



American College of  
Healthcare Executives  
*for leaders who care®*

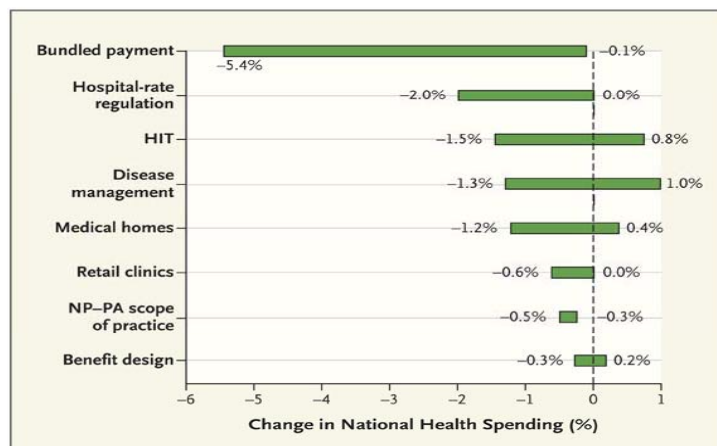
## ACHE Central Texas Chapter & South Texas Chapter of HFMA

Rulon F. Stacey, PhD, FACHE

Chairman-Elect

American College of Healthcare Executives

### Change in National Healthcare Spending

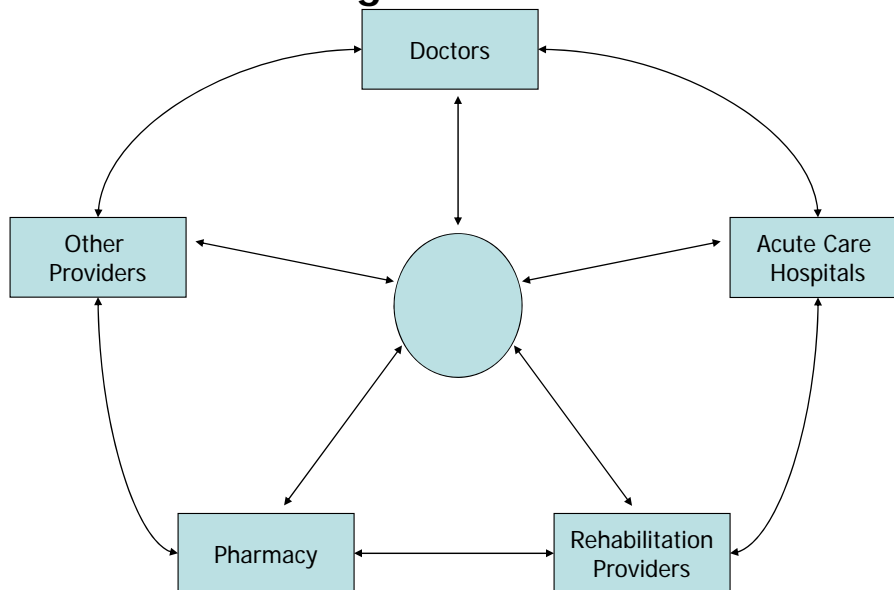


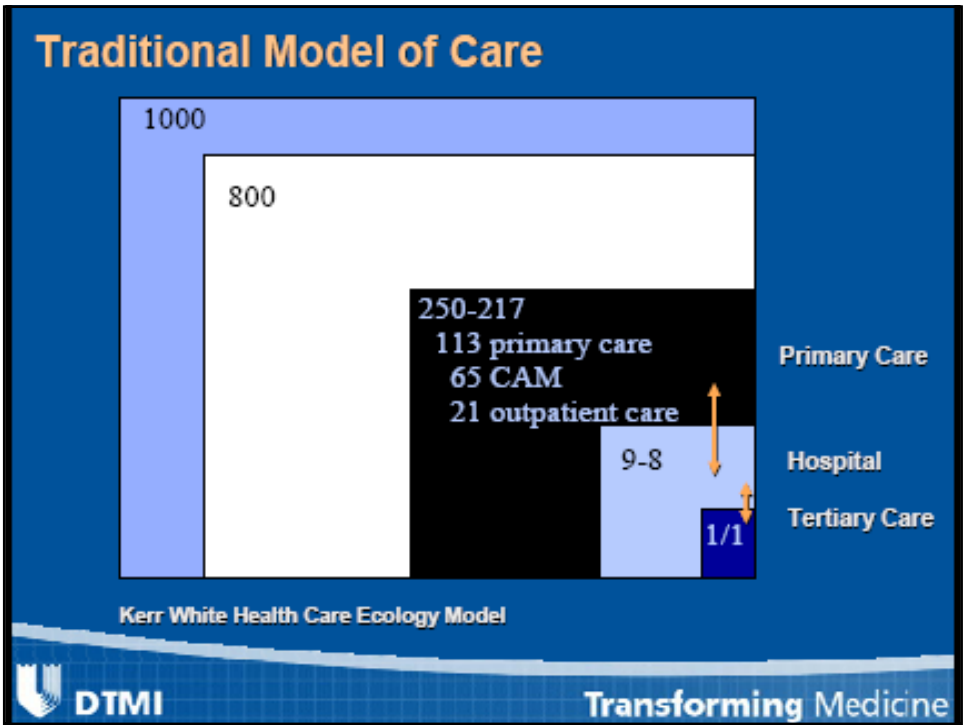
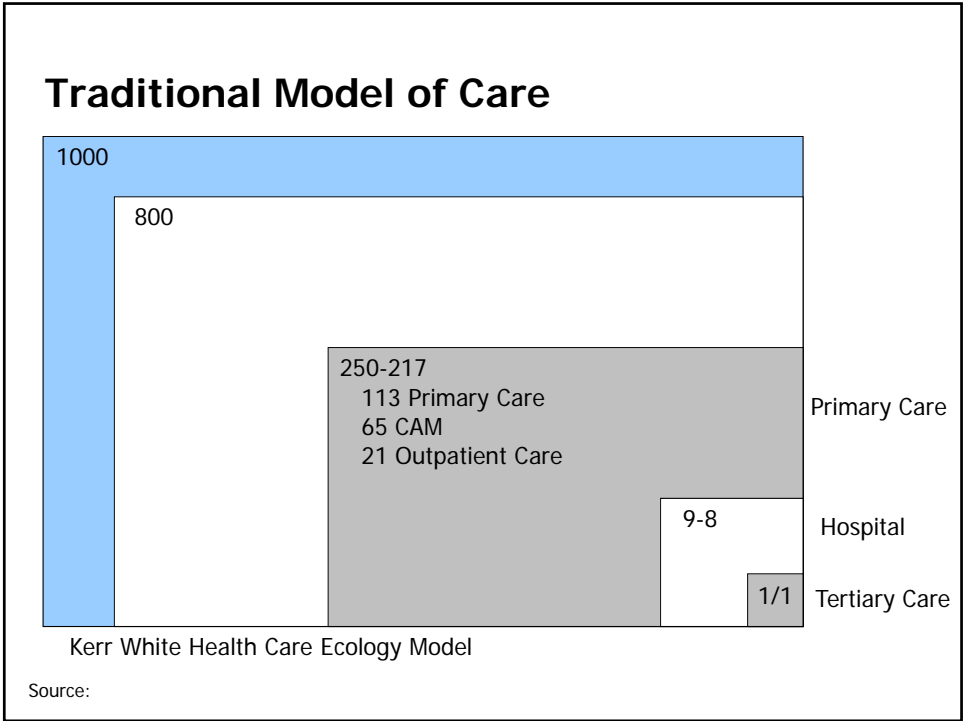
Source: Hussey, et al NEJM 361: 2109-2111 Nov. 26 2009

## What values will guide the successful ACO?

- Patients, not doctors, are the customer
- Value is a value: We're responsible for delivering quality outcomes and high levels of service at a reasonable cost.
- Learn, grow, and change

## True Clinical Integration

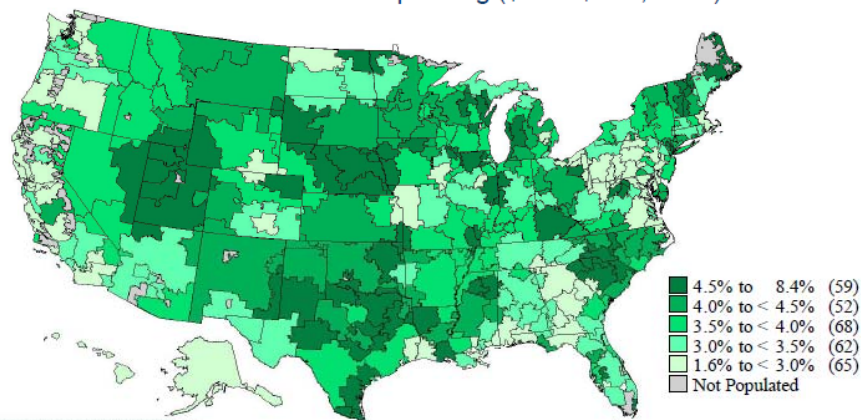




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## Growth in Per-Capita Medicare Spending

Average annual inflation adjusted growth rates (1992-2006) result in 3-fold variation in spending (\$6K—\$17K, 2006)



THE DARTMOUTH INSTITUTE FOR HEALTH POLICY & CLINICAL PRACTICE

Where Knowledge Informs Change

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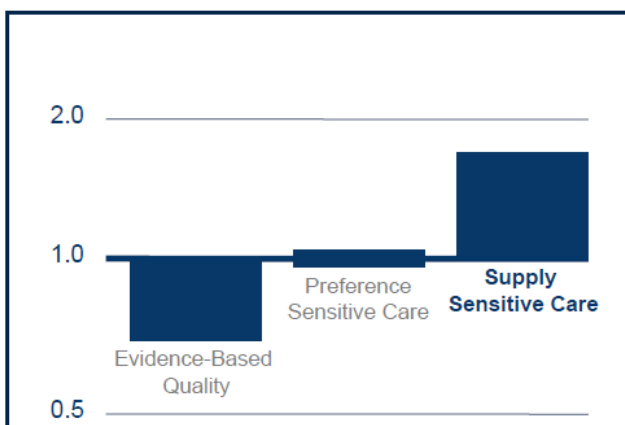
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## Regional Variations in Care (Medicare)

More Care in High Spending Regions



Less Care in High Spending Regions



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Includes rates of:  
Inpatient Days  
Imaging & Diagnostic Tests

Inpatient Days in the ICU  
Evaluation & Management Visits

N.B. Self-reported health status & income explain about 25% of variation

## Example: Optimizing Your ICU

- Intermountain Healthcare
  - 60% reduction in ventilator time
  - Resulted in a 30% reduction in thoracic ICU length of stay
  - 15% reduction in the total costs of performing open-heart surgery
    - Approximately, \$3,000 per patient; or net of \$5.5 million per year, system-wide

Source: Brent James, Intermountain Healthcare

## Snapshot of key provisions impacting hospitals in the health reform law

- 2010
  - Insurance reforms start: coverage for children with pre-existing conditions, prohibits annual or lifetime limits, children can stay on parent's coverage until age 26
  - Reductions in hospital market basket updates begin and continue through 2019
  - Multiple initiatives focused on primary care launch
  - \$400 million for FY 2011 and FY 2012 becomes available to address geographic variation
  - The Patient-Centered Outcomes Research Institute is created to study comparative effectiveness.
  - National Health Care Workers Commission is established to assess staffing needs.

Source: Hospitals & Health Networks Volume 84/Number 5: 22-23 May 2010

## **Snapshot of key provisions impacting hospitals in the health reform law**

- 2011
  - States are required to establish health insurance exchanges
  - The Center for Medicare and Medicaid Innovation established
  - Medicaid Quality Measurement Program established
  - Unused residency slots can be allocated to primary care and general surgery

Source: Hospitals & Health Networks Volume 84/Number 5: 22-23 May 2010

## **Snapshot of key provisions impacting hospitals in the health reform law**

- 2012
  - Value-based purchasing program starts – hospital payments for FY 2013 based on 2012 performance
  - Value-based purchasing demo for critical access hospitals established
  - Hospitals and physicians meeting certain criteria can form accountable care organizations
  - Beginning in FY 2013, hospitals penalized for “excess” readmissions

Source: Hospitals & Health Networks Volume 84/Number 5: 22-23 May 2010

## **Snapshot of key provisions impacting hospitals in the health reform law**

- 2013
  - National, voluntary five-year bundled payment pilot launches
  - States required to boost Medicaid payments to primary care providers

Source: Hospitals & Health Networks Volume 84/Number 5: 22-23 May 2010

## **Snapshot of key provisions impacting hospitals in the health reform law**

- 2014
  - Individual insurance mandate takes hold
  - Medicaid expansion begins
  - Cuts to DSH payments begins
  - Independent Payment Advisory Board begins counseling Congress on reducing health spending
  - Penalties for hospital-acquired conditions start in FY 2015 and continue for 10 years

Source: Hospitals & Health Networks Volume 84/Number 5: 22-23 May 2010

## **U.S. Healthcare – 3 Future Trends**

- 1) Integration
- 2) Value (Cost & Quality)
- 3) Transparency

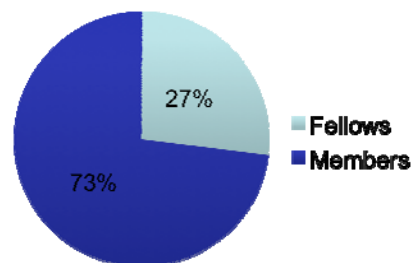


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# **ACHE 2010 Update**

## Membership

- 38,682 affiliates, including 3,935 Student Associates\*
- 31,797 Members and Fellows\*



\*As of 1/01/10

## Membership Chapter Activity

- 83 chapters
- In 2009
  - Offered 666 education and networking events (+25%)
  - Total attendance of more than 35,000 (+28%)
  - Provided 118,397 education and networking attendee hours (+8%)



## Credentialing

- FACHE Credential
  - In 2009, 1,208 new Fellows and Fellow designates
  - Exam Online Community extended to Chapters
  - Award winning campaign on the “distinction of board certification”



## Knowledge

- New ACHE Educational Programming
  - 7 new face-to-face seminars launched in 2009
  - Three new seminars under development
    - Leading Patient Safety and Error Reduction
    - Critical Issues in Hospital Staffing
    - Managing Risk and Throughput in the Emergency Department
  - Two new On-Line Seminars launched in 2009
  - 18 new webinar topics

## Knowledge

- Congress on Healthcare Leadership
  - Over 140 educational sessions and seminars
  - Congress Express option – Full Congress experience, reduced tuition and sessions on just Wed./Thurs.
  - New Hot Topics and *Fellow only* sessions
  - Ten session slots will be reserved for Emerging Topics
  - Save the date: March 21–24, 2011 at the Hilton Chicago and Palmer House Hilton