Scottsdale Lincoln Health Network

Scottsdale Institute
2014 Spring Conference
April 23rd – 25th, 2014

Working Together. Caring for Arizona.
Creating the Health System of the Future

• Scottsdale Healthcare and John C. Lincoln Health Network have formed a system-wide affiliation to improve the health of our communities.

• The affiliation creates a new non-profit corporate entity:

  Scottsdale Lincoln Health Network

• SLHN will oversee the Scottsdale Healthcare and John C. Lincoln hospitals, clinics, outpatient centers and related services.

• Scottsdale Healthcare and John C. Lincoln brands remain unchanged

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Strategic Direction

Become a fully integrated, locally controlled, world-class non-profit health system that works effectively to improve our community’s health.

What this means for our communities:

• More convenient access to acute and preventive care.
• Increased coordination of medical care.
• Expanded network of high quality primary care and specialty physicians.
• Creating a single electronic health record accessible throughout the affiliated health network.

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Scottsdale Lincoln Health Network
Corporate Structure

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SLHN’s Future-State Vision – A Journey Into Population Management

**Population Manager:** Integrated delivery system and health plan with the ability to provide and/or contract for a full continuum of services across all levels of acuity; well positioned to develop own insurance products and manage full plan-to-plan risk and direct-contracting.

**Population Co-Manager:** Regional provider organizations, clinically integrated with other organizations that jointly capitalize formation of a value-based delivery system and financial vehicle; well positioned to participate in population health management and risk-bearing arrangements, in a delegated and/or direct fashion.

**Multi-Product Participant:** Provider organization that works within a network(s) managed by a Population Manager to provide a defined set of services in an efficient manner to serve a broad population base comprised of both government and private pay patients; critical role in future delivery system.

**Single Product Participant:** Provider organization working within a network managed by a Population Manager providing specified and targeted services and/or population; these organizations will be critical components of narrow networks.

**Contractor:** Smaller, less essential and/or niche providers, some of which may serve rural communities, provide population access points; not critical to future delivery systems and face significant risk of commoditization.

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## SLHN Core Competencies 2.0

<table>
<thead>
<tr>
<th>Clinical &amp; Physician Alignment</th>
<th>Operational Efficiency and Performance Improvements</th>
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<tbody>
<tr>
<td>Quality and Safety</td>
<td>Purchaser Relationships</td>
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<tr>
<td>Care Management Capability</td>
<td>Financial Strength/Capital Capacity</td>
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<tr>
<td>Clinical and Business Intelligence</td>
<td>Customer Service and Patient Engagement</td>
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<tr>
<td>Network Development and Configuration</td>
<td>Leadership &amp; Governance</td>
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</table>
Our Primary Service Area
Benefits of Affiliation

- Similar missions, cultures, values and governance
- Non-profit, growing, Magnet, financially healthy
- High quality, cost effective care continuum
- Enhanced geographic presence
- Collaboration to benefit community
- Effective resource utilization, enhanced IT structure
- Accelerate integrated delivery network development
SLHN Accomplishments

One Patient – One Record for all SLHN patients
Implementation of best practices within the install (i.e. evidence based order sets, care plans, standard processes)
Patients can access their SLHN Health Information via the patient portal, MyChart
Seamless integration of all Epic modules and interfaced applications
Remediated and standardized all ancillary clinical systems interfacing to Epic – standardized 3rd party applications
Operating on single Supply Master and Charge Description Master for all SLHN locations maximizing revenue opportunities and charge capture
Real time access to data across the continuum (Inpatient, Ambulatory, Critical Care, Business Operations)
Single integrated platform supporting Accountable Care, Meaningful Use and Stage 7 initiatives

Epic Work Streams

<table>
<thead>
<tr>
<th>No.</th>
<th>Timeframe</th>
<th>Work Stream Task</th>
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<tbody>
<tr>
<td>1.</td>
<td>1/15 - 5/15</td>
<td>Validation Sessions</td>
</tr>
<tr>
<td>2.</td>
<td>3/15 - 7/15</td>
<td>Design</td>
</tr>
<tr>
<td>3.</td>
<td>6/15 - 10/15</td>
<td>Build</td>
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<td>4.</td>
<td>8/15 - 12/15</td>
<td>Unit Testing</td>
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<tr>
<td>5.</td>
<td>10/15 - 4/16</td>
<td>Integrated Testing</td>
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<tr>
<td>6.</td>
<td>2/16 - 6/16</td>
<td>Training and Go Live Prep</td>
</tr>
<tr>
<td>7.</td>
<td>6/16 - 7/16</td>
<td>Command Center Go Live Support</td>
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<tr>
<td>FY14</td>
<td>FY15</td>
<td>FY16</td>
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<tr>
<td>------</td>
<td>------</td>
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</tr>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>IDC - 10</td>
<td>MU</td>
<td>AEMR Deployments</td>
</tr>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>Finance/DSS Consolidate Analytics Warehouse</td>
<td>BI Clinical &amp; Business Analytics (EDW)</td>
<td>Population Management</td>
</tr>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>1/15 Kickoff</td>
<td>SLHN EHR Implementation</td>
<td>6/16 Go Live - 5 Hospitals</td>
</tr>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>MPI Cleanup</td>
<td>HIE Strategy &amp; Brand</td>
<td>Stabilization</td>
</tr>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>Clinical Review – Physician Order Sets</td>
<td>HIE/Community Outreach</td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>7/15 Single G/L CDM, Supply Chain</td>
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**Notes:**
- **Current in flight priorities**
- **SLHN EHR implementation**
- **Future initiatives**
- **ERP**
Integration Program Architecture

Steering Committee

Change Management

Int’l + External Communications

Culture

Service Lines & Volume

Ambulatory & Physician Network Strategy

Physician Governance

Patient Experience

Quality/Safety

Research and Innovation

IT

Facilities / Operations

Procurement

Nursing

Clinical Support

HR

Finance

Revenue Cycle

Real Estate

Risk Management

Community Benefit

Foundation

Marketing

Note: Full teams are not necessary for Legal, Compliance, Government Relations. Foundation and Risk Management teams may not be needed for the full duration.

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SLHN Future-State Vision

• To achieve its future-state vision of becoming a population health manager, SLHN recognizes that it must:
  – Strengthen its current delivery system core competencies and strategic priorities in order to remain a competitive provider network in the Valley
  – Advance emerging and/or evolving delivery system competencies as the market continues to push providers out of their historic comfort zone
  – Develop (through various potential channels) key financing/distribution capabilities to enhance the organization’s ability to manage risk
  – Develop the scale and market essentiality necessary to support SLHN’s strategic vision and associated organizational skill-sets and intellectual capital requirements

• SLHN also understands that the integration value of delivery system and financing functions can occur through the development of a strong medical management vehicle “MMV”, and may not require a wholesale health plan and/or financing arm at this time to meet the organization’s objectives
  – This will need to be continually evaluated as the organization evolves and the marketplace matures

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### Medical Management Vehicle Building Blocks

<table>
<thead>
<tr>
<th>Block</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Claims Management</strong></td>
<td>An enterprise-wide organizational decision support and reporting function enabling the successful access, collection, analysis and interpretation of medical and drug cost and utilization information</td>
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<tr>
<td><strong>Network Management and Operations</strong></td>
<td>Ability to differentiate market providers based on quality and cost of care and make appropriate adjustments to referral patterns and network choice based on system eligibility and performance standards</td>
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<td><strong>Business Intelligence</strong></td>
<td>The analytical and data hub of the MMV, the Business Intelligence function is built to lead, support and integrate the clinical, operational and financial decision making by the organization</td>
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<td><strong>ACO Services and Care Innovation</strong></td>
<td>The key clinical component of the MMV that develops standardized care pathways, workflows and protocols to better manage/coordinate patient care to reward providers for documented superior performance</td>
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<tr>
<td><strong>Managed Care Services</strong></td>
<td>Payor relationships, risk- contracting and negotiations with health plans, employers, municipalities and other healthcare organizations (e.g., hospitals) to accept and distribute risk and risk-based incentives</td>
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