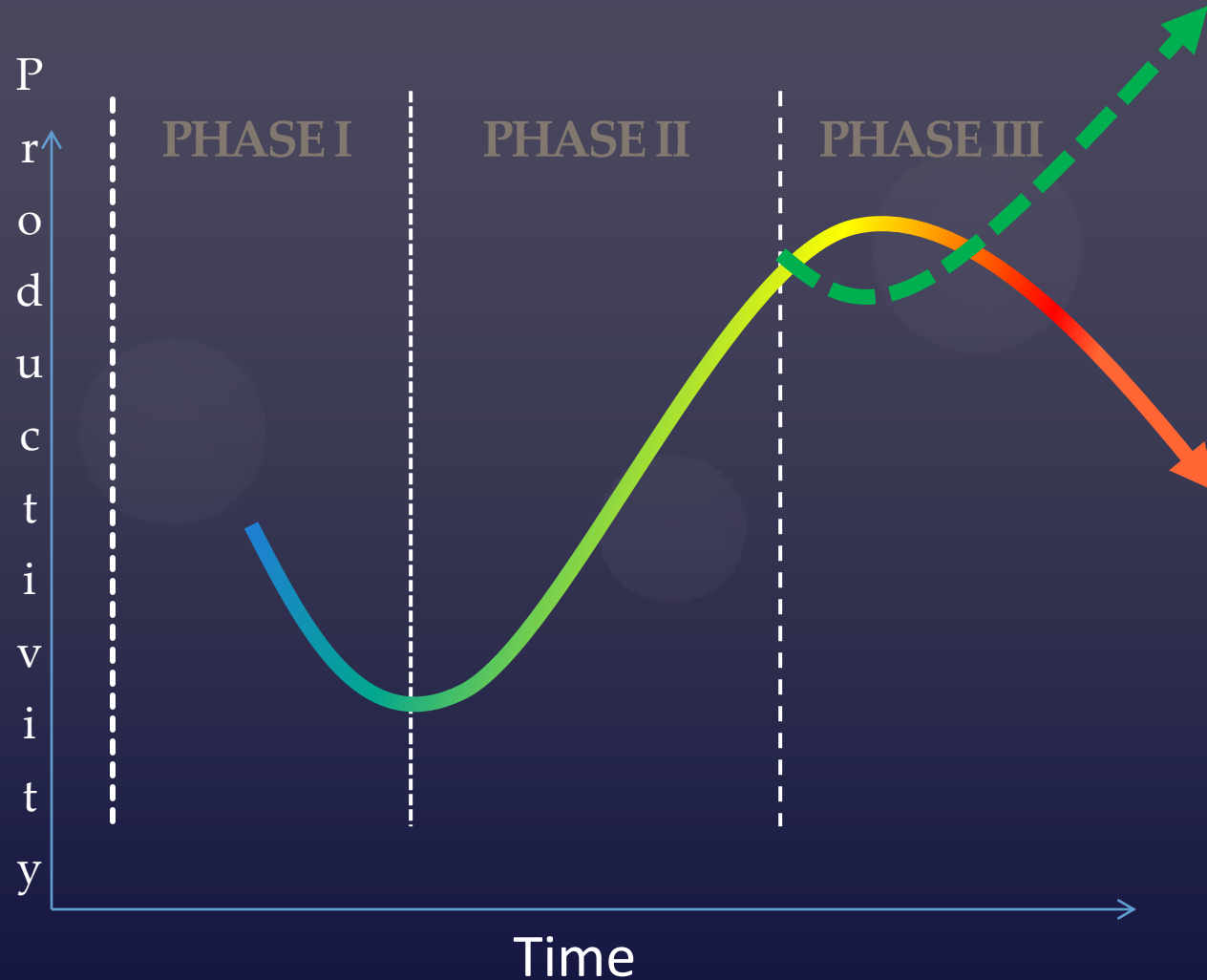
Building Competitive Immunity®

“Recognizing Healthcare's Transformation and
How the Lab's Lean Team Can Contribute to
Value Creation Outside the Lab”

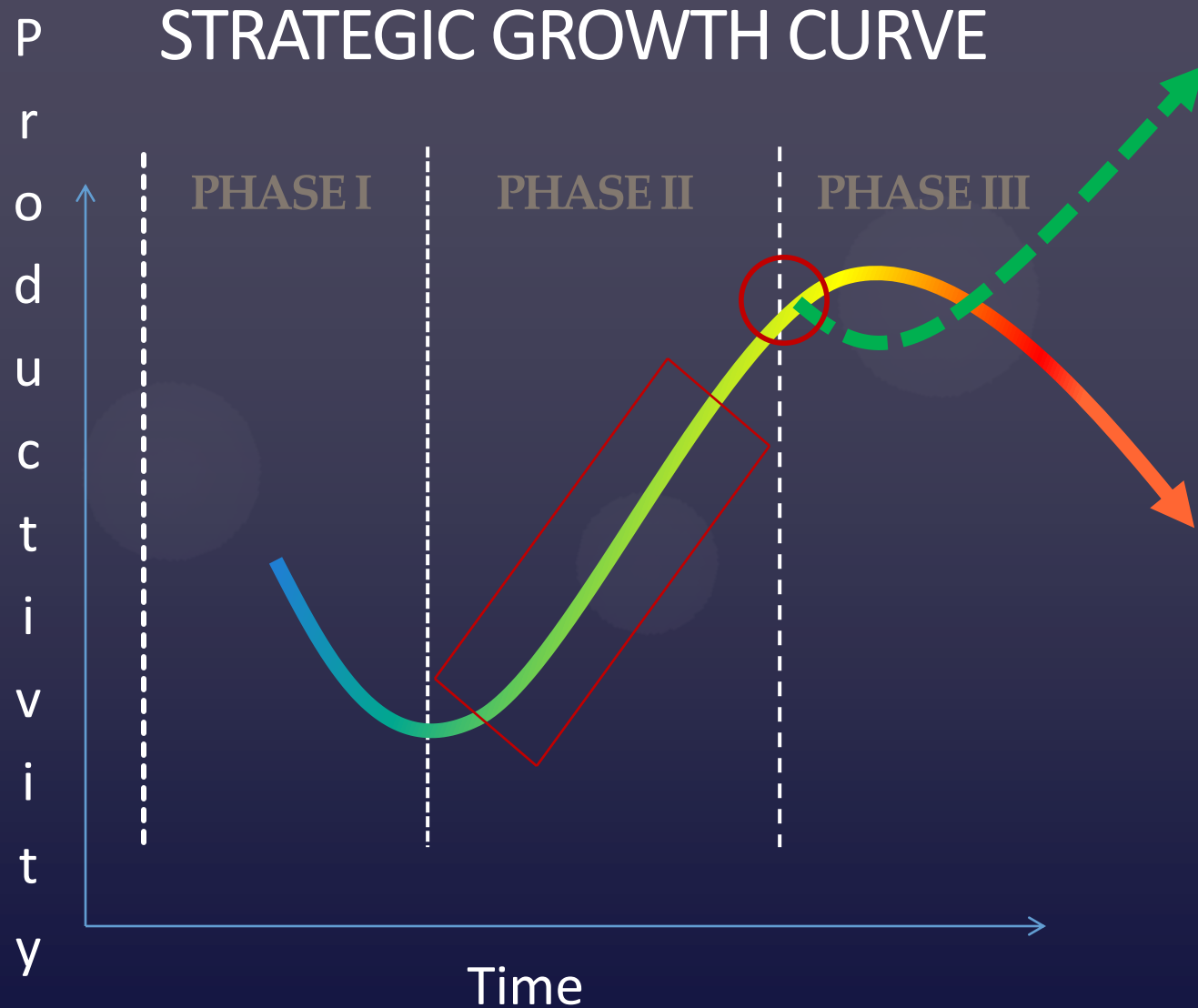
Matt Modleski and Dr. Brad Brimhall
Stovall Grainger Modleski Inc.

The New Terrain of US Healthcare

STRATEGIC GROWTH CURVE



Change = **Danger** and **Opportunity**



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The Strategic Imperatives of Sun Tzu:

You Must Know:

- 1. Self
- 2. Other
- 3. Terrain

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“The Evolution of Healthcare”

From Cottage Industry...

...to Managed Care (Managed \$\$\$)...

...to Service Line Focus...

...to Integrated Practice Unit (IPU)* ...

...to Accountable Care Organizations..

...to include PCMH's

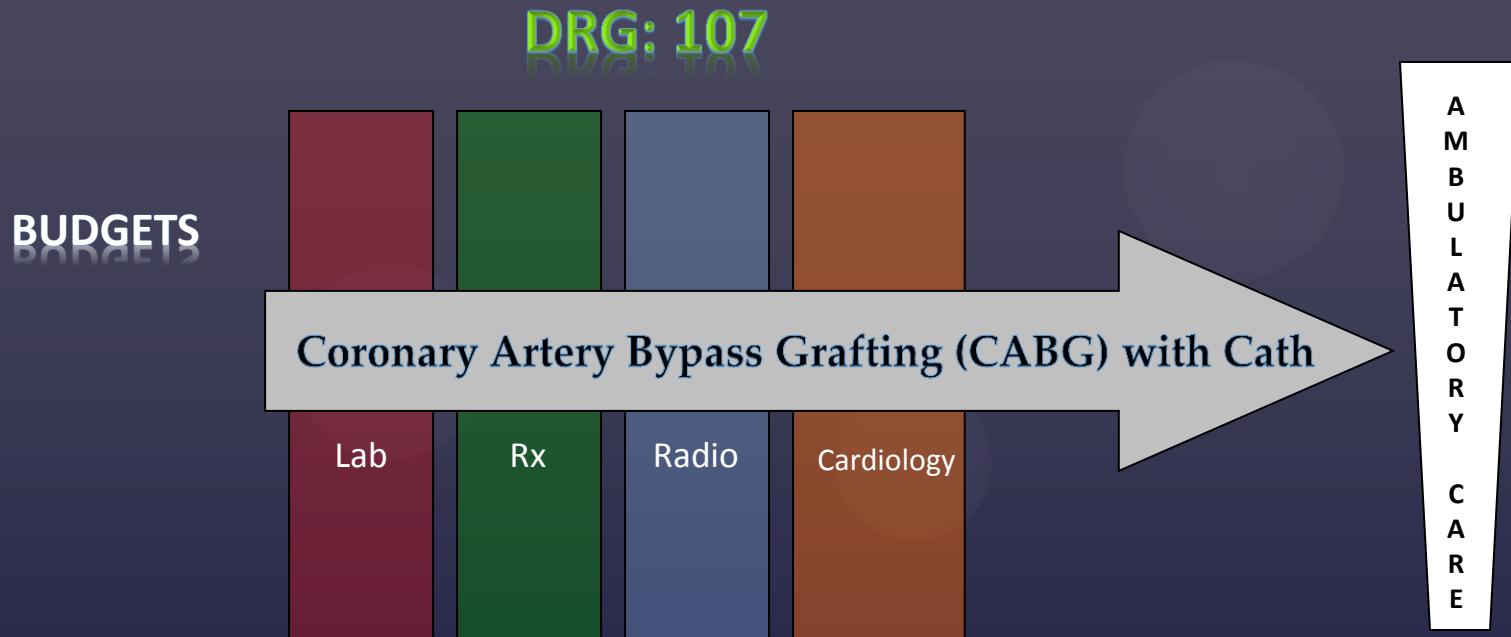
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“The Evolution of Healthcare”

Cottage Industry...to

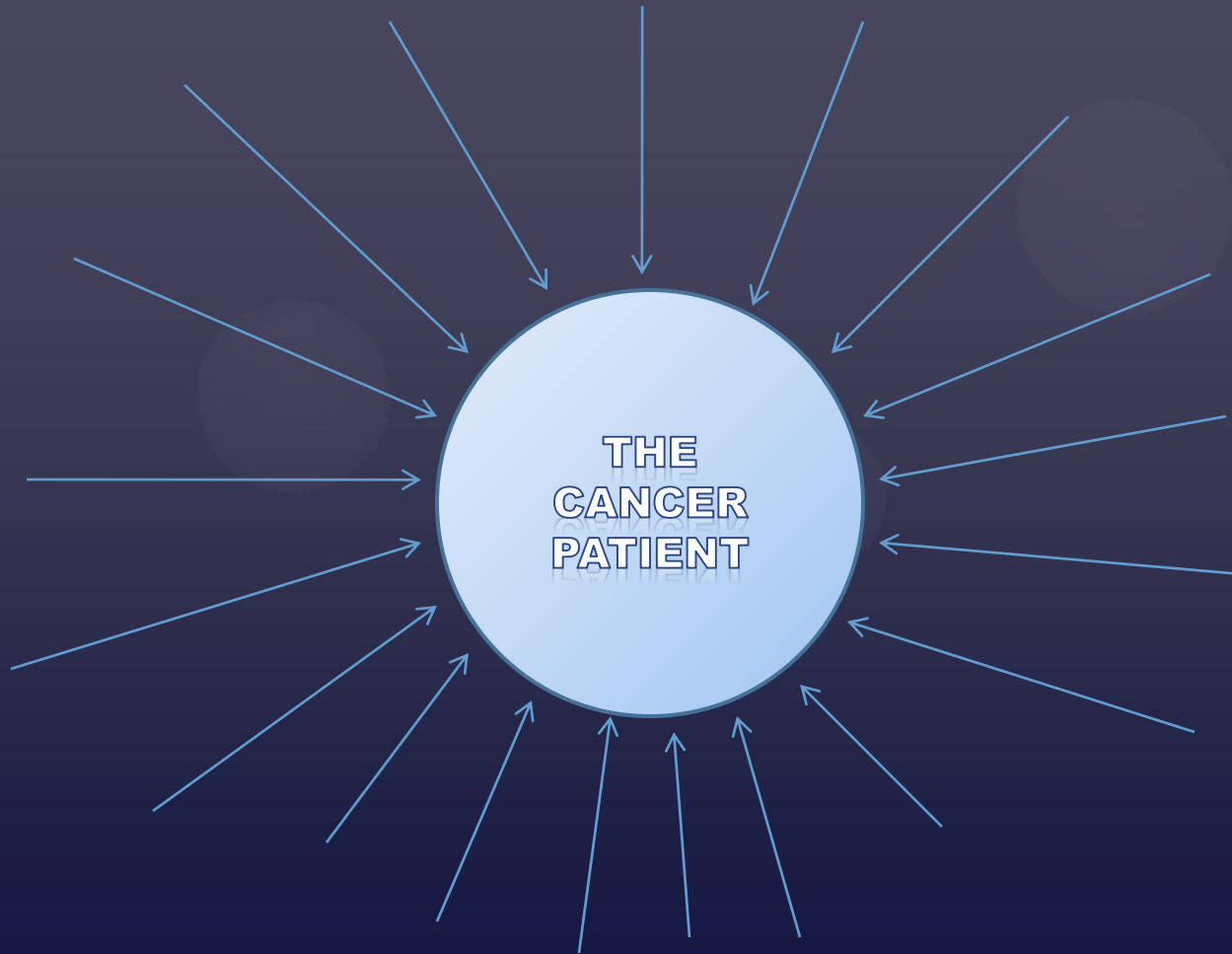
Managed Care (Managed \$\$\$)...to

...Service Line Focus



Horizontal Service Line Management versus Vertical Budget Focus

...the Integrated Practice Unit



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“The Evolution of Healthcare”-The Overall Objective of:

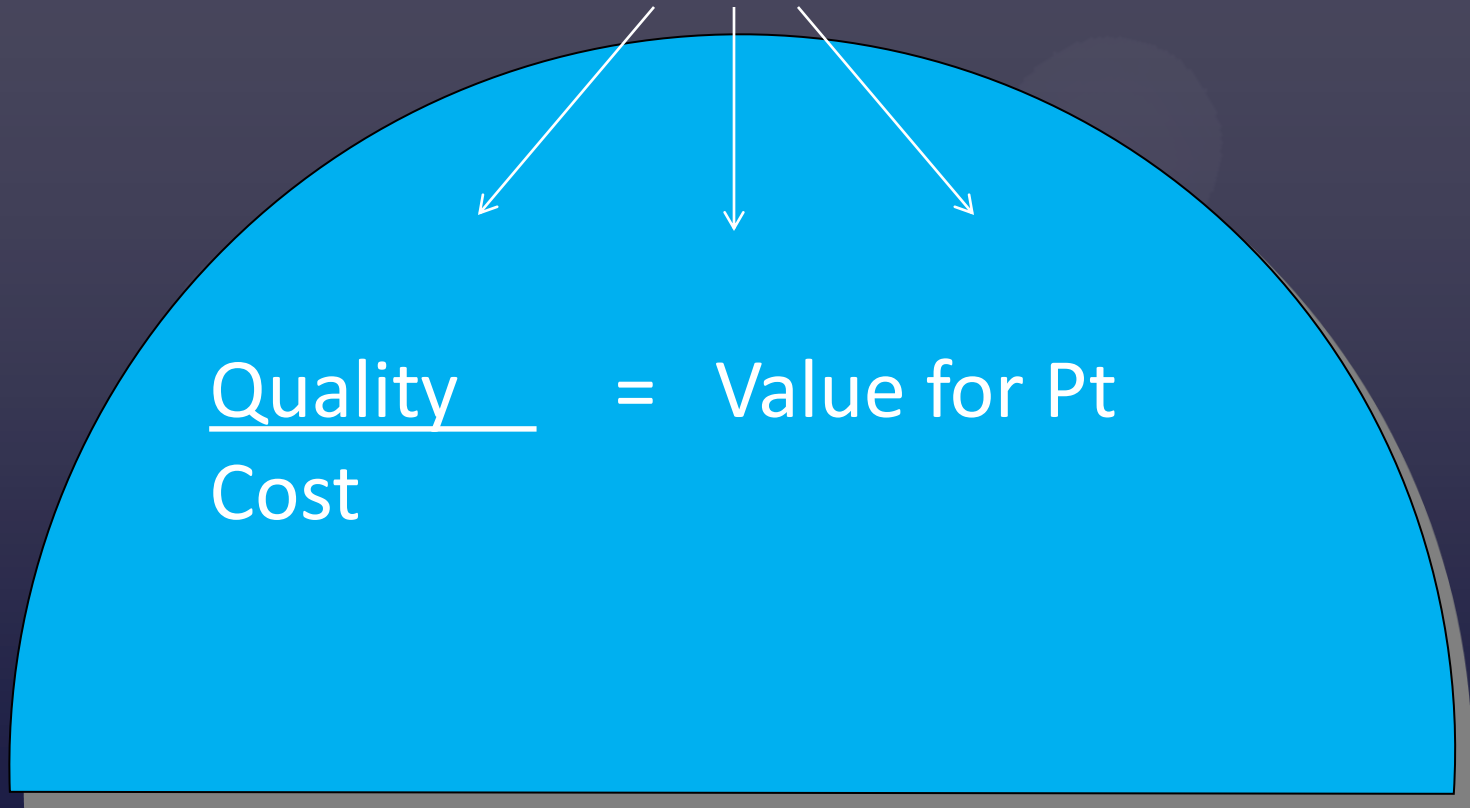
1. Bundled Payments
2. The Patient Centered Medical Home
3. Accountable Care Organizations
4. Population Health Management

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Key Provider Issues	Potential Impact on Your Organization
Managing Risk	
Quality Measurements	
Patient Experience Scores	
Bundled Payments	
The “Hassle Factor”	
Evidence-Based Medicine	
Accountable Care	

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Transparency



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“So What’s All This Mean for the Lab?”

- Labs are data savvy and data centric so measuring quality is a natural fit
- Labs know who’s utilizing what, and how much they’re utilizing
- Labs will be part of the transformation of healthcare so enjoy the different roles you will play

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“What if Tomorrow Lab Reimbursement for Testing Went to Zero?”

- Will Laboratory Medicine stop?
- Who would make decisions on what testing is clinically necessary and who would they collaborate with?
- Let's go make some new friends!
- How will we use our “process expertise” in the Phase III world?

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Some of Our Collaborative Partners...

- Finance
- Quality
- Service Lines
- Operations
- CMO and Staff
- Pharmacy
- ED Leaders
- Supply Chain/Purchasing
- HIT
- Nursing
- Marketing for the Hospital or Lab served customers

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Some of Our Collaborative Partners: Quality

Why:

In order to be able to pay for value in healthcare, quality must be measured. Historically quality has been monitored internally but moving forward quality will be a key deliverable to outside entities like payers, employers and groups responsible for accreditation.

Who:

Whoever is responsible for measuring and reporting quality metrics for the clinical entity your lab serves. It may be at the IHN, Hospital or Physician Group level.

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Some of Our Collaborative Partners: Quality

What:

- Who is responsible for the quality measurements that we collect inside our organization as a whole?
- What are the quality metrics that we're having the hardest time improving?
- The lab is an information hub. Would it make sense to gather a list of the biggest challenges the organization is facing from a quality perspective and see which ones lab might be able to impact quickly?

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Some of Our New Collaborative Partners: Pharmacy

Why:

Both quality and cost will be directly impacted by a more integrated approach to lab diagnostics and therapeutic choices. For proof look at the focus on antibiotic stewardship and the impact of linking bacterial identification and antibiotic sensitivity testing to improving cost and quality

Who:

Director of Pharmacy, Infectious Disease Division, Quality person measuring effectiveness of antibiotic stewardship

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Some of Our New Collaborative Partners: Pharmacy

What:

- As we move from a volume based world to a value based world I think our two sets of data can be complimentary in terms of maximizing value for the patient and the organization, would you agree?
- For example, how are you addressing antibiotic stewardship? I think we may be able to help you if we can combine our data with your data. Would you be willing to combine forces and jointly request support with administration for joining the data sources?

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