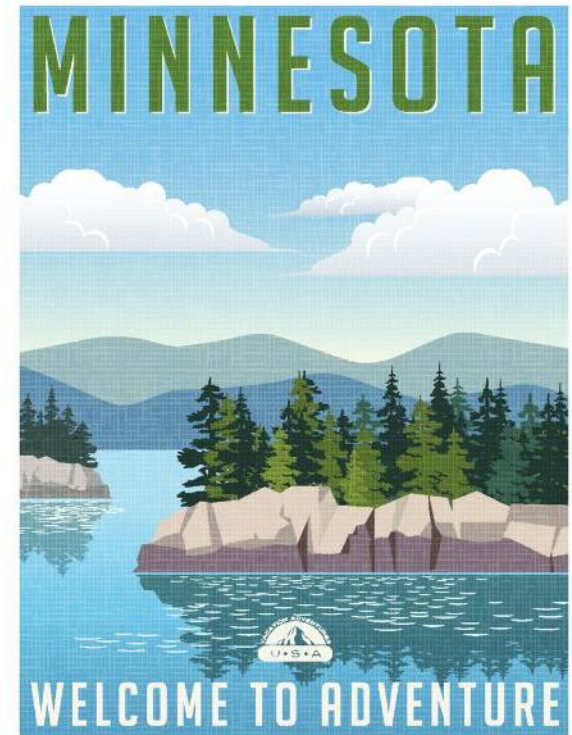
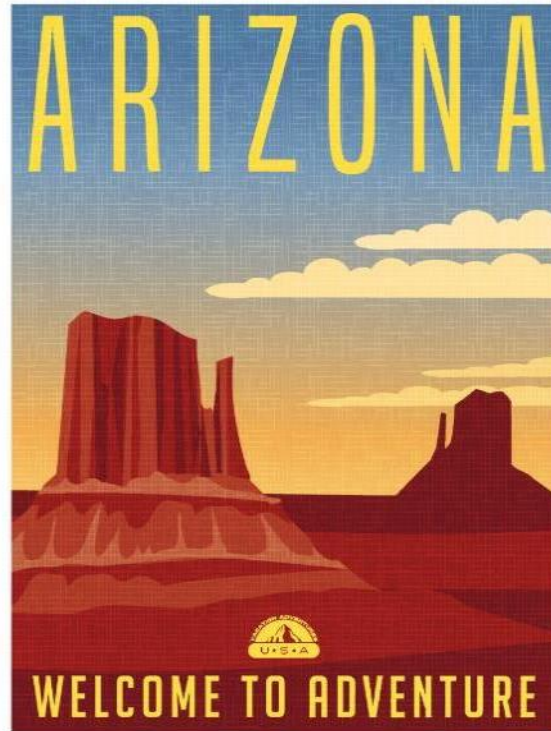
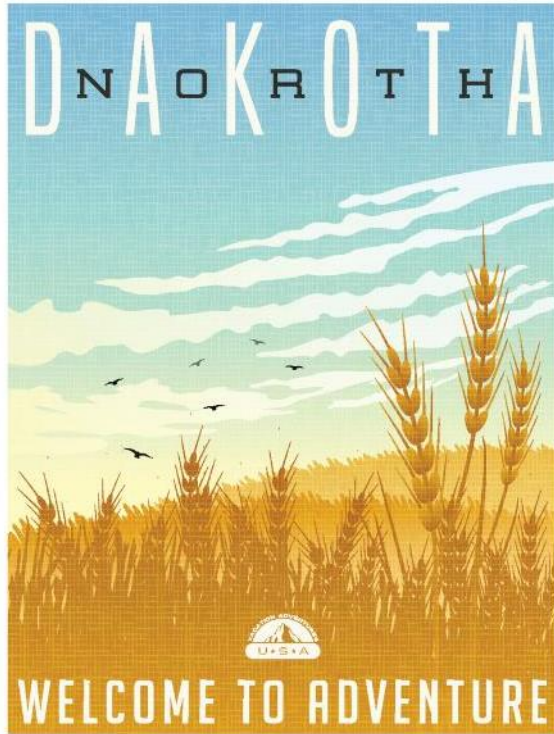




It's time

Dennis E. Dahlen, CPA, MBA, FHFMA
CFO, Mayo Clinic
2023-24 National Chair, HFMA

39 years, 3 Chapters, Board Member since 2017





7 DAY FORECAST

Weather Now

TUE



Scattered Storms

72

WED



Heavy Rain

71

THU



Heavy Rain

78

FRI



Scattered Storms

81

SAT



Scattered Storms

82

SUN



Heavy Rain

76

MON



Mo
Sho

62

**“If something cannot go on
forever, it will stop.”**

— Herbert Stein

Losing the Battle for Hearts and Minds

PROFITS OVER PATIENTS

How a Hospital Chain Used a Poor Neighborhood to Turn Huge Profits

Bon Secours Mercy Health, a major nonprofit health system, used the poverty of Richmond Community Hospital's patients to tap into a lucrative federal

DIAGNOSIS: DEBT

Hundreds of Hospitals Sue Patients or Threaten Their Credit, a KHN Investigation Finds. Does Yours?

By Michael M. ...

SIGN IN

REPUBLIC THIS STORY

THE WALL STREET JOURNAL.



Big Nonprofit Hospitals Expand in Wealthier Areas, Shun Poorer Ones

Despite lucrative tax breaks for serving needy communities, many large systems focus growth on higher-

PROFITS OVER PATIENTS

How a Sprawling Hospital Chain Ignited Its Own Staffing Crisis

Ascension, one of the country's largest health systems, spent years cutting jobs, leaving it flat-footed when the pandemic hit.

OVER PATIENTS

'Major Trustee, Please Prioritize': How NYU's E.R. Favors the Rich

Dozens of doctors said the nonprofit hospital pressured them to give preferential treatment to donors, trustees and their families.

Losing the Battle for Hearts and Minds

PROFITS OVER PATIENTS

How a Hospital in a Poor Neighborhood Became a Huge Success

Bon Secours Mercy Health, a hospital in a poor neighborhood, used the poverty of Richmond to tap into a lucrative market.

DIAGNOSIS: DEBT

Hospitals Sue Patients for Credit, a KHN Story. Does Yours?

REPUBLICAN THIS STORY



PROFITS OVER PATIENTS

How a Sprawling Hospital Chain Ignited a Staffing Crisis

Ascension, one of the country's largest hospital chains, has spent years cutting jobs, leaving it flat-footed.

PATIENTS

See, Please
NYU's E.R.
The Rich

A for-profit hospital pressured them to donate to donors, trustees and their families.

Losing the Battle for Hearts and Minds

PROFITS OVER PATIENTS
How a Hospital Chain Used a
P
Bon Sec
used the

DIAGNOSIS: DEBT
*Hundreds of Hospitals Sue Patients
or Threaten Their Credit* KHN
ours?
REPUBLIC THIS STORY

hfma healthcare financial management association Discover Guidance News & Articles Education & Events Career Resources

Healthcare Blame Game: How news outlets mishandled a medical debt study

Brad Dennison

April 3, 2023 10:45 am

Brad Dennison is a 25-year veteran of the newspaper industry. He served 15 years as the top news executive for multiple national organizations and led thousands of journalists across the U.S., including investigative teams. He's also a past board member of the Associated Press Media Editors, where he was elected national chair. Dennison joined HFMA as chief content executive in 2019.

Headline: [Americans are knee-deep in medical debt. Most owe hospitals.](#)
Sources: *The Washington Post* (syndicated to various media outlets)

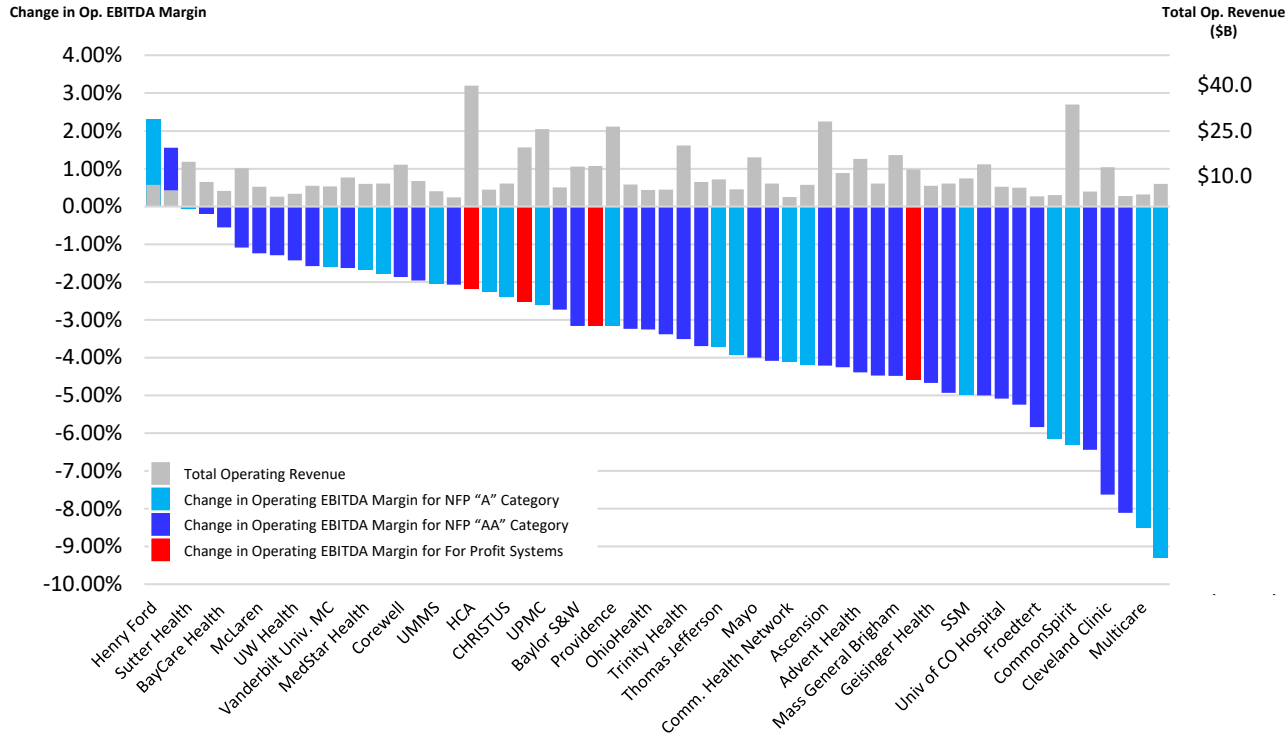


How a
Cho
Ascension, one of
years cutting jobs, leaving it flat-footed when the pandemic hit.

AccuReg EngageCo
Georgia Hospital Boosts Cash Collections to \$9M in 12 Months
Get the Case Study
E.R.
assured them to
give preferential treatment to donors, trustees and their families.

Collapsing Health System Margins....

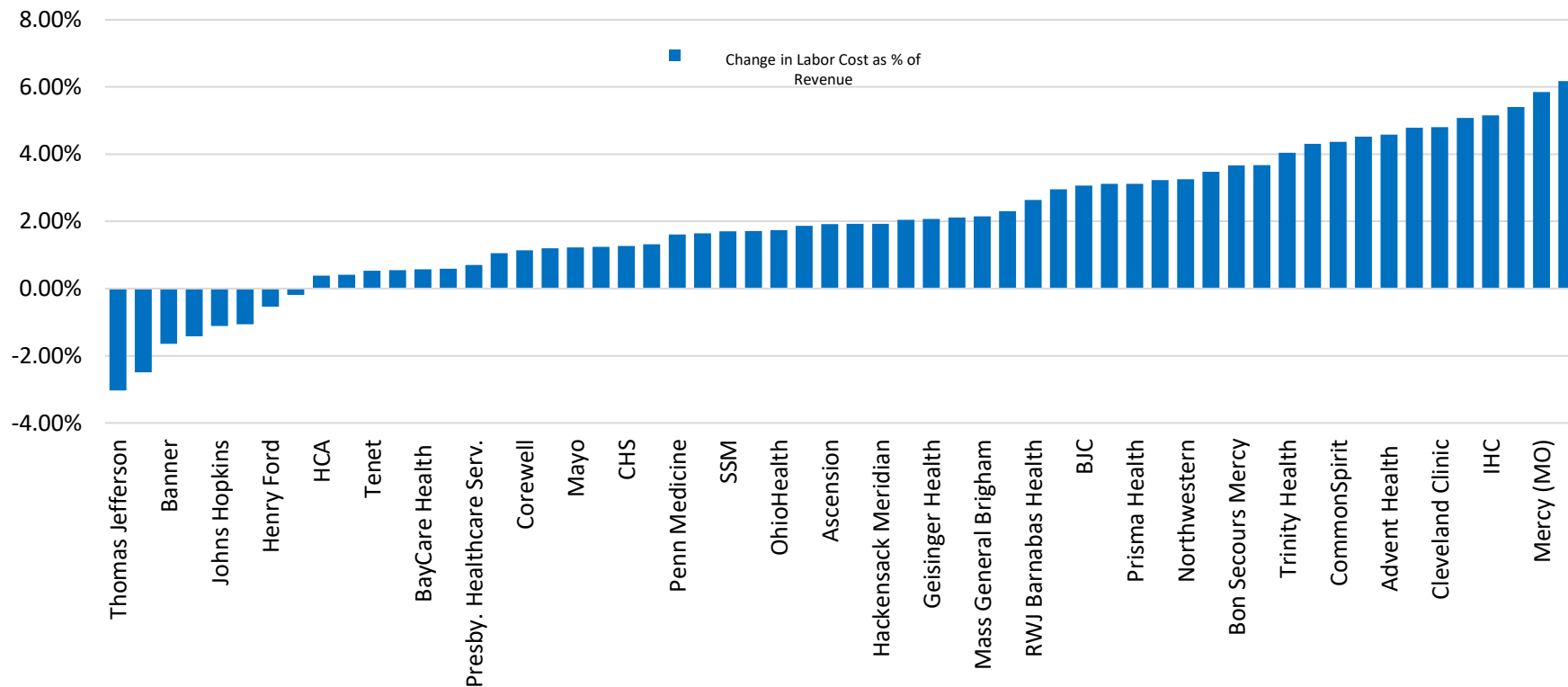
Change in Operating EBITDA Margin for the Twelve-Month Period Ended December 31, 2021 and 2022 for Health Systems with more than \$3 Billion in Revenue



- Total operating revenues increased an average of 4.0% Y-o-Y from the 12 month period ended December 2021 to December 2022
- On average, large health systems EBITDA margins declined by 3.4% for the comparative 12 month periods ended December 2021 and December 2022
- This decline in operating performance was observed across the board

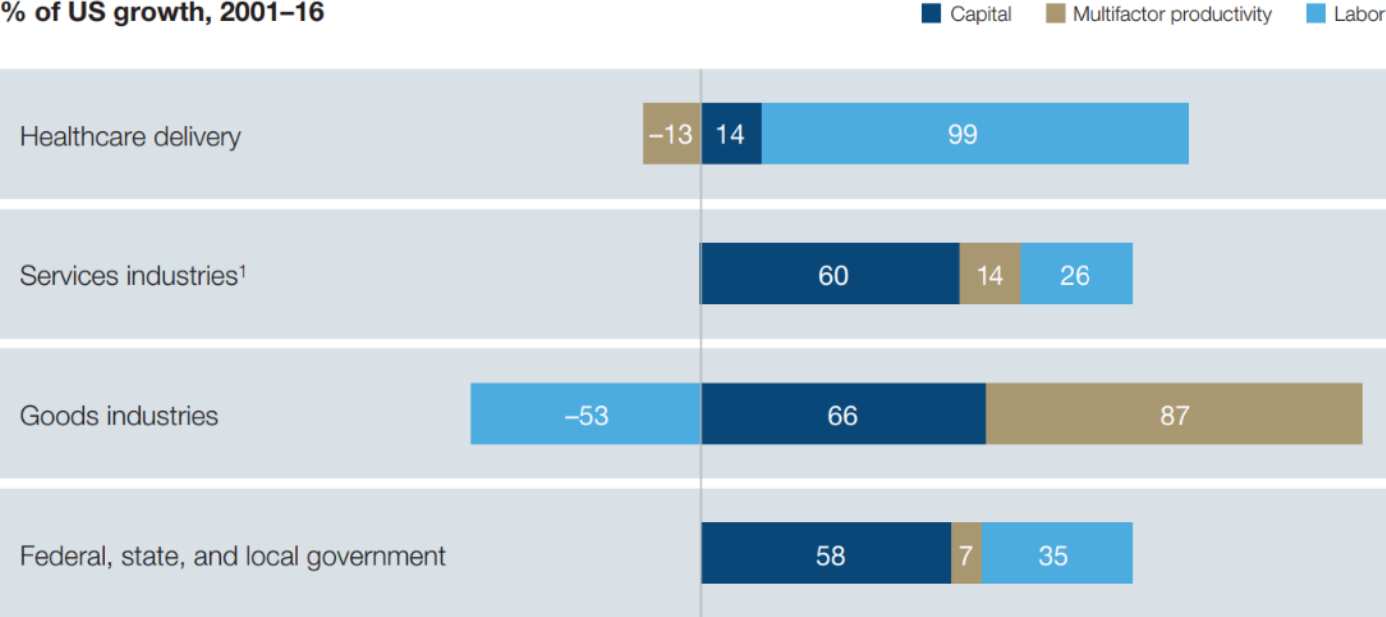
....and Labor Cost Pressure

Change in Labor Cost as % of Revenue for the Twelve-Month Periods Ended December 31, 2021 and 2022

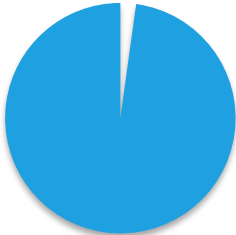


Healthcare's **Negative** Productivity

% of US growth, 2001–16



Growth Attributed to Labor



Healthcare 99%
vs.

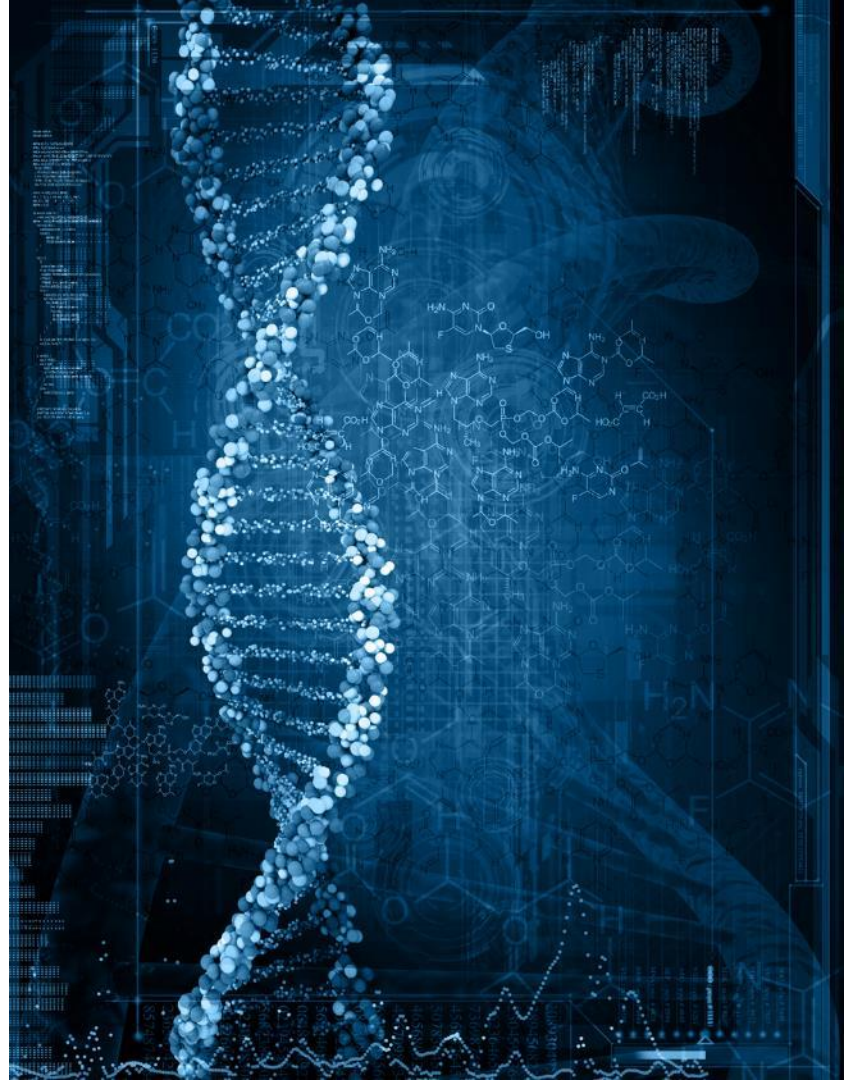


Overall U.S. Economy 25%

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics and McKinsey analysis

Hope from medical science

- mRNA Vaccinology for cancer and viruses
- Delaying Type 1 Diabetes: monoclonal antibody Teplizumab
- Human Genome Mapping Completed
- Cellular Senescence: cure for aging and age-related diseases like cancer, diabetes, cardiovascular disease
- Extracellular Vesicles: new delivery vehicle for biologics
- Breakthrough diagnostics



Hope from data science

- Healthcare sector generates 30% of global data and is growing
- Truveta: clinical data sets for trials
- Nference: utility to transform decades of unstructured EMR data to power diagnostics and treatments
- Culmination: an Intermountain Health company that provides omics-level data
- ChatGPT: the age of Human-Machine collaboration?



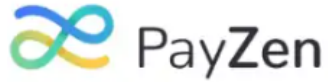
Hope from innovation and disruption



www.goforward.com



www.onemedical.com



Voices of innovation: New models needed?

DAVID JOHNSON



The end of traditional nonprofit healthcare business models?

DECEMBER 21, 2022



DAVID W. JOHNSON
david.johnson
@4sighthealth.com

What is going on with nonprofit health systems? I recently gave a keynote address to an investor forum that included CEOs from roughly a dozen nonprofit health systems. We dug into the structural and environmental challenges confronting their organizations.

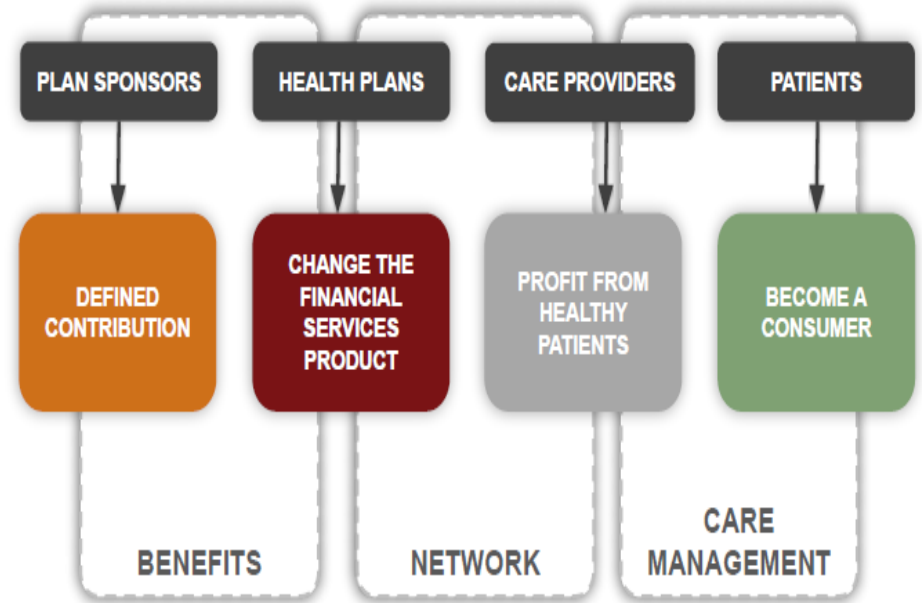
When queried, over half the CEOs admitted that their asset-heavy business models were not sustainable. Most agreed that their operations required a major overhaul to remain competitive. Houston, we have a problem!

All hospitals are under pressure. Many will close. Consolidation will continue. Here's the

scary part. The old solutions of jacking up treatment volumes and commercial payment rates aren't working. Evidence of business model failure abounds. A fiscal storm is raging.

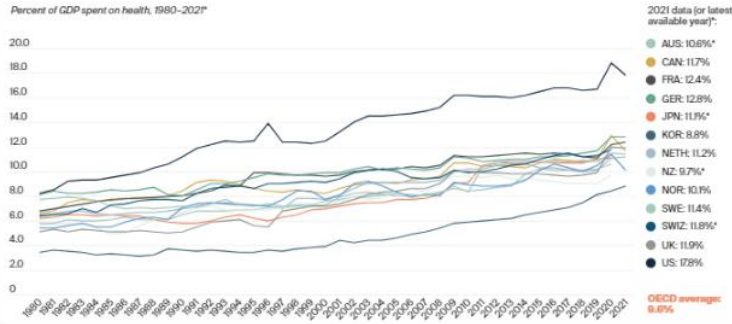
RED-INK STORM ON THE HORIZON

Nonprofit health systems are bleeding red ink. The exhibit below documents operating losses and margins for five prominent health systems. These figures capture the most recently reported financial data. Two are for the full 2022 fiscal year. The other three capture 2022 performance through the third fiscal reporting period. Any way you cut it, the losses are staggering.



So much room for improvement

The U.S. is a world outlier when it comes to health care spending.

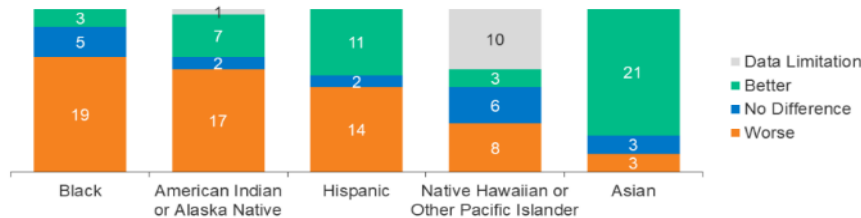


The U.S. has the highest rate of infant and maternal deaths.



People of Color Fare Worse than their White Counterparts Across Many Measures of Health Status

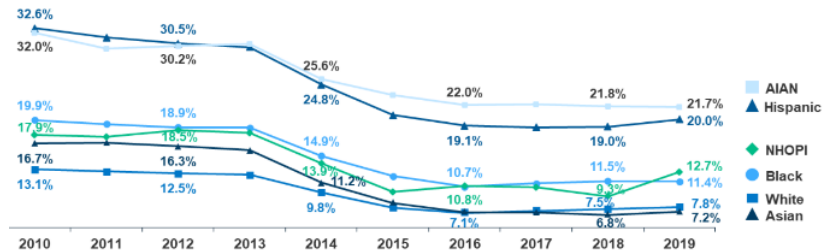
Number of health status measures for which group fared better, the same, or worse compared to White counterparts:



Source: KFF.org

People of color face longstanding disparities in health coverage.

Uninsured Rates for the Nonelderly Population by Race and Ethnicity, 2010-2019



Source: KFF.org

**“It’s not necessary to change.
Survival isn’t mandatory.”**

– W. Edwards Deming

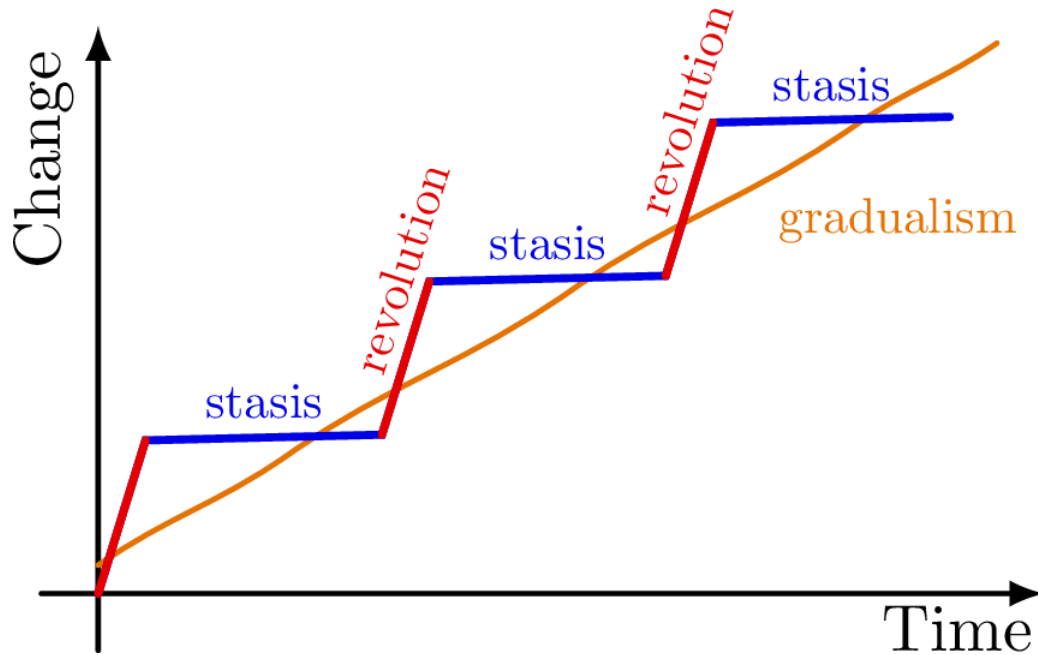


Our mission:

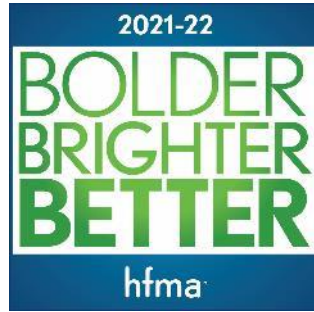
“To lead the financial management of healthcare.”



Punctuated equilibrium



Evolutionary development in systems is marked by isolated episodes of rapid speciation between long periods of little or no change.



It's Time.....

To REFLECT

To CELEBRATE

To ONBOARD

To ACT



It's Time...to ACT as a national organization



- Collaborations and partnerships
- Thought leadership and advocacy
- Benchmarking and metrics
- Research
- Tools and resources
- Education and training

Collaboration and partnerships

Physician/clinical areas

- American Organization for Nursing Leadership
- National Academy of Medicine (formerly the IOM)
- Institute for Healthcare Improvement
- American Association for Physician Leadership

Health insurance plans

- America's Health Insurance Plans (AHIP)
- Alliance for Community Health Plans
- National Association of Insurance Commissioners
- Society of Actuaries

Purchaser/employer/consumer perspective

- Catalyst for Payment Reform
- Community Catalyst
- Leapfrog Group
- National Alliance of Healthcare Purchaser Coalitions

Hospital and health systems

- American Hospital Association
- Association of American Medical Colleges
- Catholic Health Association of the U.S.
- Federation of American Health Systems
- National Rural Health Association

Standard-setting bodies

- Financial Accounting Standards Board
- Governmental Accounting Standards Board

Regulatory agencies

- Centers for Medicare & Medicaid Services
- Department of Health and Human Services
- Internal Revenue Service
- Department of Treasury



Collaboration and Partnerships: Academic

- Boise State University: Master Degree Program
- Carnegie Mellon University: Health finance in Master of Medical Management for Physicians, plus multiple undergrad courses in health finance.
- Case Western: Senior Nurse Executive Fellowship program
- University of Iowa: Healthcare Business Leadership for Pharmacy and Dental Fellows



Thought Leadership Retreat

hfma
healthcare financial management association



A REPORT FROM HFMA'S 14TH ANNUAL
THOUGHT LEADERSHIP RETREAT

10 Building Blocks of Cost-Effective Health

IN KERNERSHIP WITH



AONL | American Organization
for Nursing Leadership




PHYSICIAN
LEADERSHIP



ACHP
ALLIANCE
OF COMMUNITY HEALTH PLANS

hfma
healthcare financial management association




Equity


A REPORT FROM HFMA'S 15TH ANNUAL
THOUGHT LEADERSHIP RETREAT

10 Steps Toward Health Equity


IN KERNERSHIP WITH



AONL | American Organization
for Nursing Leadership



PHYSICIAN
LEADERSHIP



ACHP
ALLIANCE
OF COMMUNITY HEALTH PLANS

hfma
healthcare financial management association



A REPORT FROM HFMA'S 2023 SPRING
THOUGHT LEADERSHIP RETREAT

10 Vital Responses to Healthcare Disruption

IN KERNERSHIP WITH



AONL | American Organization
for Nursing Leadership



American Hospital
Association
Advancing Health in America



ata. Health.
Virtually.
Everywhere.

www.hfma.org/guidance/

HFMA's Principles and Practices Board: The Industry's Source of Truth

“Financial statements, tax/information returns, and Medicare cost reports are key information sources for the healthcare industry, but many times they convey seemingly contradictory information, which creates confusion for both management and external stakeholders.”



-  PHYSICIAN COSTS AND PROFESSIONAL REIMBURSEMENT
-  MEDICARE SERVICES REIMBURSED BY FEE SCHEDULE METHODOLOGY
-  COMMUNITY BENEFIT COSTS
-  SYSTEM COST ALLOCATION
-  DISPROPORTIONATE SHARE AND UNCOMPENSATED CARE POOL REIMBURSEMENT
-  RESIDENT TRAINING COSTS AND REIMBURSEMENT
-  UNPAID PATIENT RESPONSIBILITY AMOUNTS
-  OTHER OPERATING REVENUES AND EXPENSES



Data + Insights

HFMA Member Value Tools and Services:

Salary + Compensation Data

HFMA's Compensation Report, based on 2021-2022 data outlined average compensation metrics from across a number of healthcare finance industry titles.

Consumerism Maturity Model

Use the consumer maturity calculator to learn whether your organization's consumer maturity level is consumer-centric, emerging, initiating, or undeveloped.

Peer Review

Products, services, and ROI calculators that have been evaluated by qualified professionals like you for quality, technical support, customer service, and value—all things you look for as you make purchasing decisions.

HFMA Outlook Trends Surveys

Each quarter, HFMA surveys its members on important trends including net patient revenue, staffing, cost of care, and technology implementation. Over time, HFMA's Outlook Survey offers a view into the future of healthcare finance to help you make more informed and relevant decisions.



Powered by Guidehouse

<https://www.hfma.org/data-and-insights/>

An aerial photograph of San Diego, California, showing the city skyline and waterfront. The sky is a mix of blue and orange, suggesting sunset or sunrise. The city features numerous high-rise buildings, a large parking lot, and a marina with many boats docked. The text '2024 Revenue Cycle Conference' is overlaid in white, 'hfma' in white, and 'February 28 - March 1 San Diego' in yellow.

2024
Revenue Cycle
Conference

hfma

February 28 - March 1
San Diego

See You Next Year!

2024
Annual
Conference

hfma

June 24-27, Las Vegas
Mandalay Bay Resort & Casino



It's Time...to ACT as individuals



- BOLO for innovations or results in service to CEoH
- Join the conversations to advance the cause
- Share your thoughts on coming attractions and new initiatives

Leadership Lesson: Run to the Sound of the Guns



Admiral William H. McRaven (US Navy Retired)

- Commander, U.S. Special Ops Command
- Responsible for planning Bin Laden operation
- Navy Seal – the “Bullfrog”
- Chancellor, Univ. of Texas at Austin
- “Make Your Bed”



hfma

***IT'S
TIME***

2023-2024

hfma[™]

hfma.org