



Finger Lakes Health Systems Agency

FLHSA 2020 Commission

April 11 and 14, 2008

STROUDWATER ASSOCIATES

Overview of Topics for April 11 and April 14

- Review of Proposed 2020 Commission Process and Deliverables
- Relationship of CON applications to Bed Need Task Force Recommendations
- Overview of Interview Themes
- Characteristics of High Performing Health Systems
- Scenario Planning

Proposed 2020 Commission Process and Deliverables

Study Charge and Deliverables

- Formulate recommendations to the NYSDOH to guide decisions related to major health care investments based upon a framework that describes the next generation of health care delivery in the northern Finger Lakes region.
- **Elements of the framework will include:**
 - Medical manpower
 - Consumer preferences
 - Ambulatory services
 - Medical technology
 - Rural/urban issues
 - Financing
- **Recommendations by June 30th, and Final Report by September 1st.**

Proposed 2020 Commission Process and Deliverables

Roadmap to June 30th

Month of April

- *Convene 3 meetings of the 2020 Commission*
- *Presentation and discussion of CON applications submitted by the University of Rochester, Via, and Unity*
- *Initiate facility evaluation overview process*
- *Establish an understanding of the performance characteristics of high performing health systems*
- *Explore the implications of alternative supply and demand driven strategies on the characteristics of the northern Finger Lakes hospital delivery system in 2020*
- *Complete initial round of interviews*
- *Convene the rural hospitals to establish an understanding of their challenges and perspectives*

Proposed 2020 Commission Process and Deliverables

Roadmap to June 30th

Month of May

- *Convene 2 meetings of the 2020 Commission*
- *Presentation and discussion of business community perspective on 2020 Commission issues*
- *Review of community-wide operational and clinical strategies for improving system performance*
- *Initial findings and implications of regional hospital facilities assessment*
- *Overview of regional clinical staffing challenges/opportunities*
- *Additional interviews*

Proposed 2020 Commission Process and Deliverables

Roadmap to June 30th

Month of June

- *Convene 3 meetings of the 2020 Commission*
- *Presentation and discussion of financing issues and options*
- *Presentation and discussion of capital structure issues and options*
- *Presentation and discussion of system structure issues and options*
- *Development and discussion of draft recommendations*
- *Development of communications strategy and next steps*

Process Thoughts

1. *Need to remain at a high level*
2. *The Commission is not required to accept any or all of the CON applications “as is”*
3. *Not just about the hospital systems*
4. *Fundamental Challenge: Enterprise perspective vs. community perspective*
5. *Remember that the work of the Commission is about sick and vulnerable people and the need to find balance between efficiency and unreasonable barriers to access*
6. *Let’s not pretend that there are no regional economic implications of the issues being addressed by the Commission*

Relationship of CONA to Bed Need Findings

Licensed, Set-up and Staffed Beds by Type (June 2007)

<u>Hospital</u>	<u>Licensed</u>	<u>Set-Up</u>	<u>Staffed</u>
Monroe County	1,918	1,859	1,847
Rochester General	528	494	494
Strong Memorial	739	730	730
Highland	261	255	255
Unity*	251	251	251
Unity-Genesee Street	78	68	56
Lakeside Memorial	61	61	61
Central	626	536	389
Clifton Springs	154	105	105
Geneva General	132	115	77
F. F. Thompson	113	113	68
Newark-Wayne	120	96	60
Soldiers and Sailors	35	35	22
Noyes	72	72	57
Total Region	2,544	2,395	2,236

* Unity's Rehab and Psych beds are located to the Unity-Genesee Street facility, formerly St. Mary's

Current Number of Licensed Beds by Type (June 2007)

<u>Hospital</u>	<u>M/S</u>	<u>Rehab</u>	<u>ICU</u>	<u>Ped</u>	<u>NICU</u>	<u>OB</u>	<u>Mental Health</u>	<u>Rehab/SA</u>	<u>Total</u>
Monroe County	1,199	69	148	96	69	129	168	40	1,918
Rochester General	378	16	40	24	14	26	30		528
Strong Memorial	387	20	70	72	52	45	93		739
Highland	218		14			29			261
Unity*	167		20		3	21			251
Unity-Genesee Street		33					45	40	78
Lakeside Memorial	49		4			8			61
Central	447	15	42	-	-	48	44	30	626
Clifton Springs	100		6				18	30	154
Geneva General	95	15	10			12			132
F. F. Thompson	94		7			12			113
Newark-Wayne	82		8			14	16		120
Soldiers and Sailors	22		3				10		35
Noyes	54		8			10			72
Total Region	1,646	84	190	96	69	177	212	70	2,544

* Unity's Rehab and Psych beds are located to the Unity-Genesee Street facility, formerly St. Mary's

Number of Beds Requested, by Hospital & Type of Bed

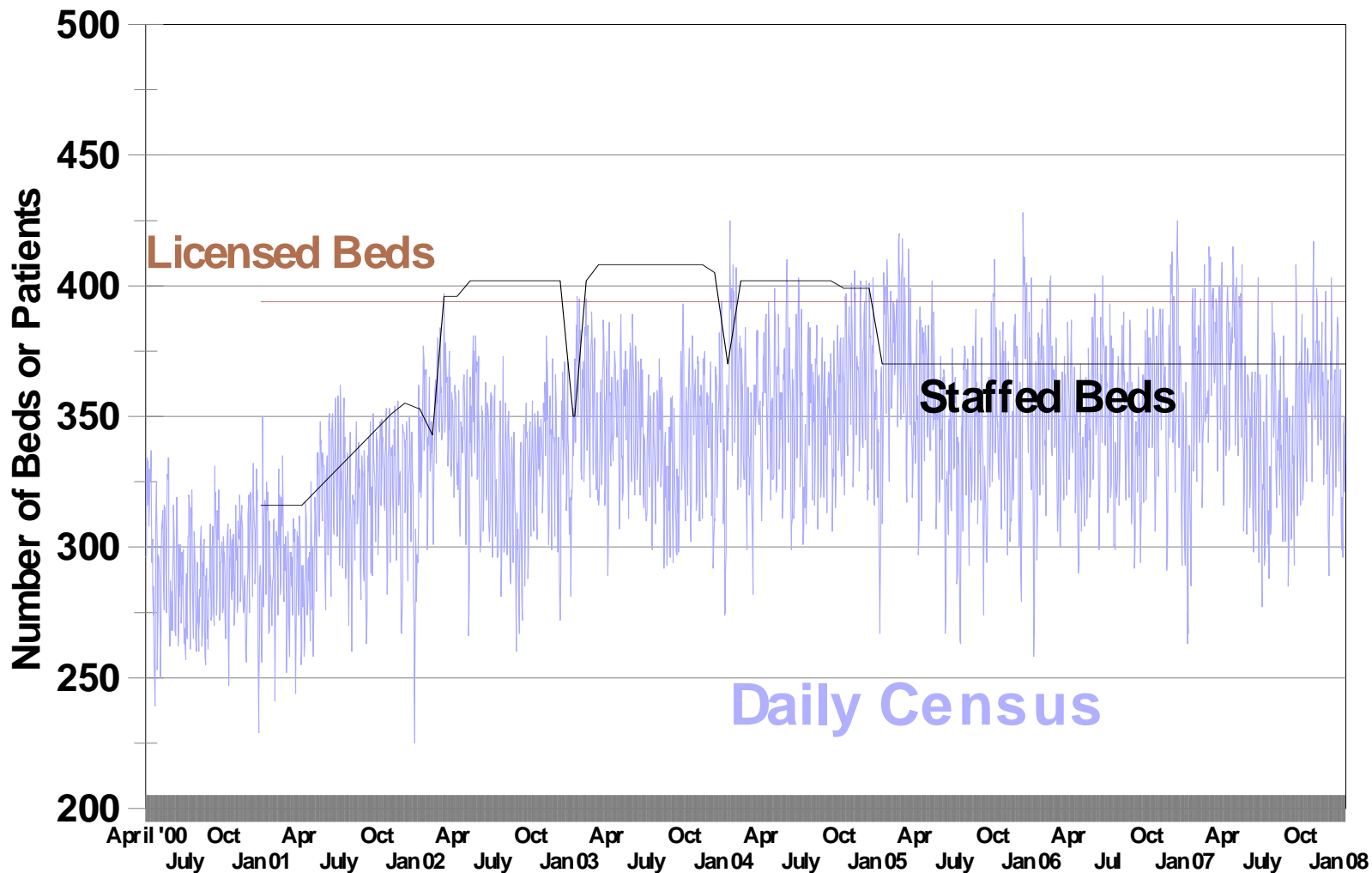
	RGH	SMH	Unity
	Medical/Surgical 36	Medical/Surgical (new) 67	Medical/Surgical (new) 72
		Medical/Surgical (Peds Backfill) 56	ICU/CCU 13
New Licensed Capacity	36	123	85
Currently licensed but not staffed beds that will be set up and operational	34		
Total New Operating Capacity	70	123	85

Aggregate Proposed New Operating Bed Capacity = 278

Acute Bed Study Recommendations = 83 to 147

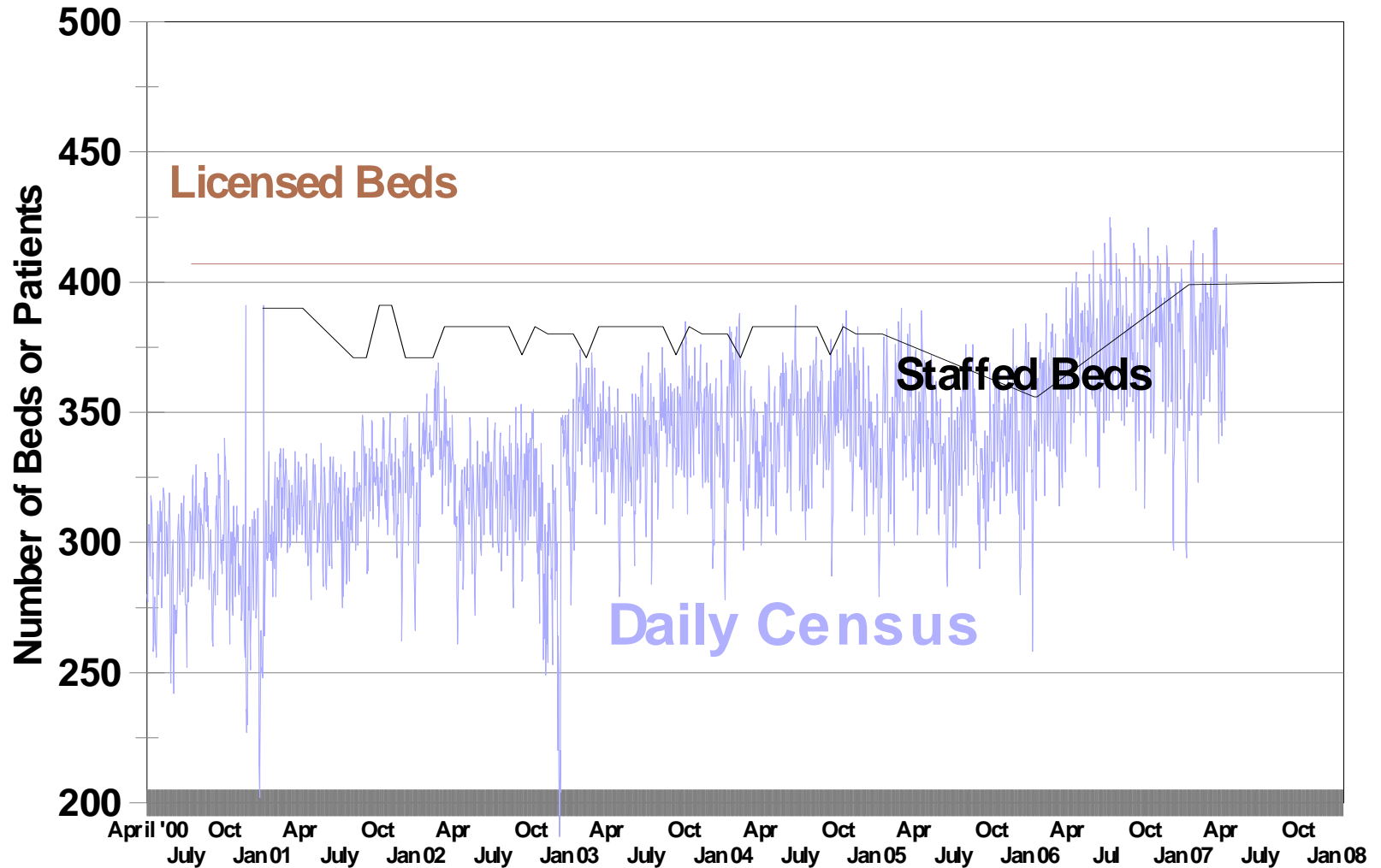
Daily Hospital Census vs. Capacity

Rochester General Hospital Med/Surg Beds

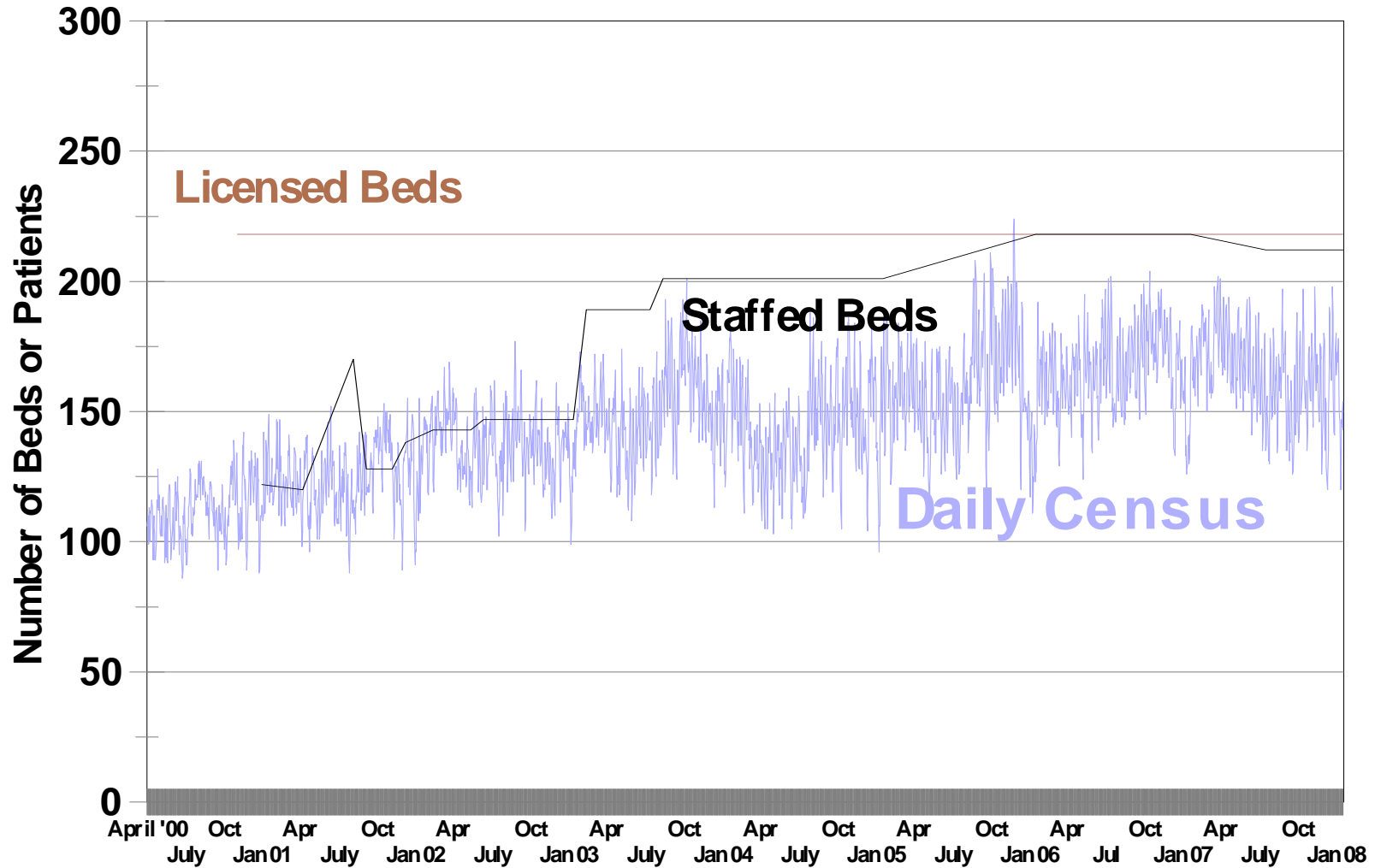


Daily Hospital Census vs. Capacity

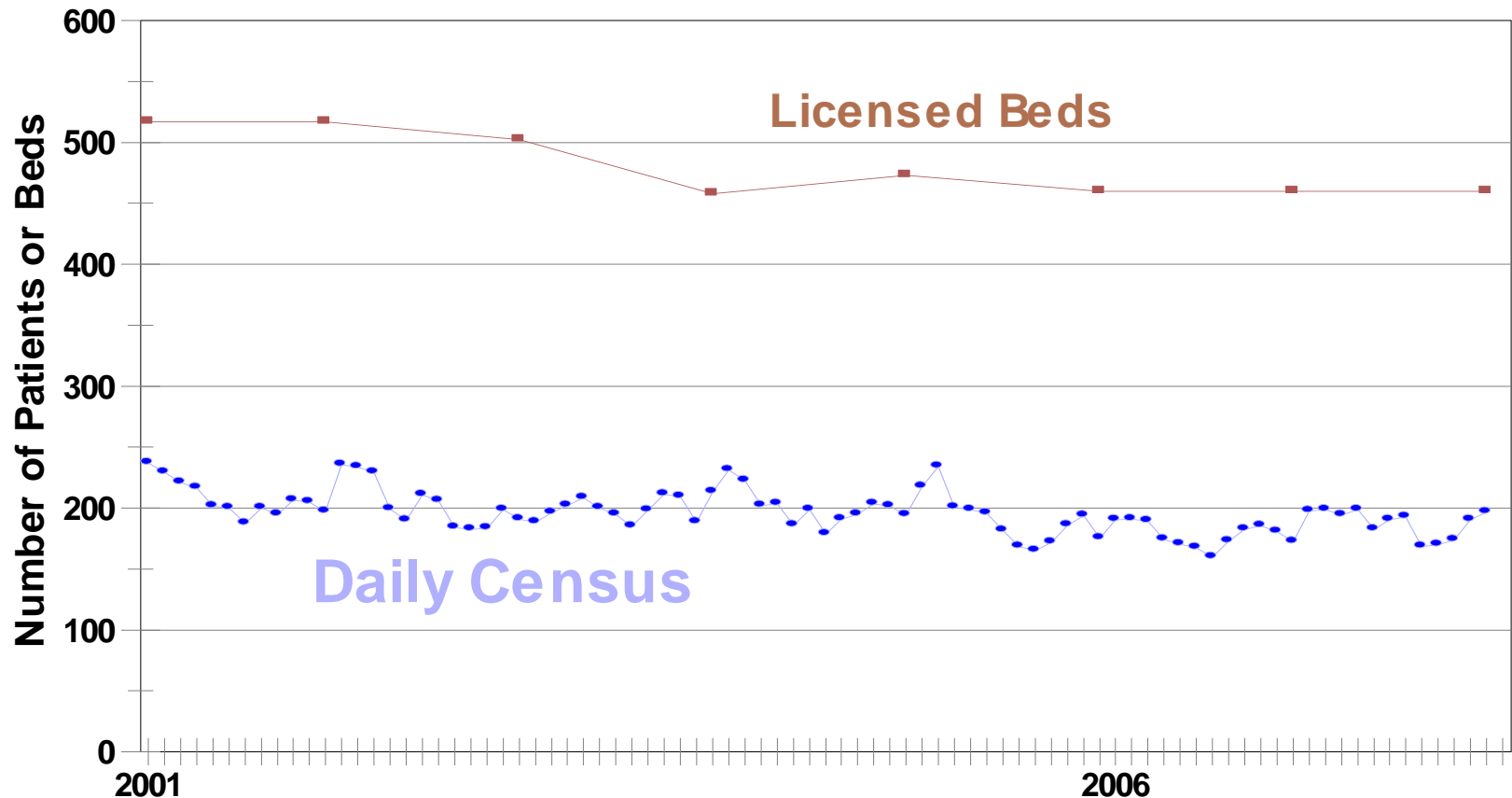
Strong Memorial Hospital Med/Surg Beds



Daily Hospital Census vs. Capacity Highland Hospital Med/Surg Beds



Daily Hospital Census vs. Capacity Rural Hospitals Med/Surg Beds



Data Source: Submissions by hospitals; values are average daily census per month
Includes Medical, Surgical, and Physical Rehabilitation patients and beds.
Hospitals include Clifton Springs, Geneva General, Lakeside, Newark-Wayne, Noyes,
Soldiers & Sailors, and FF Thompson.

Does the 2020 Commission Have to Reverse Engineer its Recommendations to the Bed Need Study Recommendations?

No!

The Bed Need Study Group referred the following issues to the 2020 Commission, suggesting that they might result in modifications of the bed need recommendations:

1. Can low occupancy rates in the rural county hospitals offer some synergy with Monroe County hospitals in mitigating inpatient demand in Monroe County?
2. Is there a need for facility modernization, and will modern facilities reduce demand?

Does the 2020 Commission Have to Reverse Engineer its Recommendations to the Bed Need Study Recommendations?

3. Can hospital information technology influence inpatient volumes and demand, and how does IT investment compare to and influence facility investment?
4. What is the potential impact on bed need of providing new services to address barriers for Alternate Level of Care patients?
5. What is the efficacy of investment in hospital facilities given the uncertainty of the future impact of technology on hospital use?

Does the 2020 Commission Have to Reverse Engineer its Recommendations to the Bed Need Study Recommendations?

6. What impact do observation patients have on bed need, and what potential options are there for providing this type of care?
7. What are the costs of providing physician reimbursement premiums in rural areas vs. constructing additional acute capacity in Monroe County?
8. What changes are required to increase the number and proportion of primary care physicians trained, recruited and retained in the region?
9. Can reductions in clinical variables (e.g. nosocomial infections and re-admission rates) and operating variables (e.g. lean processes) impact bed need?

Relationship of the 2020 Commission Process to CON Process

The 2020 Commission's recommendations will represent the sole voice of FLHSA and CTAAB to the NYSDOH regarding both the near term issues related to the three CONAs now outstanding, as well as the long-range framework describing the next generation of health care delivery in the northern Finger Lakes region.

Overview of Interview Themes

Individuals Interviewed to Data

Mark Cronin

Regional Vice President, Lakes Region American Cancer Society

Robert Thompson

**President & CEO
Monroe Plan for Medical Care**

Edward Pettinella

**President & CEO Home Properties
Board Chairman, Rochester Business Alliance**

Nancy Adams

**Executive Director
Monroe County Medical Society (MCMS)
FLHSA Board member
Executive Director, American Academy of Pediatrics NY
Region 1**

Len Redon

**2020 Commission Vice Chair
Vice President, Area West Operations
Paychex Corporation
Excellus Board member**

Bonnie DeVinney

**Vice President & Chief Program Officer
Greater Rochester Health Foundation
Regional member, Berger Commission**

Tom Richards

**UR Medical Center Board Chair
Corporate Counsel, City of Rochester**

Individuals Interviewed to Data

Andrew Doniger, MD
Member, FLHSA Board of Directors
Director, Monroe County Health Department

Robert Dobies
Chair, Via Health (RGH) Board of Directors

Michael Nuccitelli
Board of Directors, Unity Health System
CEO, Parlec, Inc.

Diane Ashley
President/CEO, Rochester Regional Hospital Association

Steve Ashley
Chairman, Fannie Mae
2020 Commission Chair

H. Taylor Fitch
Yates County Legislator
Board Chair, Finger Lakes Health System, Geneva

Sandy Parker
CEO, Rochester Business Alliance

Clayton Osborne
Vice President Human Resources
Bauch & Lomb

Tom Mahoney, M.D.
CEO, RIPA

Individuals Interviewed to Data

Mark Clement

CEO, Via health/Rochester General Hospital

Lisa Brubaker

Executive Vice President

MVP/Preferred Care

Lauren Snyder

Director, Yates County Health Department

FLHSA Board Vice Chair

Tim McCormick

President & CEO, Unity Health System

Warren Hern

CFO, Unity Health System

John Garvey

Director Human Resources, Ontario County

David Klein

CEO, Excellus

James Wissler

President and CEO

Nicholas H. Noyes Memorial Hospital

Kathleen M. Parrinello

Chief Operating Officer

Strong Health

Individuals Interviewed to Data

Bradford C. Berk, MD, Ph.D

**Senior Vice President for Health Sciences
CEO of Medical Center and Strong Health**

Michael C. Goonan

**Vice President and Chief Financial Officer
Strong Health
University of Rochester**

Peter G. Robinson

**Vice President and Chief Operating Officer
Medical Center and Strong Health
University of Rochester**

Kevin C. Nacy

**Chief Executive Officer
Lakeside Health System**

Michael Stapleton, RN, MS, BA, BSN

**Vice President of Patient Care Services
Chief Nursing Officer
Lakeside Health System**

Interview Themes

1. There is remorse related to what the Rochester region lost over the past 10-15 years in terms of its national reputation as an innovative, high performing community-wide healthcare delivery system.
2. Despite the changes in the region's corporate leadership that historically supported a framework for regional decision making, optimism remains regarding the ability to create a new model for achieving superior regional performance.
3. There is universal recognition that facility assets in the region have been underinvested in, and need to be modernized.

Interview Themes

4. There is recognition that investment in incremental beds ultimately represents an opportunity cost related to the region's ability to afford and finance facility modernization. The tragic path is building new beds that are unneeded a decade or more from now.
5. It is understood that building new beds is a long-term solution to an immediate "code red" bed crisis, and the region can't wait 3-5 years for a solution.
6. There is a broad understanding that tertiary and quaternary referrals to the University of Rochester represent an economic benefit to the Rochester region, should be encouraged, and should be addressed separately from population-based bed need within the northern Finger Lakes region.

Interview Themes

7. There is perceived value in maintaining a competitive model between hospitals related to broad spectrum performance, but concern that a model driven primarily by economic competition (i.e., market share, capital, expertise) is very expensive.
8. All hospital organizations interviewed are proud of their region-wide perspective, but are unclear how broadly that is shared.
9. There is broad understanding that the University of Rochester is a central force for healthcare in the region, and that it must assume leadership in promoting regional perspective for an effective solution to emerge.
10. Bed demand is best addressed from a six county perspective*, and not by looking at Monroe County in isolation

* Livingston, Monroe, Ontario, Seneca, Wayne, Yates