It's OK to Make Money

Trey W. Schroeder, MBA
4C Healthcare Solutions
Topics

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• History / Purpose
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• Trends
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• Questions
About the Presenter

• Trey W. Schroeder, MBA
  • Worked with over 4,000 providers and exactly 205 hospitals (give or take...)
  • Hospitals
    • University Medical Center – Lubbock,
    • The University of Texas Southwestern Medical Center at Dallas
  • Converted to the “Dark Side” in 2000 – Physician Consulting and Management
    • MMP – Radiology and Anesthesia Management
    • JHD Group – Consulting and Practice Management for Pinnacle Anesthesia, Health Insurance Plan of New York, HealthPartners, Lovelace Health System, Carle Clinic and Cardiovascular Consultants of Nevada (Vegas, Baby!)
    • Texas Medical and Surgical Associates
    • Lone Star MSO – Traditional MSO (the ones that don’t pay doctors...)
    • Strivant Health – RCM with Technology focus
    • 4C Healthcare Solutions
What on Earth does the Presenter do?

• 4C Healthcare Solutions connects “Community Hospitals with Community Providers” by utilizing our proprietary middleware, OPSES™

• I’m the “Dumb Sales Guy” for our firm

• Focus on turning historical “Cost Centers” into “Profit Centers”

• Translate between Doctors and Hospitals

• Do my level best to run out all of the bad players in the market

• $75K Net Income per provider per year to each facility
Expectations

• Relax, it’s Friday
• What’s worse?
  • Being before lunch or after lunch?
• Fear of Public Speaking
• Think Differently
• Make a new friend
• In 2017, “Healthcare” accounted for 18% of the GDP and is increasing quickly
• Average spend on healthcare is $3,268 per person/per year
• Healthcare has turned into a real business with operating margins, P&L’s and EBIDTA
• 450 Hospitals at risk of potential closure \(^1\) (Beckers)
  • Texas, Oklahoma, Louisiana, Kansas, Tennessee and Pennsylvania had the highest concentration of hospitals in the "at risk" pool, according to the report.
  • Critical Access Hospitals are offering Dry Cleaning and Food Services to their community to generate revenue.
History and Purpose, con’t.

- U.S. Hospitals Shut at 30-Year Pace, With No End in Sight (Bloomberg)
- Rural hospitals with a smaller footprint may have less room to negotiate rates with managed care companies and are often hobbled by more older and poorer patients.
- Baby Boom Fear
- ACO’s didn’t quite pan out like “they” thought
- Providers who wanted to be employed, or needed to be employed, have done so by now.
- Providers who remain are viciously opposed to employment (control), have a significant entrepreneurial spirit or are at the pinnacle of their career (don’t move my cheese)
Technology

• In 2000, Healthcare IT was, at a minimum, 10 years behind all other industries (automotive, aviation, construction, real estate, defense...)
• In 2017, eight in 10 doctors across the country, or 83 percent, have adopted electronic healthcare record systems (Healthcare IT News)
  • Counting only certified EHR adoption, however, that rate goes down to 74 percent.
  • Sadly, only 51 percent of doctors are only using basic EHR functionalities
    • Fear of losing 2% of CMS and being chided for not playing the game
    • Six in 10 physicians reported having the capability to view imaging and lab results
• More “clicky-clicky’s” and less time with the patient
• Sooooooo many Technology offerings
• Follow the shiny object (or the one that sends you on a trip...)
• Struggle to completely integrate seamlessly
  • What are we integrating?
  • The Goal Line is the biggest line on the field
• Will never, ever get there without government requirements
• Let’s not forget about Healthcare.gov or GoogleHealth
• Data, data, data
  • Not just fantastic pie charts that make you look like you paid attention in Excel class, but truly make sense of the data
Lost and Found

• Here’s where the fun begins... (I know you were wondering)
• Hospitals historically run on grocery store margins
  • Due to this, staffing levels are constantly being adjusted
  • *Some* Hospital people worry more about “heads in beds” and receiving awards/medals vs. bettering their bottom line and physician/patient satisfaction
• Entire Departments are outsourced (ED, IT, Housekeeping, Food etc...)
• No bench left with surplus time to deep dive into Departments
• Most providers go with the tide when it comes to public polling due to fear of being removed from the “works and plays well with others” category
• Referral Sources are a must for providers
  • Marketing is too expensive for providers and let’s face it, most think hanging a shingle is good enough
• Look in the Lost and Found
  • Review Historical Cost Centers and **find** a way to turn them profitable

• By truly connecting with community providers, hospitals have a way to close the financial gap
  • Providers are a wealth of knowledge, but they are busy
  • Gone are the days of free steak dinners and golf trips
  • They have to work in order to maintain their lifestyle
  • Offer them (providers) something they cannot materialize on their own
    • Time
  • Give them true connectivity to your facility
    • Not just five logins to Epic where they have to stand on their head, press F8 and provide a dual retina scan to log in
  • Learn to speak “doctor” and translate that for your hospital
Trends

• Connect HIS to EHR
  • Agnostic Systems
  • Make it easy for the doctor to use
  • Make sure it really works
  • Providers (and their staff) love workarounds

• Allow them to utilize as many outpatient functionalities of the hospital as possible (NOT HOPD STUFF)
  • Laboratory
  • Radiology
  • Physical Therapy
  • Pathology
  • Surgery Scheduling
  • Anything that the provider can order at your facility...

• Partner with firms that have this experience (wink-wink)
Back to the Future

• In addition to all of the other stuff on the previous slide
  • Were you paying attention?
  • Go back to the roots of how your hospital started
    • Identify your population
    • Tailor services around them
    • Adjust services to best match your population
    • READ YOUR MANAGED CARE CONTRACTS
      • Re-negotiate and be smart about it
      • Ask for incentives (Not the ACO/MU stuff that wears us all out)
• Ask open ended questions
• Don’t be the Trojan Horse
Summary

• Connect the Dots (Docs)
  • Like really connect them, not just connect them
• Listen to them
• Do not be adversarial
  • Tail wagging the dog vs. dog wagging the tail
• Spend time to make money
• If it were easy, everyone would do it
• Questions / Possible Answers