

Bold Leadership in Challenging Times: The ProMedica Story

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A discussion with

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HEALTH

COVID and its Surges

- **Staffing**

- The Great Resignation
- Shortages (present pre-Covid), recruitment and retention

- **Inflation**

- Wages and benefits; contract nursing
- Supplies, equipment, pharmaceuticals

- **Safety, Quality, Experience**

- **Stewardship**

- Volume remains well below projections
- Shift in utilization patterns

Headwinds

- **Pharma, Products, Commercial Payers**
 - Highly consolidated
 - Monopolistic behavior
 - Pricing power and huge profits
- **Private Equity Investors**
 - Bidding up prices on M & A opportunities
 - MD practice acquisition
- **Government**
 - Anti-health system consolidation
 - Increasing regulation
 - Limiting total cost of care opportunities to payers
 - False assumption of regional competitive markets

Public Scrutiny on the Rise

The Impact of Consolidation

**“Organization and Performance
of U.S. Health Systems,”**

Beaulieu, N.D, et al / JAMA, 2023: 329 (4): 325 – 335

What Kind of Workforce Issue?

**“Doctors Aren’t Burned Out From Overwork; We’re
Demoralized by Our Health System.”**

Evan Reinhart, MD / NYT, February 5, 2023.

Non-Profit, Tax-Exempt, Whatever

**“They Were Entitled to Free Care.
Hospitals Hounded Them to Pay.”**

Silver-Greenberg, S, and Katie Thomas / NYT, September 24, 2022

Health System Assets and Public Image

**“Salve Lucrum: the Existential Threat of Greed
in U.S. Health Care”**

Don Berwick / JAMA, January 30th, 2023

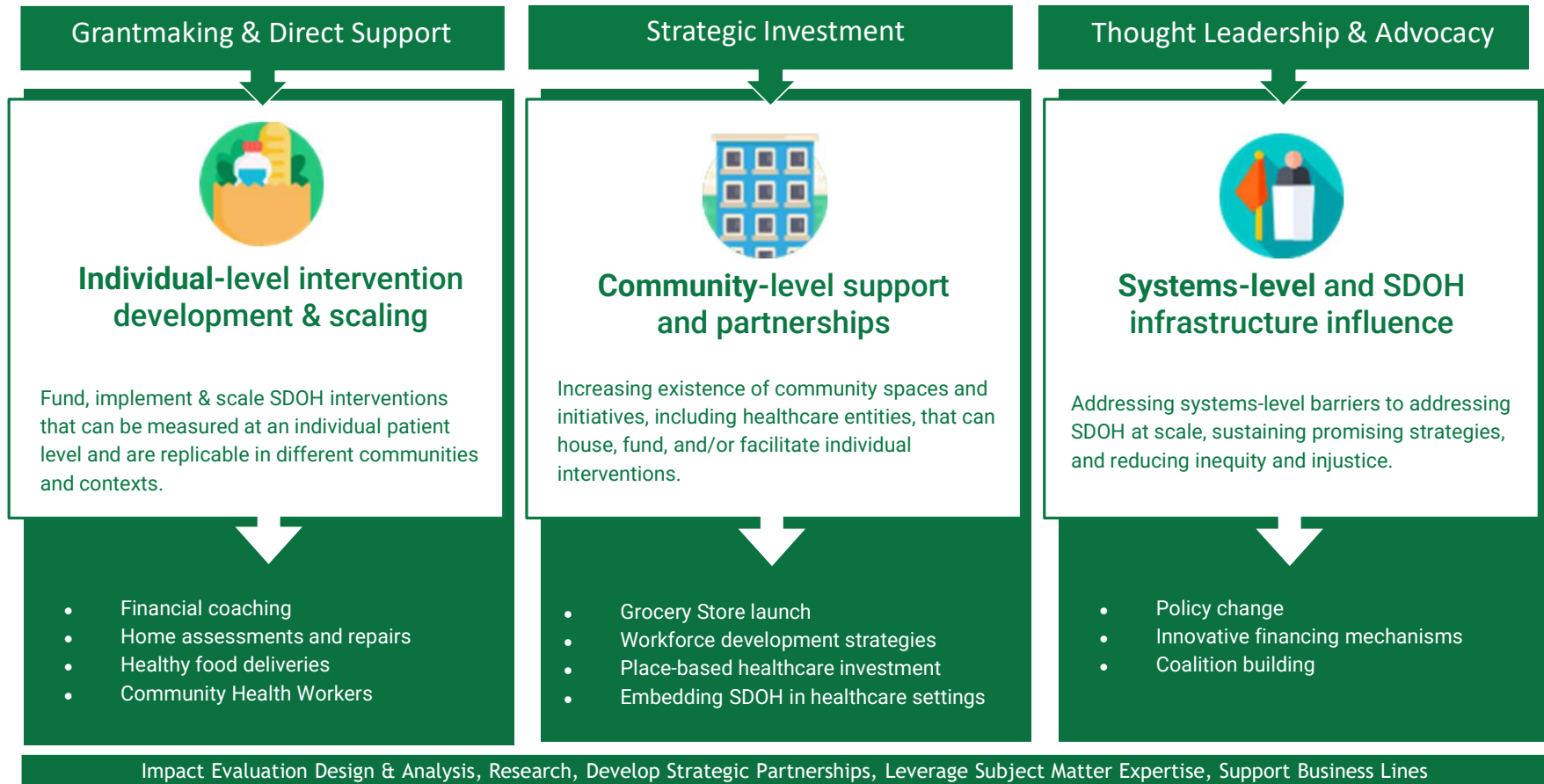
Location, Location, Location

**“Big Nonprofit Hospitals Expand in Wealthy Areas,
Shun Poorer Ones”**

Evans, M, Rust, M, and McGinty, T,
Wall Street Journal, December 26, 2022



Strategic Framework



Organizations Assets & Tools



Slide 7

- 1 Tweaked the goals again-- thinking about these as how we articulate our purpose to Randy/Robin and how we articulate what we do to Gary
Rachel Krausman, 7/7/2021

Guiding Principles

Strategic solutions

1. Address **individual-level social risk factors and social needs** within CMS/JOC regs
2. Impact **health care utilization and health metrics** within 36 months
3. Produce and/or make the case for an **anticipated positive ROI** on individual healthcare spending
4. Aligned with CHNA/CHIP Priorities and **system strategy**
5. Integrated **within operations and services lines**

Partnering with Health Plans

Contracting with health plans to provide members with targeted, proven SDOH services to address food insecurity and financial strain, including financial coaching.

Financial Coaching

- Free 1:1 financial coaching sessions with trained staff
- Focus on credit building, debt reduction, budgeting, and increasing savings
- Employment training & counseling resources
- Free tax preparation assistance



Other Contracted Services

- SDOH screening
- Food Clinic visits
- CHW support via Pathways HUB model

Impact On Financial Security

+\$432 Average Monthly Income Increase

+29pts Average Credit Score Increase

Impact On Health Care Utilization & Cost

-33% Reduction in ED Visits **\$2K** in Cost Savings

-14% Reduction in Inpatient Visits **\$13K** in Cost Savings

+6% Increase in PCP Visits **\$2K** in Cost Savings

Braided Funding Models

- Grants
- Philanthropy
- Value Based Payer Contracts
- Fee-for-Service
- Community Benefit



New Regulation

Joint Commission- Health Disparities

- Designated leader
- Determine patient need and connect/refer
- Stratify quality and safety data using SDOH need
- Action Plan with accountability
- Communication to stakeholders
- EMR contains patient race and ethnicity

Regulations Continue

Starting in 2024, CMS is requiring inpatient screening for these five SDOH domains:

- *Food* insecurity
- *Financial* insecurity
- *Housing* Insecurity
- *Transportation* insecurity
- *Interpersonal* safety
 - (child, elder, or domestic abuse)

Opportunities

ICD-10 codes for SDOH (“Z-codes”) are a way to capture the SDOH impact on medical complexity for:

- Physician medical decision-making
- Hospital DRG assessment

Payment Implications

- Value-Based, Fee-for-Service
- CMMI, State mandates, commercial reimbursement

Strategic Decisions For Leadership

1. What is the right balance between focus on individual interventions and place-based and community impact?
2. What level of risk tolerance do we have to be at the leading edge on policy, DEI, new innovation vs. proven interventions?
3. Where is community momentum to drive change?
4. How much direct business benefit vs. enhancing brand/tax exempt status without immediate ROI?

