Delivering Value to the C-Suite
More Spending does not equal Better Health

- The poorest third of British is healthier than the richest third of Americans for diabetes, hypertension, all heart disease and cancer.*
- Almost 80% of workers have at least one chronic disease, 50% have more than one chronic condition**
- 1962 – 13% of population classified as obese
- 2008 – Colorado only state < 20% obese

Baby Boomers are in their 60’s and living longer, therefore requiring more healthcare services.

*JAMA 2006; 295: 2037-2046
** 2009 Almanac of Chronic Diseases, May 14, 2009
Voice of the Private Purchaser

• Hip Replacement all in cost range from $11,500 to $123,000 (JAMA 2013)

• Wal-Mart employees pay $0 if patient travels to one of four hospitals in the employers centers of excellence network.
  – If go out of network copay and deductible is $3,000

• CalPERS negotiate $30,000 max all in Hip replacement at 40 CA hospitals.
  – If go to another hospital – pay the difference
America’s Health Care Must Improve

People are dissatisfied with the health care system

6 in 10 Americans rate the health care system as fair or poor

- Excellent: 4%
- Don’t know: 1%
- Poor: 29%
- Fair: 30%
- Good: 26%
- Very Good: 10%

Source: Employee Benefit Research Institute, 2007.
The plan by Providence, R.I.-based Care New England to close the obstetric unit at Memorial Hospital in Pawtucket, R.I., is creating a public firestorm, with flames being fanned by the union representing staff. United Nurses and Allied Professionals Local 5082 is asking the state Health Department to render a declaratory judgment that would bar Memorial Hospital from shutting down its obstetrics unit. The hospital is losing money at an alarming rate, and the system seeks Health Department approval to eliminate obstetrics as part of a cost-saving restructuring. Local politicians,...., are actively opposing Care New England as well, believing the end game will be the closing of Memorial as an acute care hospital.
Alaska is implementing a hospital-based project to reduce use of emergency department services.

The Alaska State Hospital & Nursing Home Association and the Alaska Chapter of the American College of Emergency Physicians (ACEP) brought this project forward and testified in favor of it during the last legislative session. The bill language and project are built on a proven model from Washington State’s ER is for Emergencies program that includes the implementation of seven best practices in emergency room care.
First Curve to Second Curve
First Curve to Second Curve
Always Doing What You’ve Always Done?

• Doing What They Needed
• Good People, Good Outcomes
  • Good Intentions
• One Step Ahead of Problems
• Data Rich, Information Poor
  • Focus on Code and Compliance

Is Data Used For Informed Decision Making?
The Goal: The Triple Aim

- Population Health
- Experience of Care
- Per Capita Cost
The Goal: The Triple Aim

- Population Health
- Experience of Care
- Per Capita Cost

Reduce Energy Consumption
The Goal: The Triple Aim

- Population Health
- Experience of Care
- Per Capita Cost

Reduce Energy Consumption

Improve HCHAPS Scores
The Goal: The Triple Aim

- Reduce Healthcare Acquired Infections
- Improve HCHAPS Scores
- Population Health
- Experience of Care
- Per Capita Cost
- Reduce Energy Consumption
Defining Value

Value = \frac{\text{Benefit}}{\text{Cost}}

\text{Benefit} = \text{Reliability} + \text{Access} + \text{Security}
Facilities as an Economic Engine

Typical Hospital Operations and Maintenance Budget

- Energy: 51%
- Staffing: 27%
- Materials: 8%
- Service Contracts: 14%

A Target Rich Environment
Our goals for the coming year are to continue to reach for the highest obtainable outcomes with the most cost effective use of UAMS resources. The Campus Operations team has developed a determination and tenacity to stay the course.
Strategic Energy Plan funds projects
$53M in savings servicing bond debt
• new electric heat pump technology
• Build out 30 new inpatient surgical beds and 30 replacement beds
• Refit surgical suite to improve throughput
• Build out 8th floor of Cancer Institute to relocate Multiple Myeloma from Spine Institute
• Backfill the Spine Institute with the Translational Research Institute
• Purchase Ray Winder Field and develop for parking.
5 Year Cumulative Savings

Energy Cost
July thru June

Fiscal Year
2009
Office Buildings, $3,315,486
Hospitals, $28,365,159
Cumulative Total Savings 2009 - 2013
$46,706,820

Fiscal Year
2010
Office Buildings, $3,647,083
Hospitals, $28,311,294

Fiscal Year
2011
Office Buildings, $4,107,892
Hospitals, $31,619,030

Fiscal Year
2012
Office Buildings, $4,558,644
Hospitals, $35,170,659

Fiscal Year
2013
Office Buildings, $3,315,486
Hospitals, $28,365,159

$0   $10,000,000   $20,000,000   $30,000,000   $40,000,000   $50,000,000
THE OPPORTUNITY

✓ There is huge potential to generate savings through energy efficiency

✓ Those cuts can be made in energy costs through implementing a comprehensive energy efficiency program
Aggregate Annual Program Savings
2015 = $67M
2016 = $63M (as of 3/1/16)

Largest Reduction: Cleveland Clinic – Main Campus, Cleveland
568,500,314 kbtu = 17% Reduction
Carolinas Healthcare System – Pineville

Pineville cuts energy usage by 26 percent in 18 months, empowering the organization to use energy wisely.

In this case study, you will discover:

- The role of enterprise-level energy goals
- How to identify low-cost high return energy efficient improvements
- How data-tracking can be used for both measurement and communication

Download the new Hospitals in Pursuit of Excellence (HPOE) report
A great resource from the American Hospital Association showing the value of sustainability in health care.

Featured Resources:
- Complimentary Programs: Energy Star and Energy to Care
- Data Use Policy
## Implement How-to-Guides (PIMs)

<table>
<thead>
<tr>
<th>EFFICIENCY PROJECT</th>
<th>TIME INVESTMENT</th>
<th>FINANCIAL INVESTMENT</th>
<th>RETURN ON INVESTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish energy use baseline</td>
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<td></td>
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<tr>
<td>Schedule preventive maintenance</td>
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<td></td>
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<tr>
<td>Program heating and cooling to ramp up only when spaces are occupied</td>
<td></td>
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<tr>
<td>Install energy efficient lighting</td>
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</tbody>
</table>

*Note: [Diagram with icons and symbols indicating time, financial investment, and return on investment for each project.]*

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HCAHPS Scores, the Patient Experience, and the Affordable Care Act from the Facility Perspective

Lynn Kenney

IMPROVING THE PATIENT EXPERIENCE THROUGH THE HEALTH CARE PHYSICAL ENVIRONMENT

March 2016

Dedicated to optimizing the health care physical environment
CMS: Value Based Purchasing

- Medicare Reimbursement at risk
- % of payment withheld – can earn back as incentive payment

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Percentage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2013</td>
<td>1%</td>
<td>$242K*</td>
</tr>
<tr>
<td>FY2014</td>
<td>1.25%</td>
<td>$302K</td>
</tr>
<tr>
<td>FY2015</td>
<td>1.5%</td>
<td>$363K</td>
</tr>
<tr>
<td>FY2016</td>
<td>1.75%</td>
<td>$423K</td>
</tr>
<tr>
<td>FY2017</td>
<td>2%</td>
<td>$484K</td>
</tr>
</tbody>
</table>

* 175 bed hospital 30% based on patient exp
HCAHPS: Patient Experience

Hospital Consumer Assessment of Healthcare Providers and Systems survey

People - A Culture of Caring

Place - Physical Environment

Process - Process Improvement
Quiet at Night

- Carpet in hallways
- Acoustical wall panels
- Acoustical ceiling tile.
- Larger private rooms
- Machinery and nurse charting relocated away from patients
- Quality of sleep improved from 4.9 to 7.3 (on a scale of 0 to 10)
- Patient satisfaction scores improved during a three month comparison period

The Center for Health Design, Pebble Partners Study
St. Alphonsus Hospital Boise, ID

*Slide: courtesy of Ellen Taylor, Center for Health Design*
HAIs: Current State

- 648K U.S. patients develop a healthcare associated infection (HAI) during hospital stay
- 75K die—HAIs kill more than AIDS, breast cancer or auto accidents
- Significant focus on HAIs by public, payers, regulatory agencies
Improving Infection Prevention & Control Through Facility Design & Operations

CDC/AHA Grant Partnership

Six areas of focus:
1. Infection Control Risk Assessment
2. Hand Hygiene Infrastructure
3. Reprocessing
4. Cleaning of Environmental Surfaces
5. Water-related Environmental Infection Control
6. Flow of Patients, Personnel & Equipment
Reprocessing: Cramped Space
Environmental Cleaning: VRE Contamination


X = positive Enterococcus culture
Managing Utilities Bills

• Who Reviews the Bills

• What are They Reviewing
  • Front Page Audit
  • Meter Validations
  • Abatement/Credit Meters
  • Ownership & Accountability

What’s the Opportunity?

Include Residential Billings
On-Demand Session Recordings

1009 - Selling Your Vision: Presenting Effective Business Cases to Hospital Leadership

- Relevancy: 100.00%
- Conference: ASHE 52nd Annual Conference & Technical Exhibition
- Date/Time: July 13, 2015, 9:45am - 10:45am
- Speaker: Iona Canada
- Format: Synced Audio / Video / Slides

Play Session Download PDF Download MP3
Real Estate & Property Management

Optimize The Spend
• Real Estate Goals
• Mission Support
• Budget Compliant
• Target Markets
• Develop Market Understanding
  • Strategic Locations
  • Market Inventory
• Alignments and Partners
• Lease vs Own Decisions
• Total Cost of Ownership
• Flexibility of Market

What’s The Opportunity?

ASHE
A personal membership group of the American Hospital Association
“The mission of The University of Texas MD Anderson Cancer Center is to eliminate cancer in Texas, the nation, and the world through outstanding programs that integrate patient care, research and prevention, and through education for undergraduate and graduate students, trainees, professionals, employees and the public.”

Selling to The C-Suite
• Mission Focused Requests
• What’s the Value Proposition
  • Value = Benefit/Cost
    • Greater Benefit
    • Lower Cost
    • Both = Hero Stuff
• LHF & The Long Push
  • No New Costs
• Talk Savings in NPV Terms
• Bring Home the ROI
Earn a Seat at the Table

Provide the Right Information for the Business Decision

Leverage your Portfolio

Be the Institution’s Strategic Facilities Resource

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