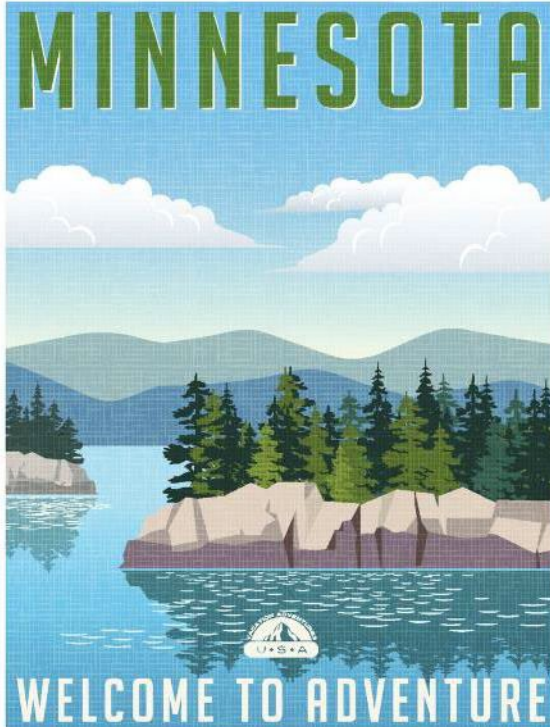
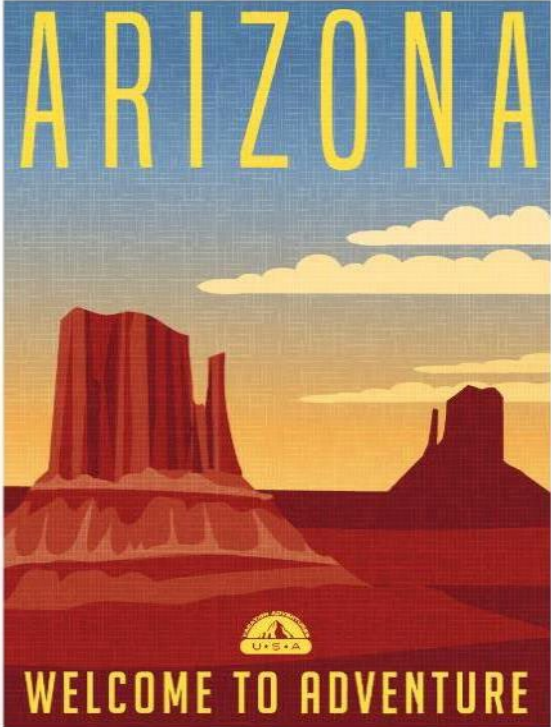
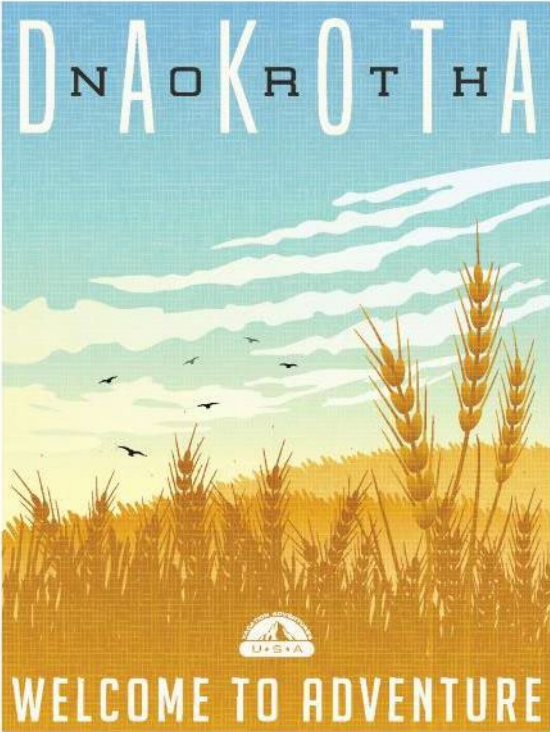




It's time

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



62

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

— Herbert Stein

Losing the Battle for Hearts and Minds

The screenshot shows the HFMA (Healthcare Financial Management Association) website. The article is titled "Healthcare Blame Game: How news outlets mishandled a medical debt study" by Brad Dennison, dated April 3, 2023. The article includes a bio for Brad Dennison, a list of social media sharing options, and a headline: "Americans are knee-deep in medical debt. Most owe hospitals." It also lists the source as "The Washington Post (syndicated to various media outlets)". A prominent graphic on the right side of the article reads "HEALTHCARE BLAME GAME" in large, bold, yellow letters on a red background. To the right of the article is a sidebar with an advertisement for AccuReg EngageCo, which states "Georgia Hospital Boosts Cash Collections to \$9M in 12 Months".

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

EARLY OUT SOLUTIONS help them to connect with donors, trustees and their families.

States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model Overview Factsheet



MODEL PURPOSE

The States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model is a state total cost of care (TCOC) model designed to **curb growth in health care cost spending, improve population health, and advance health equity by reducing disparities in health outcomes.** The CMS Innovation Center has identified State TCOC models as one approach to **drive accountable care, advance health equity, and achieve health system transformation.**

AHEAD MODEL FLEXIBLE STATE FRAMEWORK

The AHEAD Model is a flexible framework designed to improve health care outcomes for people residing in participating states. AHEAD will use hospital global budgets and a primary care program (Primary Care AHEAD) to assist states in achieving higher quality care delivery, increasing investment in primary care, and supporting the delivery of advanced primary care - all while controlling overall growth in health care costs.

Statewide Accountability Targets¹

Medicare and All-Payer Cost Growth, Medicare and All-Payer Primary Care Investment, and Equity and Population Health Outcomes through State Agreements with CMS

Components



Cooperative Agreement Funding



Hospital Global Budgets
(facility services)



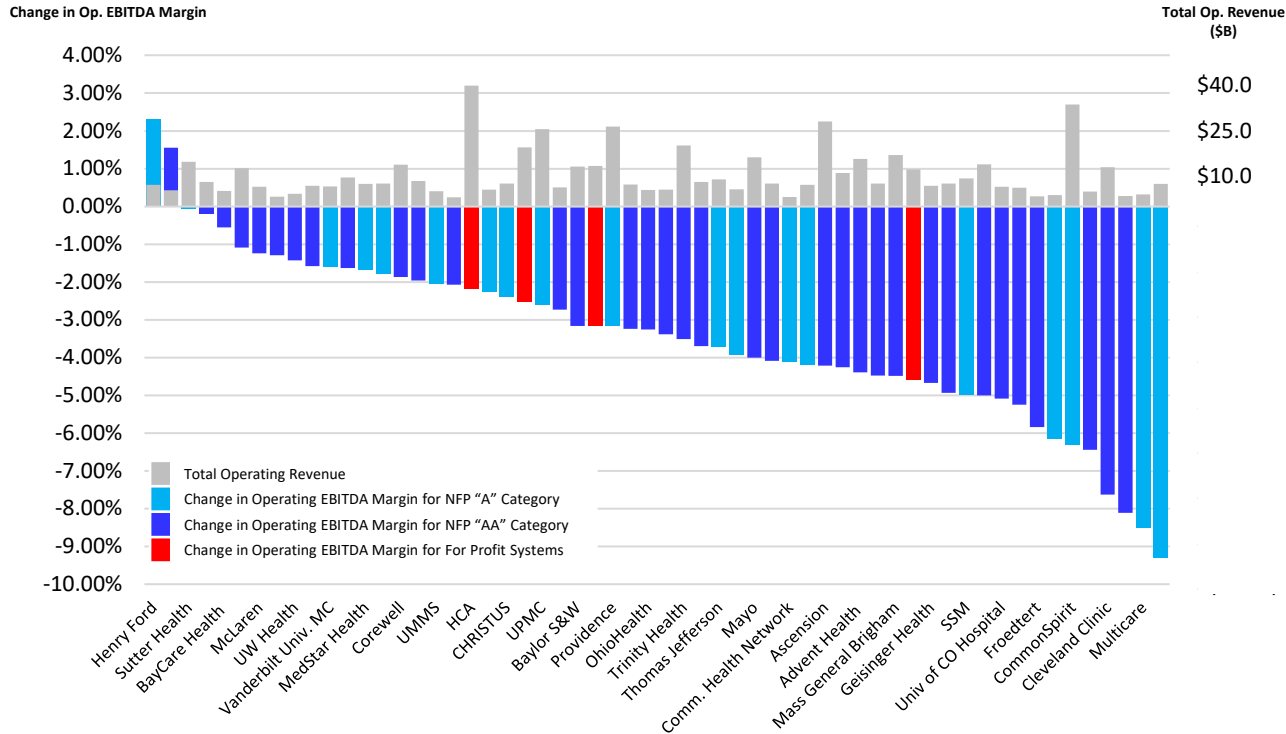
Primary Care AHEAD

Rise of State-level Healthcare Affordability Efforts

Massachusetts (2012)
Delaware (2018)
Rhode Island (2019)
Connecticut (2020)
Oregon (2021)
Washington (2021)
New Jersey (2021)
Nevada (2021)
California (2021)
Indiana (2023)
Minnesota (2023)

Collapsing Health System Margins....

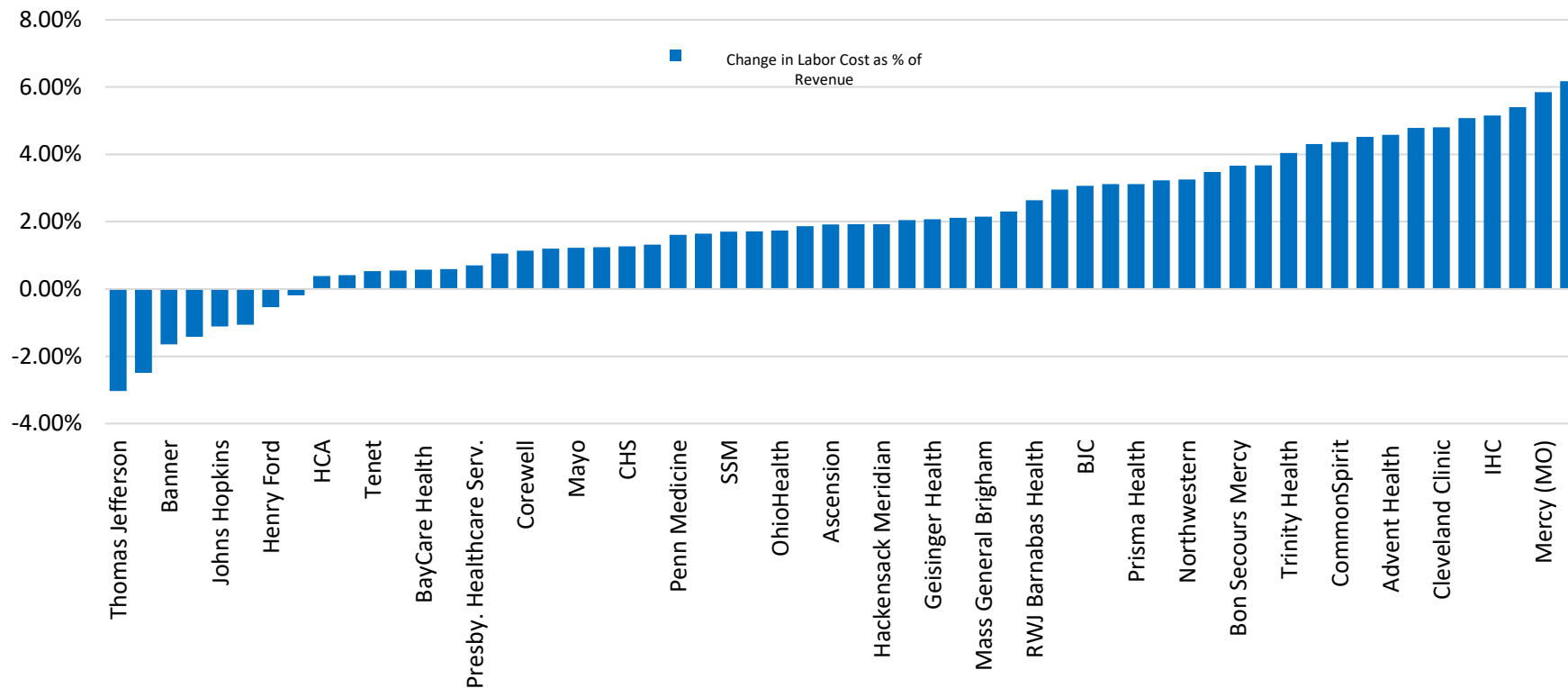
Change in Operating EBITDA Margin for the Twelve-Month Period Ended December 31, 2021 and 2022 for Health Systems with more than \$3 Billion in Revenue



- 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

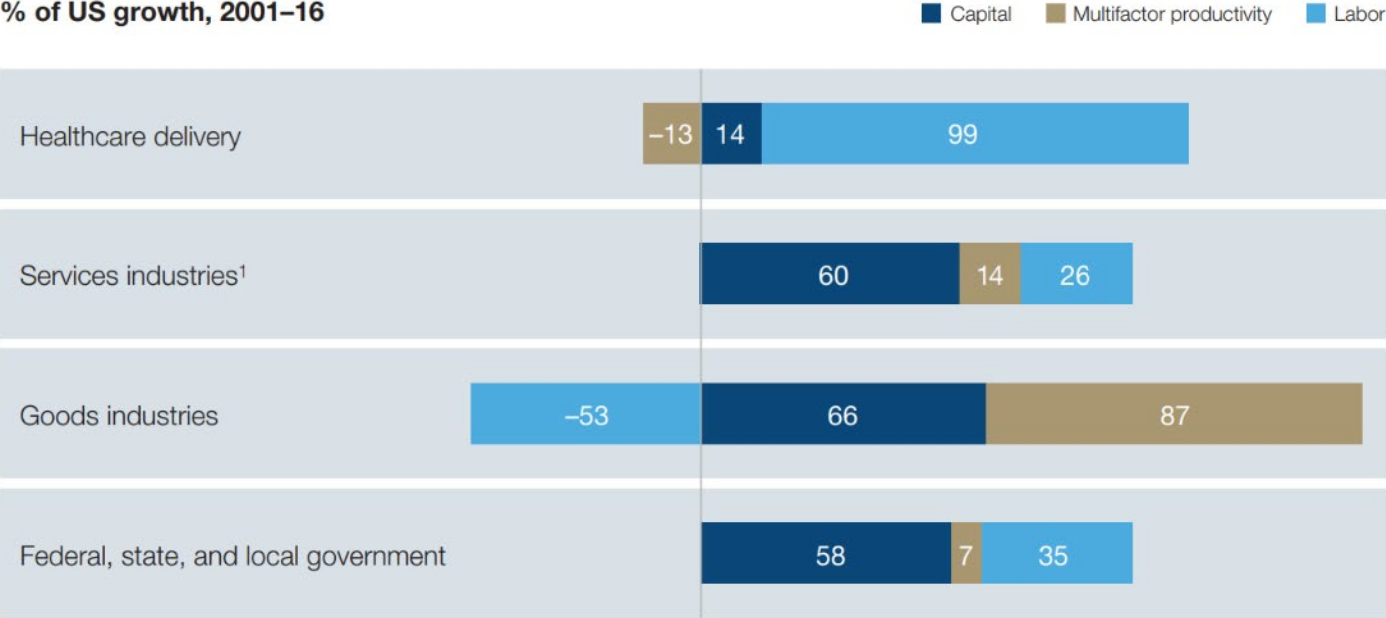
....and Labor Cost Pressure

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

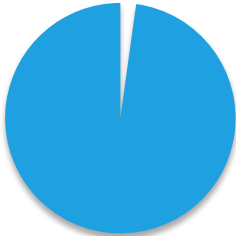


Healthcare's **Negative** Productivity

% of US growth, 2001–16



Growth Attributed to Labor



Healthcare 99%
vs.

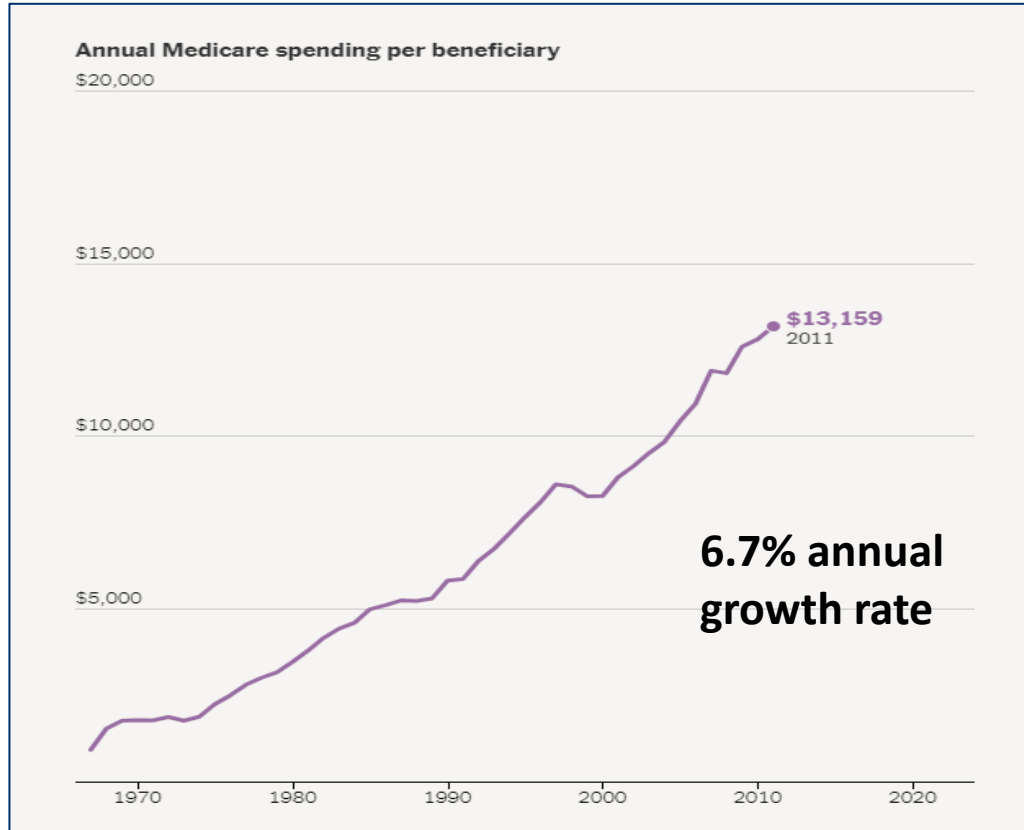


Overall U.S. Economy 25%

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

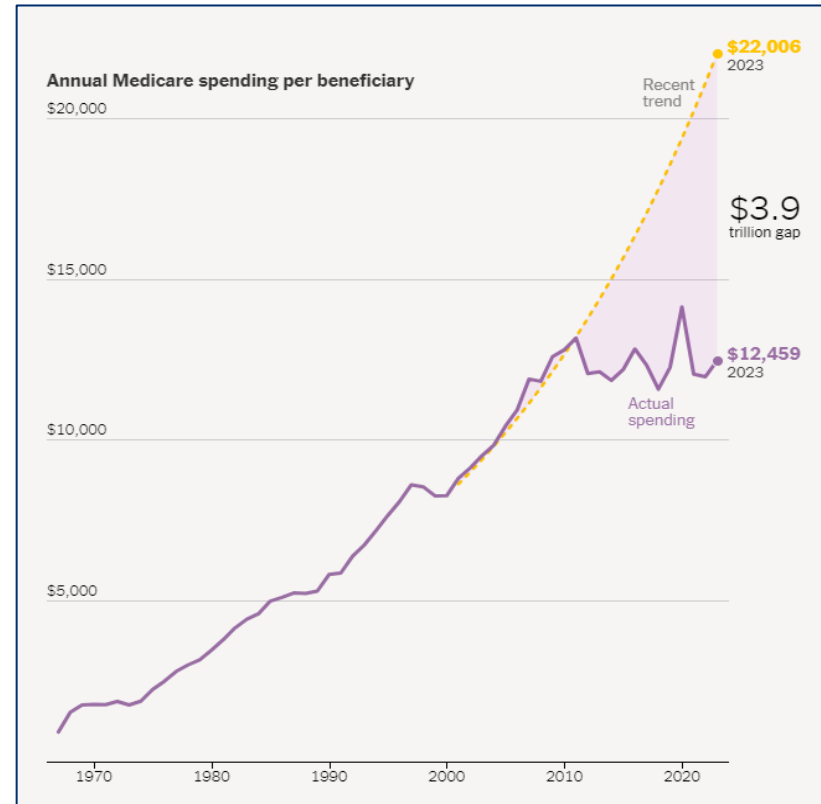
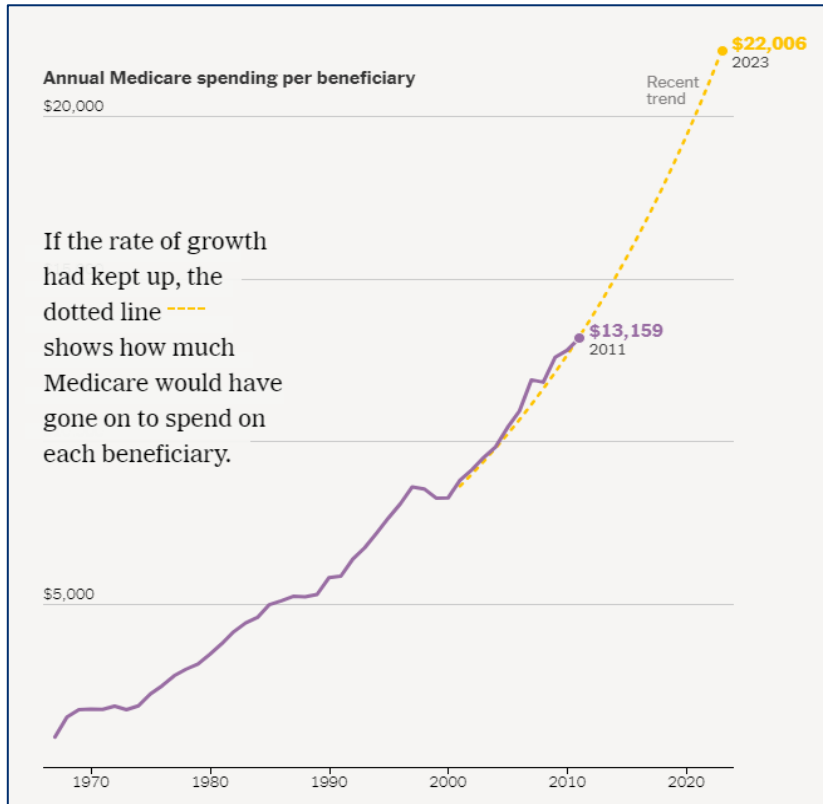
There is Hope.....

Progression in Medicare per Beneficiary Spending, 1968 - 2011



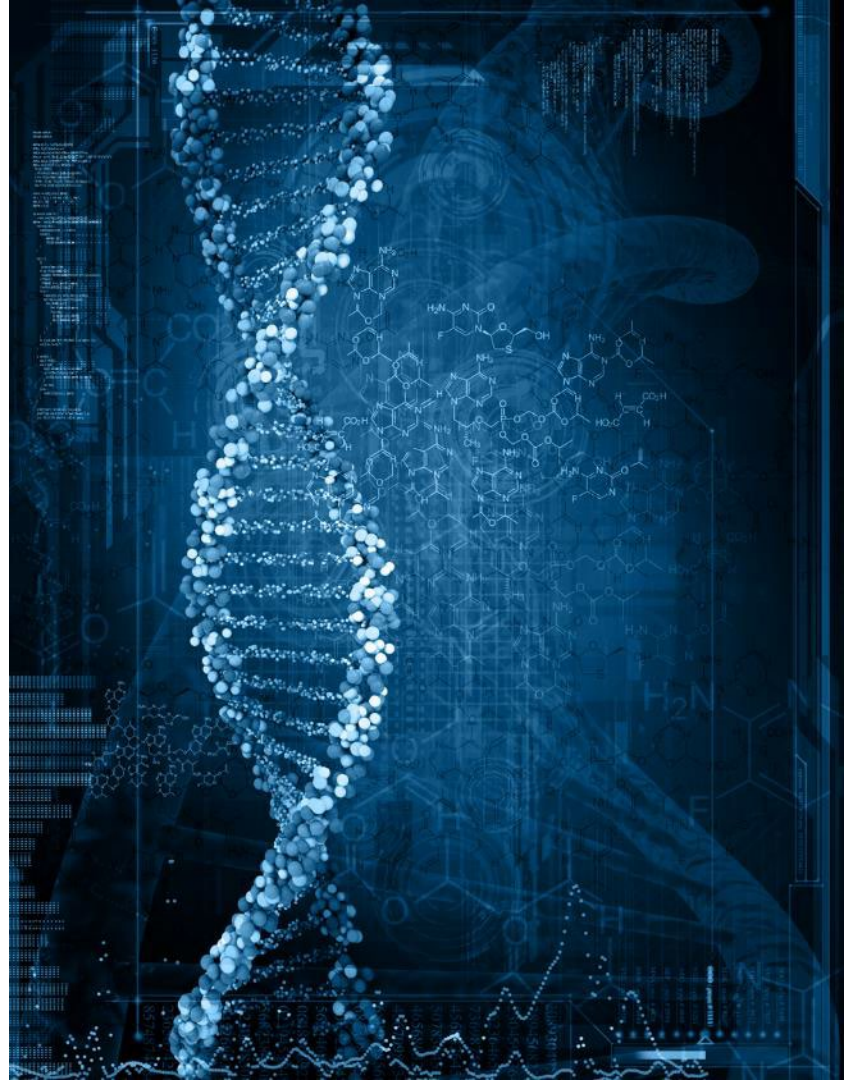
.....in Medicare Spending

Progression in Medicare per Beneficiary Spending, 1968 - 2023



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

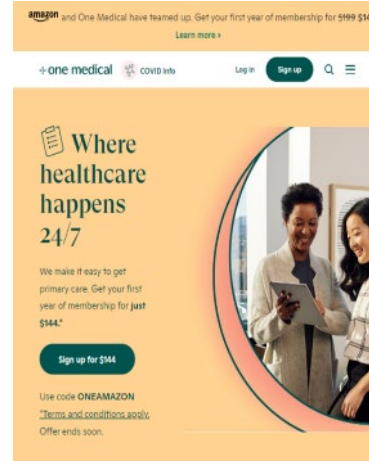
- Healthcare sector generates 30% of global data and is growing
- Truveta: clinical data sets for trials
- Nference: utility to transform decades of unstructured EMR data to power diagnostics and treatments
- Culmination: an Intermountain Health company that provides omics-level data
- ChatGPT: the age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



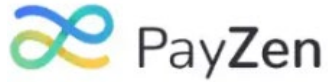
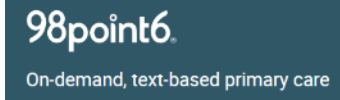
Hope from innovation and disruption



www.goforward.com



www.onemedical.com



Voices of innovation: New models needed?

DAVID JOHNSON

hfma™

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.

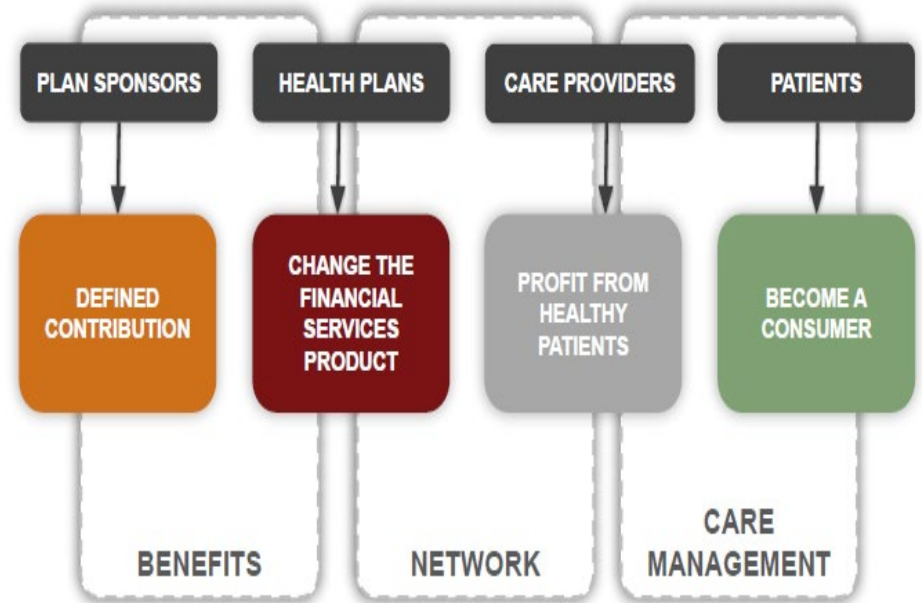
When queried, over half the CEOs admitted that their asset-heavy business models were not sustainable. Most agreed that their operations required a major overhaul to remain competitive. Houston, we have a problem!

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.

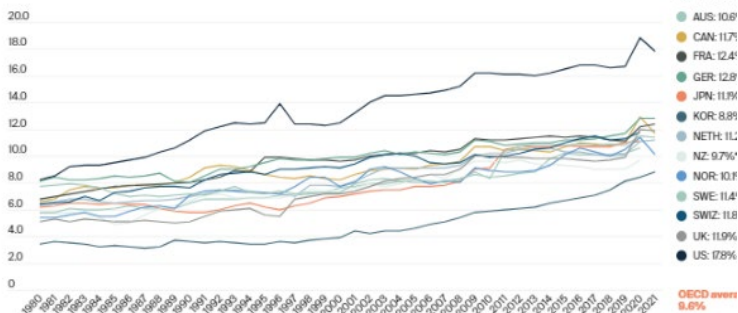
RED-INK STORM ON THE HORIZON

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.

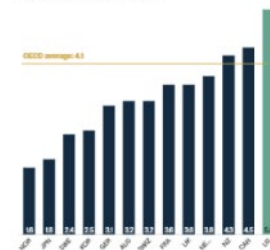


So much room for improvement

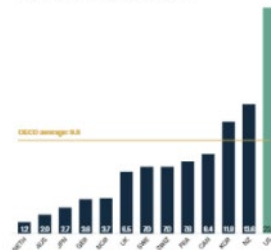
Percent of GDP spent on health, 1980-2021*



Infant mortality, deaths per 1,000 live births



Maternal mortality, deaths per 100,000 live births



Notes: Infant mortality rates reflect no minimum threshold or gestation period or birthweight. Infant mortality 2021 data for FRA and SWIZ; 2020 data for AUS, CAN, GER, JPN, KOR, NETH, NZ, UK, SWE, UK, and US; 2018 data for NZ. Maternal mortality 2020 data for AUS, CAN, GER, JPN, KOR, NETH, NZ, SWE, and US; 2019 data for SWIZ; 2018 data for UK. 2018 data for FRA. OECD average reflects the average of 38 OECD member countries.

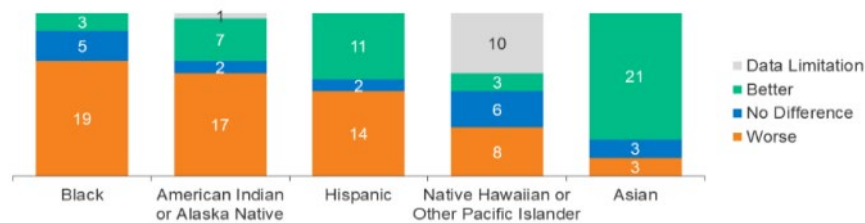
Data: OECD Health Statistics 2022.

Source: Matthew J. Gottig, Cesar D. Gomez, and Reginald O. Williams II, U.S. Health Care from a Global Perspective, 2022: Accelerating Spending, Worsening Outcomes (Commonwealth Fund, Jan. 2023). <https://www.commonwealthfund.org/publications/2023/01/2023-01-01-us-health-care-from-a-global-perspective>



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

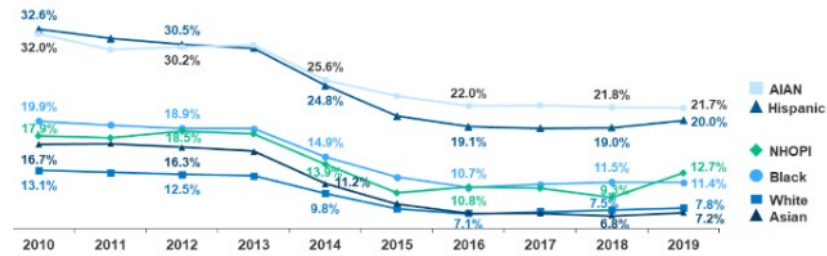
Number of health status measures for which group fared better, the same, or worse compared to White counterparts:



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

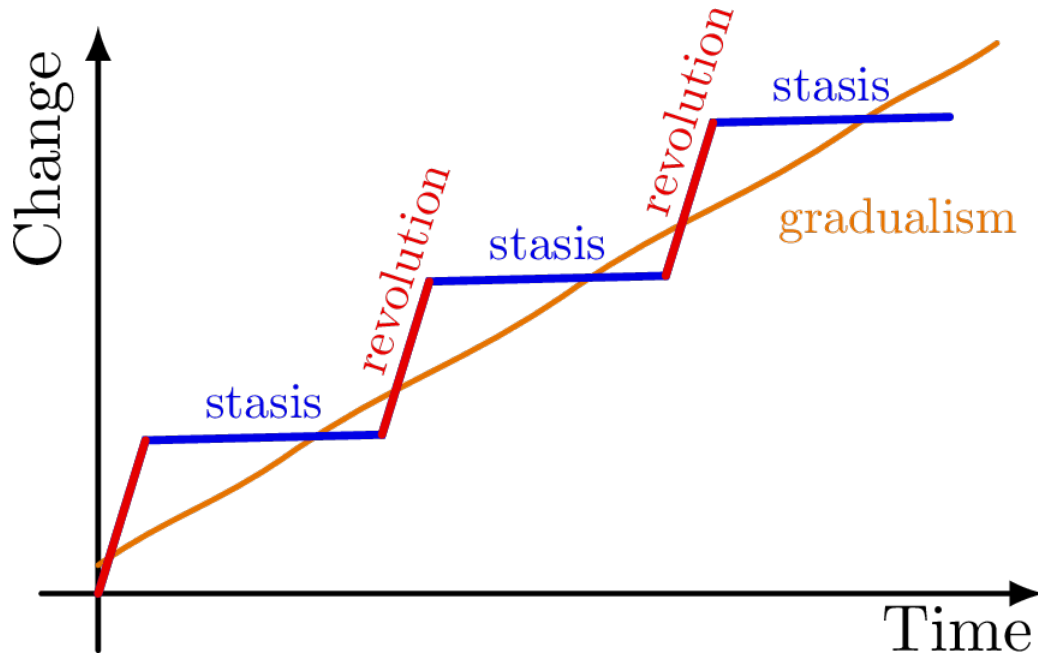


Our mission:

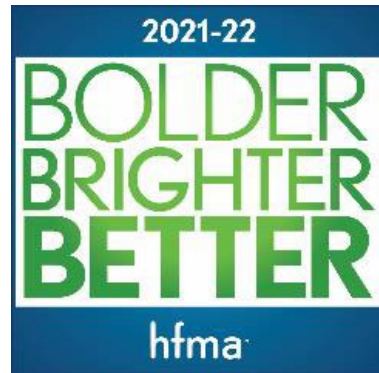
“To lead the financial management of healthcare.”



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

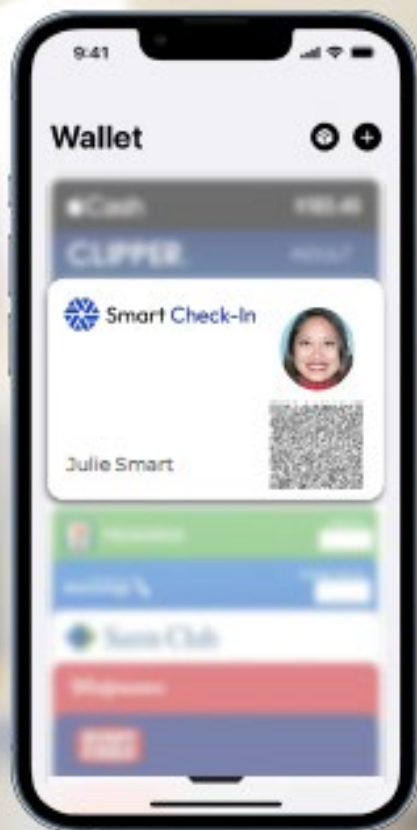
- Centers for Medicare & Medicaid Services
- Department of Health and Human Services
- Internal Revenue Service
- Department of Treasury

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



**Making check-in
at the doctor as
easy as scanning
a QR code**



Thought Leadership Retreat

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healthcare financial management association



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

10 Building Blocks of Cost-Effective Health

SPONSORED BY:



AONL | American Organization
for Nursing Leadership




PHYSICIAN
LEADERSHIP



ACHP
AMERICAN COLLEGE
OF COMMUNITY HEALTH PLANNING


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

10 Steps Toward Health Equity


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for Nursing Leadership



PHYSICIAN
LEADERSHIP



ACHP
AMERICAN COLLEGE
OF COMMUNITY HEALTH PLANNING

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A REPORT FROM HFMA'S 2023 SPRING
THOUGHT LEADERSHIP RETREAT

10 Vital Responses to Healthcare Disruption

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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/>



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

hfmaTM

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