

36TH ANNUAL **AHA RURAL** | LEADERSHIP
HEALTH CARE | CONFERENCE

FEBRUARY 19-22, 2023 | **SAN ANTONIO, TX**

JW MARRIOTT SAN ANTONIO HILL COUNTRY

The Key to Independence is Partnership

MaryEllen Pratt, MHA, FACHE, CEO, St. James Parish Hospital
Jeremy Tinnerello, RN, CEO, Glenwood Regional Medical Center
Jessica Soileau Canning, MHA, Executive Director
Louisiana Independent Hospital Network Coalition

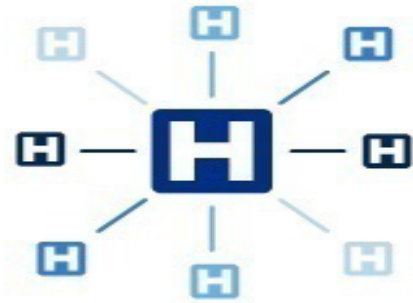
Learning Objectives

- Participants will be able to identify key characteristics of successful independent hospitals;
- Participants will be able to identify opportunities for partnerships and collaborations to strengthen independence.
- Future Applications: Participants will learn how to establish an independent network of hospitals.

US Independent Hospitals

Fast Facts on U.S. Hospitals, 2022

Two-thirds of Community Hospitals are System-affiliated



68%
System-affiliated
(3,483)

32%
Independent
(1,656)

Community Hospitals by System-affiliated vs Independent (Total 5,139), FY 2020

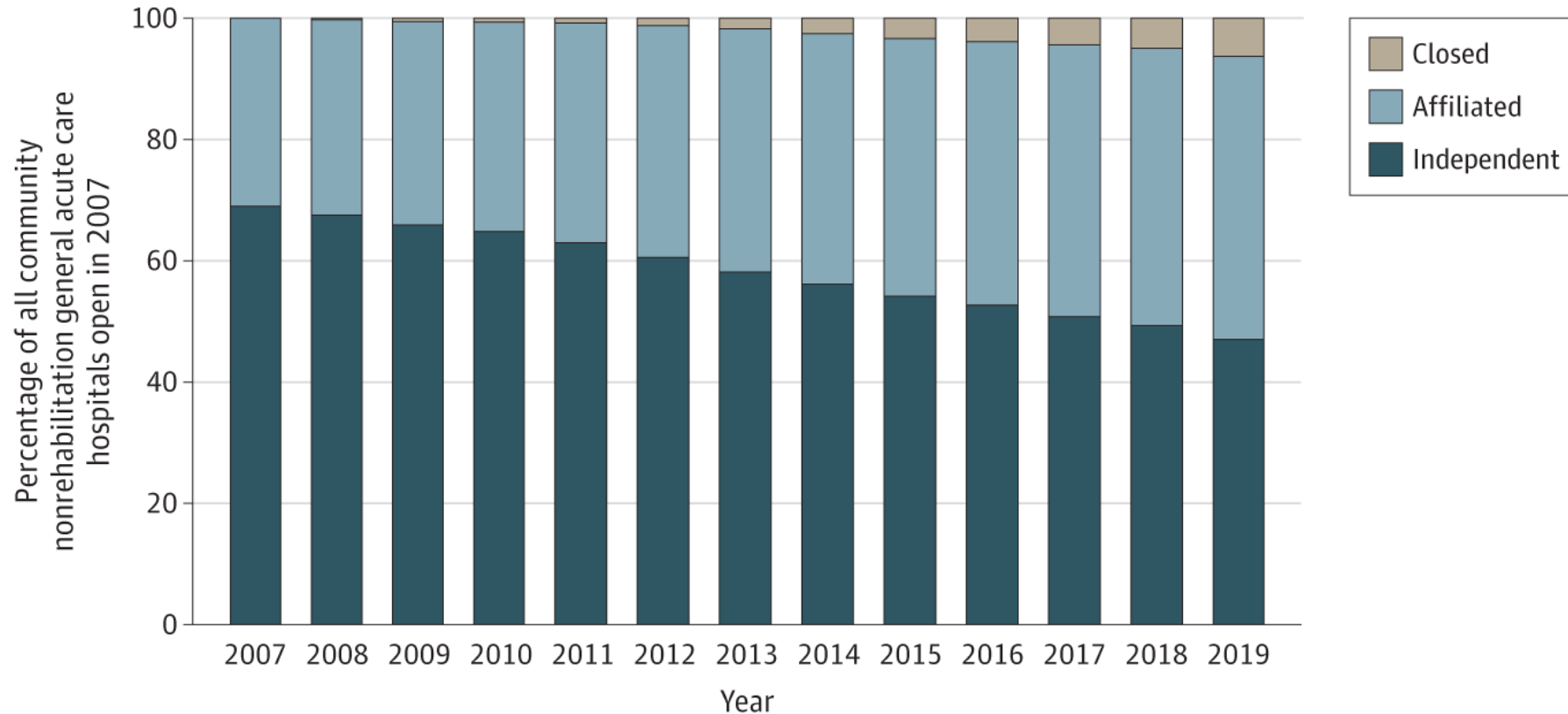
Source: American Hospital Association. Fast Facts on U.S. Hospitals, 2022
<https://www.aha.org/statistics/fast-facts-us-hospitals>
© 2022 by the American Hospital Association. All rights reserved

Drivers of Hospital Alignment

Access to capital, economies of scale and population health capabilities are the biggest drivers of alignment activity



Rural Independent Hospitals are declining



- **Risk of Closure Among Independent and Multihospital-Affiliated Rural Hospitals** JAMA Health Forum. 2022;3(7):e221835. doi:10.1001/jamahealthforum.2022.1835

Key Characteristics of Successful Independent Hospitals

- Geographic Advantage
- Secondary Revenue Source
- **Partnership** Mindset

HealthLeaders Steven Porter, Aug 2019

healthleaders

- Innovative **Partnerships**
- Telemedicine
- New Payment Models

Huron Curt Whelan,

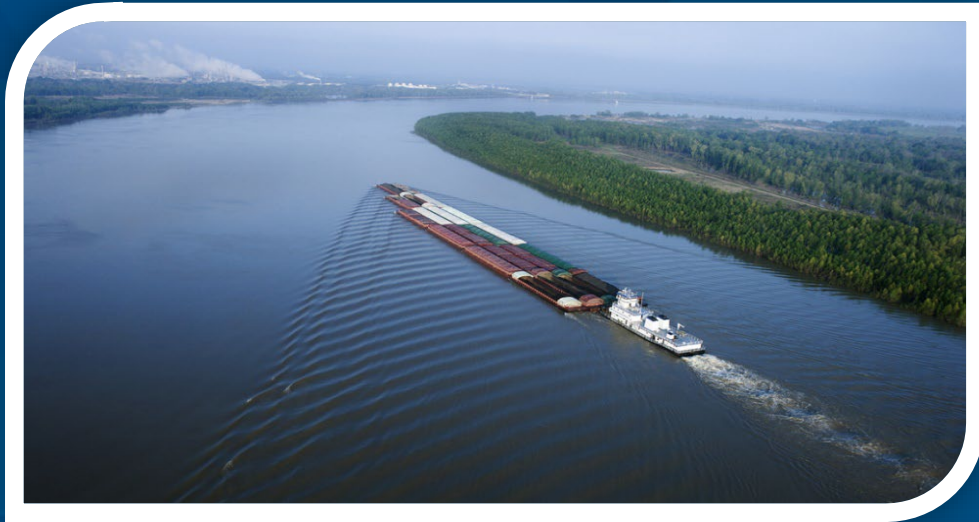


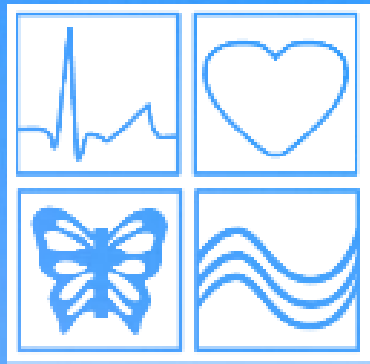
- Geography
- Leadership
- Data Driven Decision Making
- True Patient Focus
- **Relationship Building**

H&HN Ryan E Ross, 2015



St. James, Louisiana





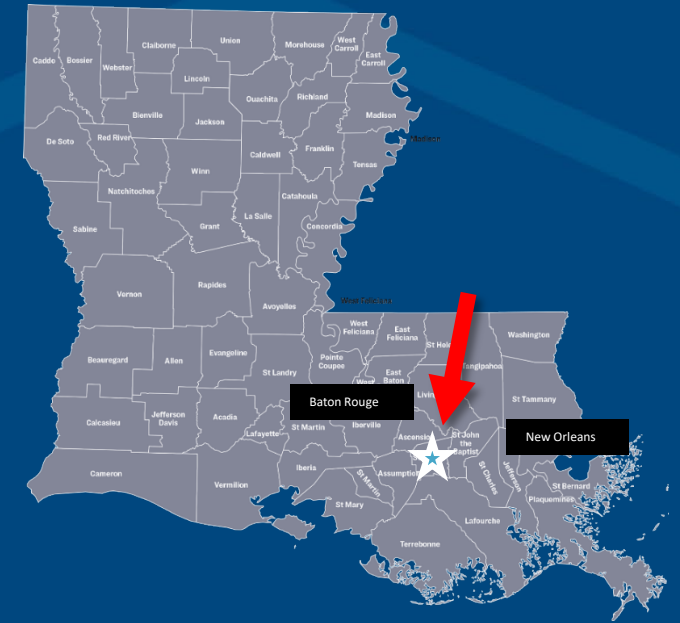
ST JAMES

PARISH HOSPITAL



{ Fast Facts }

- Public- Service District Hosp
- Critical Access Hospital
- 22,000 Population
- 135 Physicians
- 9,000 ED visits
- 6 Clinics, 20,000 visits
- \$58 million rev
- 90% outpatient

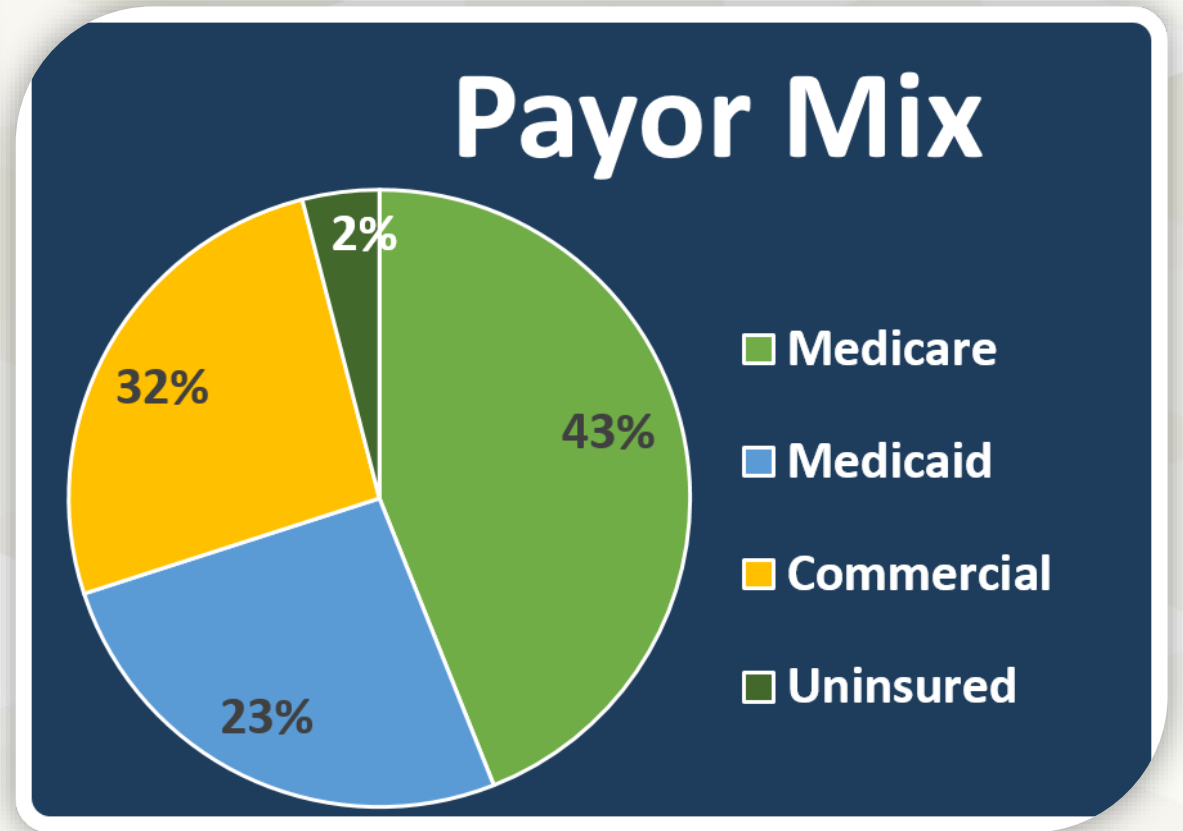
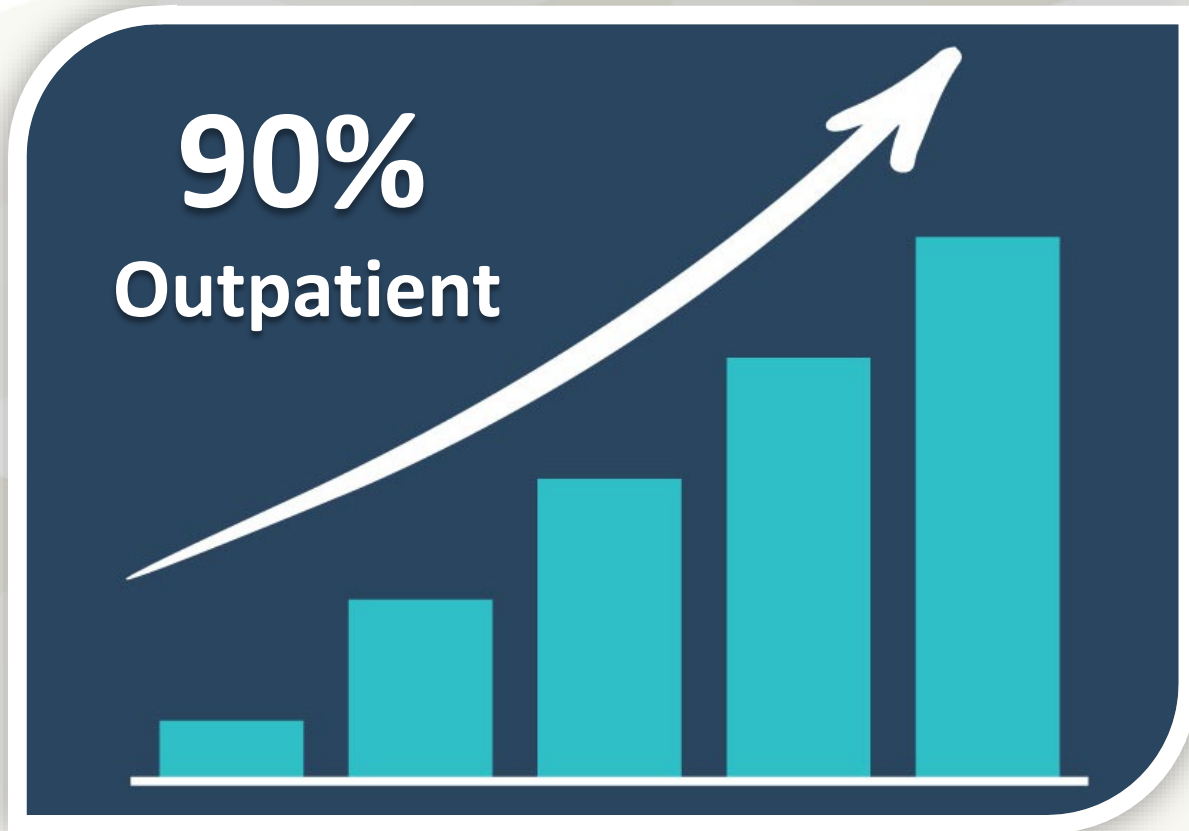


ST JAMES
PARISH HOSPITAL

LARGE ENOUGH TO SERVE, SMALL ENOUGH TO CARE.

\$55 MILLION

Gross Revenue



SJPH's Affiliation Journey



2010

Defined affiliation criteria, FMOL joint recruitment

2014

Ochsner Cardiology Clinical Affiliation

2015

Defined Must Haves & Can't Give Ups, Readiness Assessment

2019

Independence Assessment

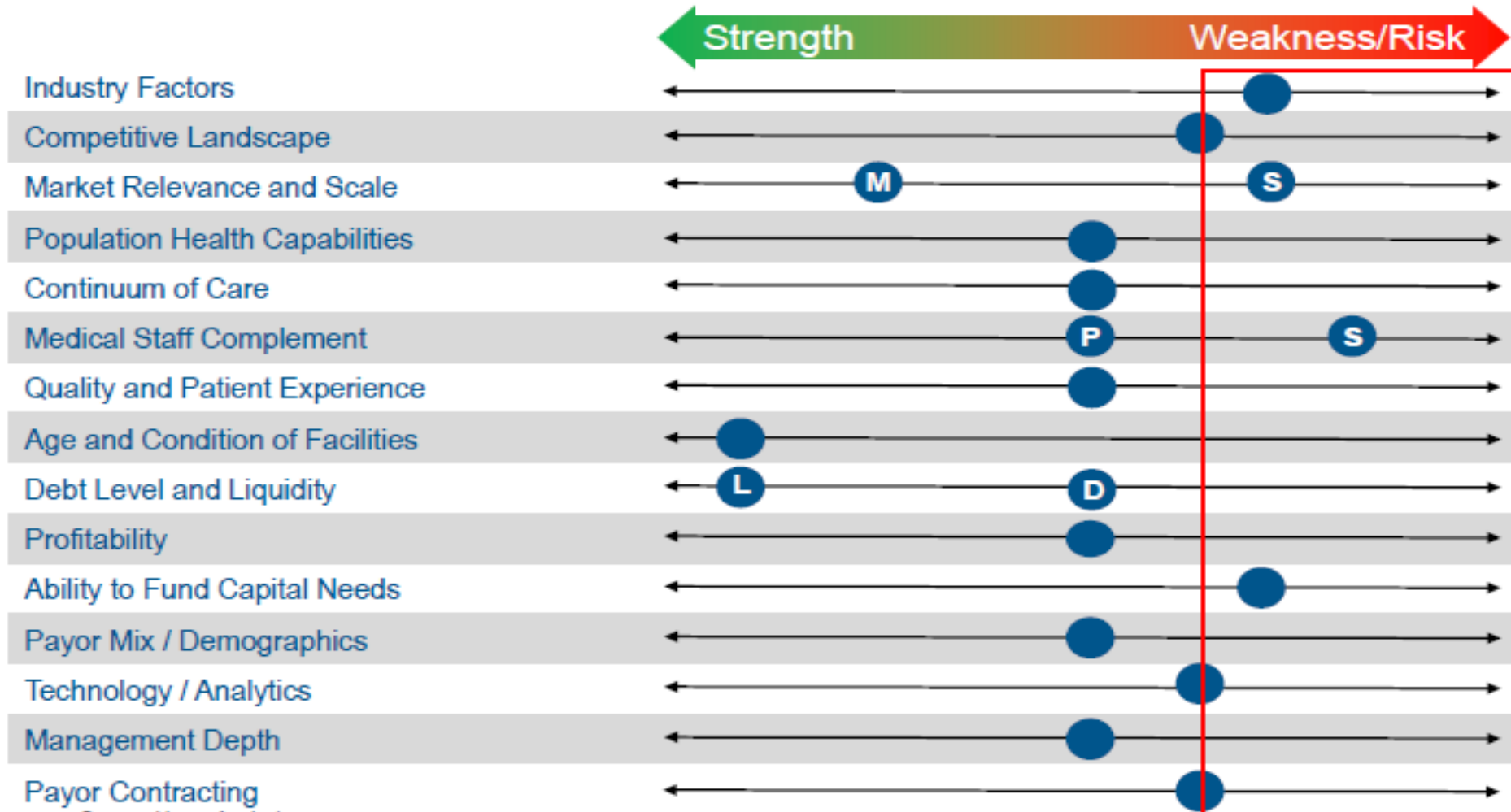
2020

LIHNC Forms

Huron Analysis



Independence Assessment Summary



Source: Huron Analysis

Enhanced Status Quo (Independence)

Addressed through performance improvement and growth initiatives

Description

- Maintenance of independence for as long as possible (build runway)
- Renegotiate and strengthen existing clinical alignments
- Focus on driving substantive and sustainable clinical, operational and financial improvements
- Leverage affiliated organizations to fund joint investments
- Assess organizational and external environment on periodic basis to inform future organizational plans

Key Considerations

BENEFITS

- Buys time for greater organizational and market clarity
- Continued independence and mission-focus
- Preservation of brand / identity / culture
- Non-disruptive to clinicians and staff

RISKS / CONS

- Limited potential for capital infusion
- Likely only delays the inevitable
- Announced threats and actions from competitors makes ongoing status quo operating environment unlikely -- RISK

Tighter Alignment with Health System

Description

- ❑ Development of robust alignment with area health system
- ❑ Options include JOA, joint venture, merger and other similar structures
- ❑ Expansion of clinical programs and sharing of resources would be included in this alignment
- ❑ Structured approach to operations and standardization across system
- ❑ Leverage system to gain access to capital
- ❑ Supported during evolving market landscape and competitor encroachment
- ❑ Review market and political factors to make alignment feasible

Key Considerations

BENEFITS

- ❑ Alignment with strong organization with staying power
- ❑ Accountable structure across system
- ❑ Reputable brand association
- ❑ Access to specialists, clinical protocols, analytics and population health capabilities
- ❑ Access to capital

RISKS / CONS

- ❑ Response from excluded health systems
- ❑ Reaction from providers and community
- ❑ Impact on existing referral relationships
- ❑ Potential dilution of identity and culture
- ❑ Expectation to increase referrals and / or limit clinical development at SJPH

Lighter Alignment with Health System

Description

- ❑ Development of clinical or other non-ownership alignment with area health system
- ❑ Examples include management agreement, CINs,
- ❑ Expansion of clinical programs and sharing of resources
- ❑ Supported during evolving market landscape and competitor encroachment
- ❑ Review market and political factors to make alignment feasible

Key Considerations

BENEFITS

- ❑ Alignment with a strong organization with staying power
- ❑ Reputable brand association
- ❑ Access to specialists, clinical protocols, analytics and population health capabilities

RISKS / CONS

- ❑ No access to capital
- ❑ Response from excluded health systems
- ❑ Reaction from providers
- ❑ Impact on existing referral relationships
- ❑ Expectation to increase referrals and / or limit clinical development at SJPH

POTENTIAL PARTNERS



Glenwood Regional Medical Center

A STEWARD FAMILY HOSPITAL

Steward



Glenwood Regional Medical Center

A STEWARD FAMILY HOSPITAL



- Member of Nat'l For-Profit System
- Tertiary Regional Hospital
- 278 Bed Facility
- Servicing population of 500k
- 335 Physicians
- 35,000+ ED visits
- 83,000 Adj Pt Days Annually
- \$1B+ annual patient rev



Who we are and our vision.

- Our hospital is a Tier 1 Tertiary hospital primarily supporting 16 rural hospitals spanning across the NE region of Louisiana.
- We recognize that partnership and support of our neighboring rural hospitals is not only essential to our success, it is essential to each individual rural community where access to care is imperative.
- Why is this important? Because quicker access to care results in better outcomes and better community health. This benefits hospitals, providers, payor contracts, and more important, our patients.

How we accomplished our goal.

- In an effort to focus our support, we felt it best to discuss needs with each rural facility. The top need we identified was Cardiology.
- Rather than plant our own providers in each market, we began developing Cardiac protocols and support to each rural hospital. This included transfer protocols when appropriate.
- Focus was placed on educating their community that the best access to cardiac care was local and educating the local rural hospitals on tertiary care and prep (ie: STEMI transfer for PCI)
- Our efforts grew into assistance with provider recruiting, OP clinics (staffed by independent tertiary providers yet managed by the rural hospital) and assistance with facility certifications (Chest Pain Centers)

The result.

- As our efforts grew, so did the rural communities confidence in their local hospital. Patients outcomes improved dramatically due to the efficiencies between the rural facilities and our tertiary hospital.
- This increased both OP and IP volumes for the rural hospital and transfer volumes for our tertiary hospital. Have witnessed improved financial stability within the rural facilities which secures long term independence.
- The success of this strategy has created other opportunities such as Stroke and Vascular care.

Why LIHNC?

- LIHNC's model of rural support and focus on independence completely mirrors the goal of our tertiary hospital.
- By providing support, we succeed in creating stability not only in the rural setting, but in the tertiary referral network.
- This creates greater access to care, improved patient outcomes, and fiscal stability even in times of disaster (ie: COVID).
- Most important, we can create a collective voice to lobby for needs of the LIHNC partnership, while maintaining our independence.

The Case for Partnership

- Many rural hospitals are still independent and are looking for ways to balance the need to partner with staying independent.
- LIHNC has been a solution for Louisiana rural hospitals to leverage size and scale, while remaining small and focused.



lihnc

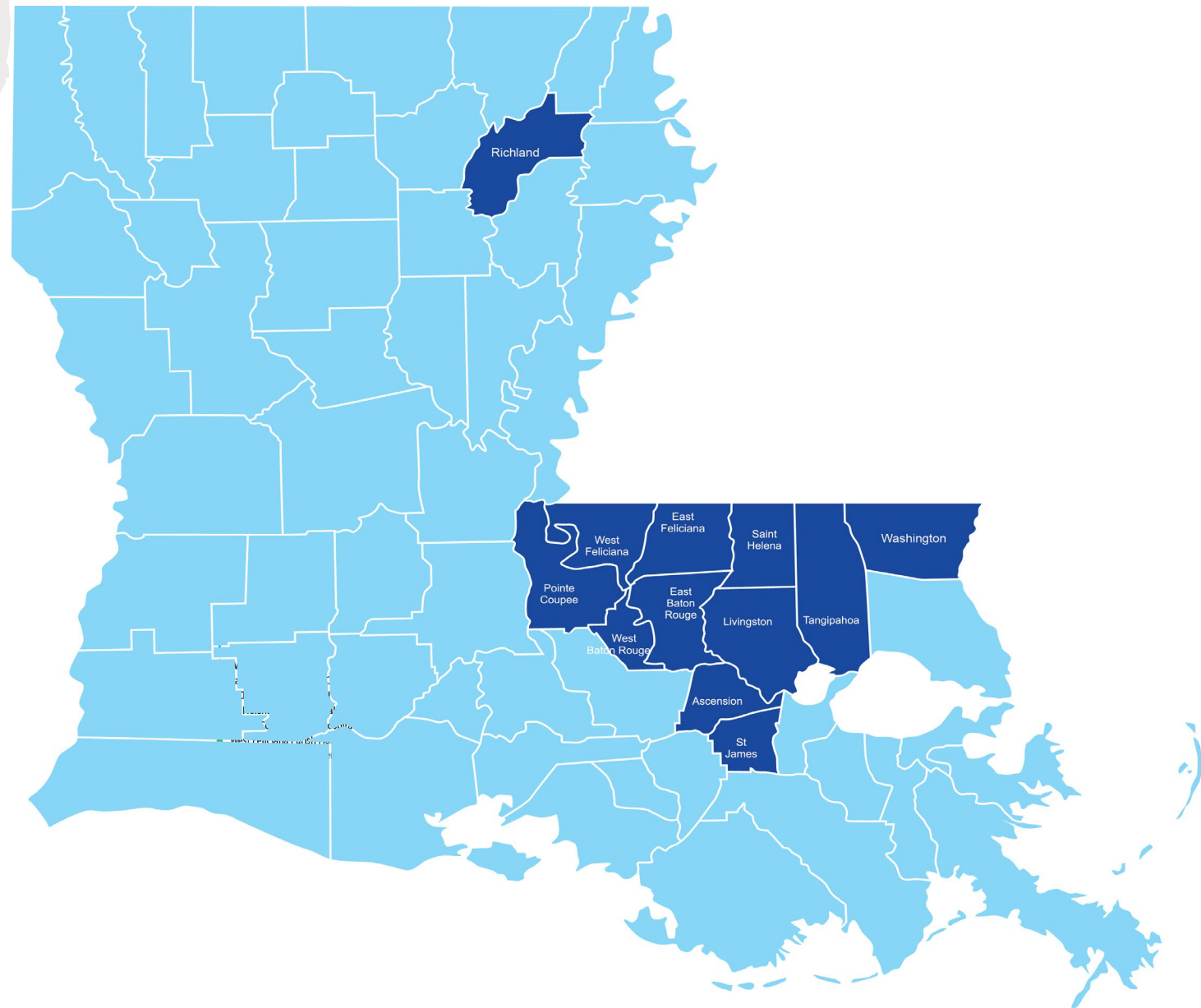
louisiana independent hospital network coalition

Louisiana Independent Hospital Network Coalition (LIHNC)

WHERE WE STARTED

In 2019, LIHNC was created with the vision that by bringing independent rural and tertiary hospitals together, we have a greater ability to collaborate and provide quality healthcare in a manner that is locally focused and valued by the independent communities that we serve.

We believed that this model would preserve community hospitals and maintain community driven health priorities and allow us to complement each other in a manner that strengthens healthcare delivery.



Louisiana Independent Hospital Network Coalition (LIHNC)

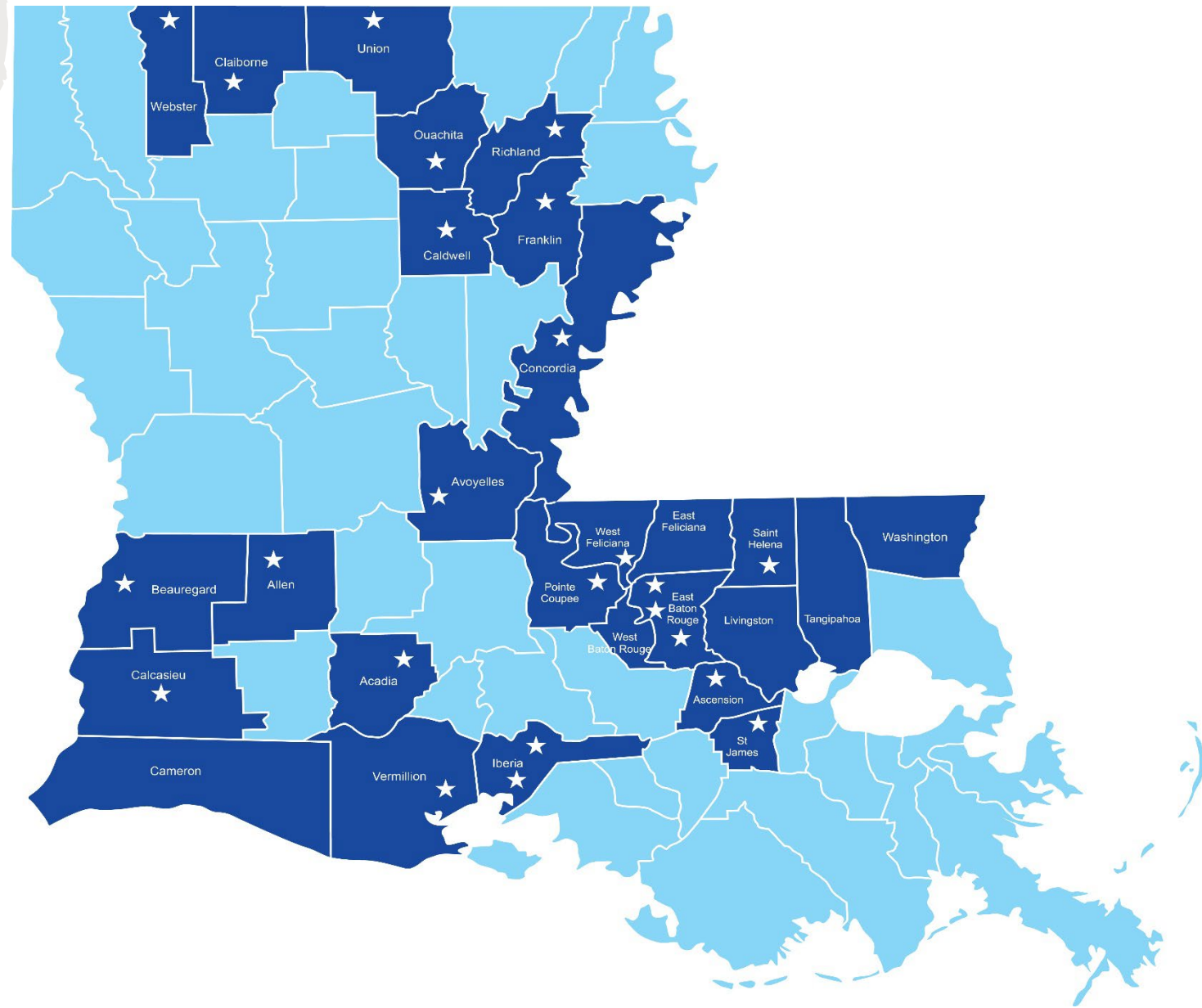
WHERE WE ARE TODAY

In order to make sustainable change, we pull together resources, think differently about healthcare delivery, and improve quality and wellness for some of Louisiana's most underserved communities.

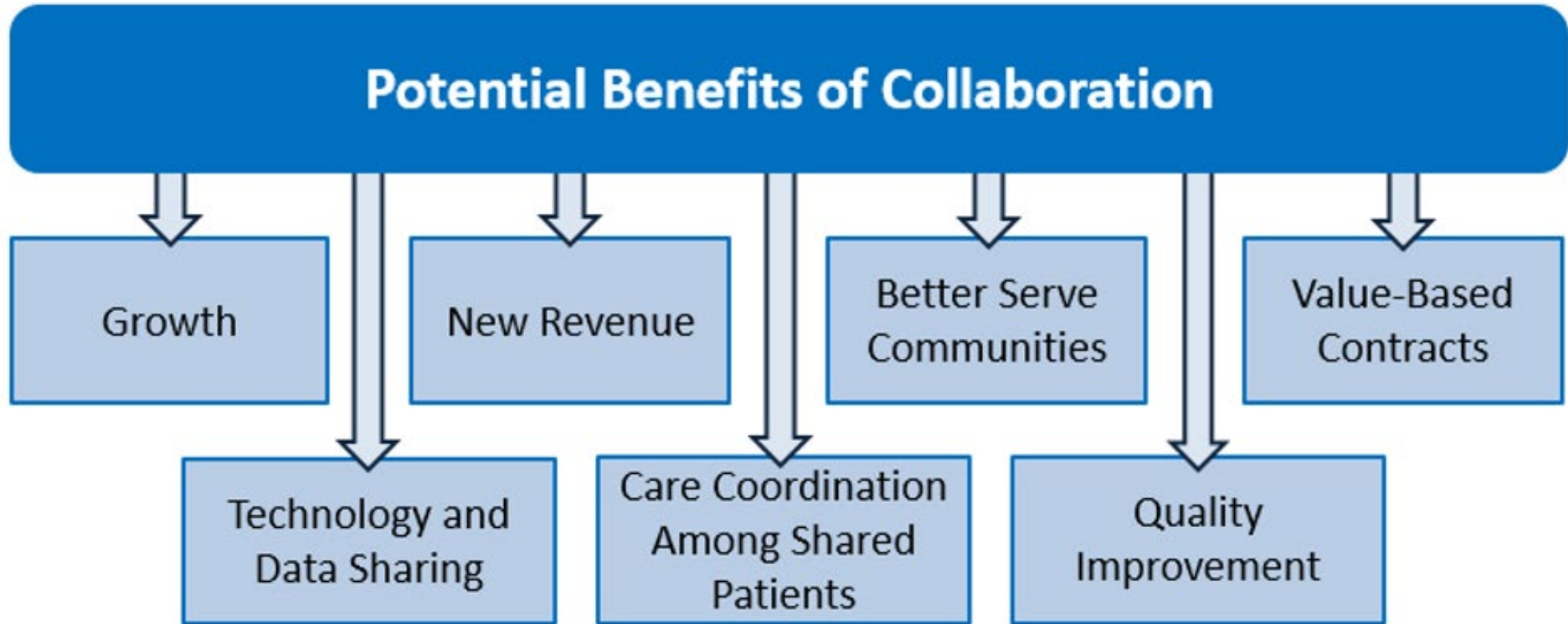
In Louisiana, 98% of our residents live in a health professional shortage area.

Connecting community hospitals to providers, education, and resources strengthens the entire network.

To do this we leverage our system.



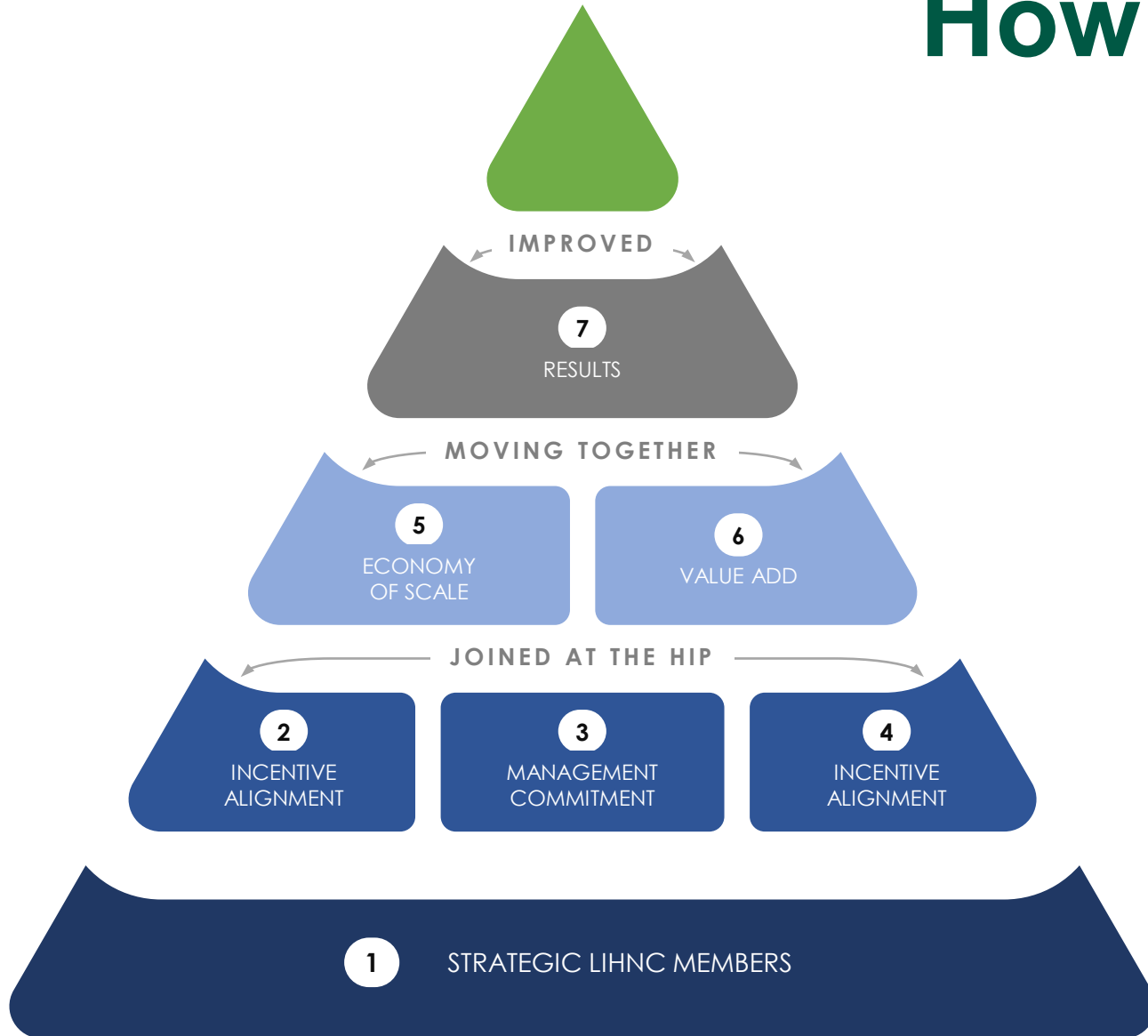
What we envisioned we could do.



Best Practices for Building a Collaborative

- ❖ Focus
 - Build collaboration programs around members' most critical needs and issues
- ❖ Membership Structure
 - Consider at least two tiers, consisting of “Board Members” and “Collaborative Members”
- ❖ Products and Services
 - Emphasis on collaborative in-person events, workgroups and fellowship
 - Develop antitrust policy and guidelines to govern all meetings
- ❖ Revenue Sources
 - Diversified revenue profile consisting of multiple membership tiers, sponsorships and grants (instead of only one membership level)
- ❖ Member Engagement
 - Individualizes plans to improve engagement and satisfaction (rather than Members choosing engagement levels)
- ❖ Define Core Values of the Collaborative
 - Examples include Independence, Focus, Empowerment, Engagement, Contribution

How we work together.



- 1 The foundation of LIHNC is based on validation by the members that our alignment is needed, and we create and deliver areas of opportunities that sustain us as independent hospitals.
- 2 Our benefit/gain of the partnership is tied to our ability to meet our objectives.
- 3 Our CEO Members, our Board and our ED have an appreciation for the challenges that we face, and all are committed to finding and implementing solutions.
- 4 All members receive the highest level of support and commitment from the collective group.
- 5 "Economy of scale" allows us to be cost effective and pass along those savings to LIHNC Members
- 6 We *act on behalf of the independence we seek* and assist each other in helping to achieve that desired result.
- 7 As a group, we are proactively amplifying the efforts to identify the opportunities to realize improved results.



A different, yet achievable approach to “integration.”

Independent Hospitals, working together.

Questions?

For more information about the Louisiana Independent Hospital Network Coalition, please visit www.LIHNC.org.