

Healthcare Trends & Forecasts:

**Performance Expectations for
the Healthcare Industry**

2012

Note: This is an authorized excerpt from *Healthcare Trends and Forecasts 2012*. To download the entire report, go to <http://store.hin.com/product.asp?itemid=4297> or call 888-446-3530.

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Healthcare Trends & Forecasts in 2012: Performance Expectations for the Healthcare Industry

This special report is based on a 2011 Healthcare Intelligence Network (HIN) webinar hosted by Melanie Matthews, HIN executive vice president and chief operating officer, and is supplemented with results from the eighth annual HIN Healthcare Trends e-survey conducted in November 2011. This report is aimed at CEOs, medical directors, wellness professionals, human resources professionals, disease management directors, managers and coordinators, health plan executives, care management nurses, business development executives and strategic planning directors.

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Table of Contents

Major Initiatives in 2012	6
Structure of an ACO	8
Identifying Cost Savings and Earning Higher Throughput.....	10
Healthcare Reform Effects and Spending.....	11
Bundled Payment Program	13
Co-Management and Primary Care Pilots.....	14
Advice for Health Systems and Hospitals.....	15
Clinical Performance	17
Physician Role in Practice Transformations	18
Predicted Impact of Economic Conditions	19
Results of 2012 Healthcare Trends Survey: Optimistic Industry Puts Faith in Medical Home Model.....	21
Survey Highlights.....	21
Sampling of Respondents' Most Successful Programs & Services	22
Sampling of Respondents' Best Business Decisions.....	23
Sampling of Respondents' Biggest Business Mistakes	23
About the Survey.....	24
Respondent Demographics.....	24
Q&A: Ask the Experts.....	25
Components of a Pediatric Clinical Integration Strategy	25
Transitioning from Group Program to Individual Products	25
PMPM Savings for Third Party Processing.....	25
Top Three Drivers of Cost Trends.....	26
Product Aggregation Capabilities	26
Outsourcing Care Coordination	26
Ideal Economic Conditions.....	27
Medical Home Reimbursement Model.....	27
Drivers of Post-Acute Care.....	28
Location of Centralized Case Management	28
Physician Revenue Opportunities	29
Glossary.....	30
For More Information	31
About the Speaker	33

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As if digesting the plethora of care delivery initiatives rolled out by the Centers for Medicare & Medicaid Services (CMS) over the last year wasn't enough, the healthcare industry faces a presidential election, looming health IT mandates and continued economic uncertainty in the 12 months to come.

Will 2012 truly be the period of 'economic calm' so desperately sought by physicians, and what mind-set is required to implement the new care and reimbursement reforms — ACOs, bundled payments, co-management, hospitalists — taking shape from PPACA? In this special report, key thought leader Steven Valentine tackles these issues and more, providing sector-specific road maps for action for the year to come.

Major Initiatives in 2012

Steven Valentine is president of The Camden Group.

As shown in Figure 1, accountable care will begin to have a major impact with Medicare recipients throughout the country in 2012. There were approximately 60 applicants for the CMS accountable care organization (ACO) Pioneer program, and HHS recently announced 32 Pioneer participants. (See "For More Information.") CMS just came out with a new regulation on ACOs, and a number of providers throughout the country will be submitting their applications to become a provider with the ACO. This will also happen with bundled payments.

Healthcare Reform Summary of Dates

- ✓ 2012
 - ACOs Medicaid, Medicare (adult and pediatric)
 - Bundled payments Medicaid and expand for Medicare
 - Value-based purchasing program
 - Hospital-acquired condition
 - Readmissions
- ✓ 2013
 - July: Co-ops
- ✓ 2014
 - American health benefit exchanges
 - Hospital disproportionate share hospital payments reduced

Source: Steven Valentine, The Camden Group

We expect the two major initiatives in 2012 to be bundled payments and the ACO. We will see more activity with private payors related to accountable care and bundled payments than with Medicare-designated sites. All hospitals are concerned with the value-based purchasing program because we begin the process of either getting additional reimbursement, or a reduction in reimbursement. Quality and transparency matter, and now hospitals have to deal with bundled payments and accountable care.

Figure 1