5 PROBLEMS HEALTHCARE PROVIDERS ARE FACING THAT CAN PUT THEM IN FINANCIAL CRISIS
5 PROBLEMS FACING HEALTHCARE PROVIDERS

- Payments based on value and quality
- Healthcare workforce deficits
- Limited access to health care
- Chronic Care Management
- Cyber security & patient data breaches
THE TELEHEALTH FRAMEWORK

PHASE ONE
- Specify bandwidth capacity to each facility
- Solve problems today for things like business administration Internet and normal business needs

PHASE TWO
- Implementation of Telehealth services that will further develop solutions around solving the financial crisis issues
- How will a new network facilitate telemedicine applications?
5 PROBLEMS FACING HEALTHCARE PROVIDERS

- Payments based on value and quality
- Healthcare workforce deficits
- Limited access to health care
- Chronic Care Management
- Cyber security & patient data breaches
PAYMENTS BASED on VALUE and QUALITY

- Reimbursement Rate Changes
- Rapidly Aging Population
- Lack of Interoperability of IT Tools

- Reporting Functionality of EHR Systems
- Reducing Readmission Penalties
- Limited Technology Support
REIMBURSEMENTS

CHALLENGE

Reimbursement rates changing based on quality outcomes and patient satisfaction

CAUSES

Patient Quality Reporting System (PQRS)
Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS)
Value-based Payment Modifier (VM)
Electronic Health Record Incentive Program

Up to 5% of reimbursements are subject to quality measures.
Rapidly aging population

Every day there are 10,000 baby boomers becoming eligible for Medicare. Costs are rising. In 2015 healthcare spending reached $10,000 per person.
INTEROPERABILITY

CHALLENGE
Lack of interoperability of IT tools

CAUSES
Adding interfaces to allow transfer of information from one system to another is costly
Some EHR vendors have “locked” the data stored in their systems for competitive and proprietary reasons
REPORTING

CHALLENGE

Reporting functionality of EHR systems are a hurdle to the mandatory quality reporting programs

IMPACTS

Productivity
Administrative Overhead
Cost – EHR Custom Reporting
READEMISSIONS

CHALLENGE

Reducing readmissions

CAUSES

Limited staff, tools, technology
Lack of social or family support
Lack of or limited medical coverage
Lower education levels
Predispositions to certain diseases
Lack of transportation
Readmissions more than double the cost of an episode of care from an average of $15,000 to $33,000.

Hospitals have forfeited millions in penalties. $280 million in 2012, up to $428 million in 2015.
TECHNOLOGY

CHALLENGE

Limited technology support for value-based models like population health

CAUSES

EHR Support for Population Health
Population Health tools are new
Implementation of new tools, including cost to install, implement, train staff
Poor communication between the hospital and primary caregiver is the cause of more than 50% of all preventable adverse events at post-discharge.

Nearly half of all discharged patients experience at least one medical error (medication continuity, diagnostic workups, follow-up tests).

This result can be traced back to less than one-third of discharge summaries were available to primary care provider.
# SOLUTIONS/RECOMMENDATIONS

<table>
<thead>
<tr>
<th>READMISSIONS</th>
<th>Discharge Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Follow-up appointment scheduled prior to discharge</td>
</tr>
<tr>
<td></td>
<td>Call by care coordination team member</td>
</tr>
<tr>
<td></td>
<td>Teach-back process implemented</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INTEROPERABILITY</th>
<th>EHR Provider – initiatives for seamless transfer of information</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>REPORTING</th>
<th>Reporting support through EHR vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reporting and pulling data services through EHR vendor</td>
</tr>
<tr>
<td></td>
<td>3rd Party Companies to support EHR platform</td>
</tr>
<tr>
<td></td>
<td>Company experienced in manipulating data and managing projects</td>
</tr>
</tbody>
</table>
• Arizona, among other states, are using a type of Managed Care Organization (MCO) contracting that requires MCOs to make a specific percentage of provider payments through approved valued-based payment (VBP) arrangements.

• The proportion of each MCO’s revenue that must be tied to VBP arrangements could increase over time (e.g., year 1 could be five percent, year 2 could be 10%, etc.).

IN ARIZONA, THE PROPORTION OF MCO REVENUES STARTED AT FIVE PERCENT IN 2013, INCREASED TO 10% IN 2014, AND MOVED UP TO 20% IN 2015 AND 2016.

5 PROBLEMS FACING HEALTHCARE PROVIDERS

- Payments based on value and quality
- Healthcare workforce deficits
- Limited access to health care
- Chronic Care Management
- Cyber security & patient data breaches
HEALTHCARE WORKER DEFICITS

- Shortage of Physicians & Specialists
- Recruitment Hurdles
- Lack of Skilled IT Workforce
CHALLENGES

PHYSICIANS & SPECIALISTS

• Insufficient number of physicians and specialists for rural areas, especially
  • General surgeons
  • Cardiologists
  • Neurologists
  • Rheumatologists
  • Pediatricians
  • Obstetricians/gynecologists
  • Psychiatrists
  • Internists

RECRUITMENT HURDLES

• Most physicians are looking for the cultural amenities afforded in metropolitan areas as opposed to rural America.
• Rural healthcare organizations have smaller networks for reaching new medical school graduates than their metropolitan counterparts.
CHALLENGES

SHORTAGE OF SKILLED IT WORKFORCE

• Consistent demand for IT technicians, but a general supply shortage in rural America.
• Individuals with IT educations typically stick to higher paying jobs in metropolitan areas.
HRSA also found in a majority of rural counties, 1 practitioner serves 3,500 patients when it is considered adequate for 1 practitioner to serve 2,000 patients.

\[
\begin{align*}
\bullet &= \text{adequate coverage} \\
\bullet + \bullet &= \text{actual coverage}
\end{align*}
\]
• The obvious solution to mitigate the patient access problems generated by healthcare workforce deficit.

• Implementation of telemedicine is not without hurdles, such as:
  • Costs associated with implementing a new telemedicine program.
  • Lack of awareness of funding opportunities to assist in implementation costs.
  • Necessary bandwidth and local IT infrastructure needs to be in place to successfully implement.
  • Inter-state licensing, especially for those areas that border nearby states.
  • Varying reimbursement by state and payer.
ARIZONA IS PROJECTED TO EXPERIENCE THE LARGEST STATE-LEVEL SHORTFALL IN THE NUMBER OF RNS BY 2025 WITH 28,100 FEWER RNS THAN NEEDED.

5 PROBLEMS FACING HEALTHCARE PROVIDERS

- Payments based on value and quality
- Healthcare workforce deficits
- Limited access to health care
- Chronic Care Management
- Cyber security & patient data breaches
CYBER SECURITY and PATIENT DATA BREACHES

• Data Appeal
• Breaches in the Healthcare Industry on the Rise
Your data is appealing to cyber criminals

More information than just financial data
Critical information – attractive for ransom
Much higher value on the dark market
Multiple uses of the data

Motivations for cyber criminals include:

- Recreational
- Hacktivism
- Espionage
- Cybercrime
The healthcare industry saw a 72% increase in cyber attacks between 2013 and 2014.

Cyber threats accounted for 29% of the 2015 breaches, a number predicted to increase to 38% in 2016.
SINCE 2010 ARIZONA HEALTHCARE PROVIDERS, HEALTH PLANS AND BUSINESS ASSOCIATES HAVE EXPERIENCED **32 HEALTHCARE BREACHES AFFECTING AT LEAST 234,932 INDIVIDUALS.** BREACHES RANGE FROM SIMPLE THEFT TO A COMPLETE HACKING/IT INCIDENT.

Source: Breach Portal of the HHS Office for Civil Rights
https://ocrportal.hhs.gov/ocr/breach/breach_report.jsf
A breach impacts a healthcare provider in multiple ways:

- Expense
- Technical remediation
- Reputation damage

DID YOU KNOW?

More than 1 in every 8 patients are withholding medical information from providers due to fears about the confidentiality of EMRs.
Consult with security experts to manage and consistently monitor:

- Inventory of devices accessing your network
- Patch management
- Up-to-date antivirus and anti-malware
- Security risk assessments
- Encryption of patient data
- Encryption of patient data transmissions
THANK YOU

Tim Koxlien, CEO
(210) 408-0388
www.telequality.com