

modern healthcare
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SEPT. 23+24 2014

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An Inside View on Baylor Health's Social Media Transition



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KEYNOTE SPEAKER



Sue MacInnes

Chief Market Solutions Officer,
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Consumerize Your Business

While Building Brand Awareness,
Loyalty & Preference

Sue MacInnes

Chief Market Solutions Officer
Medline

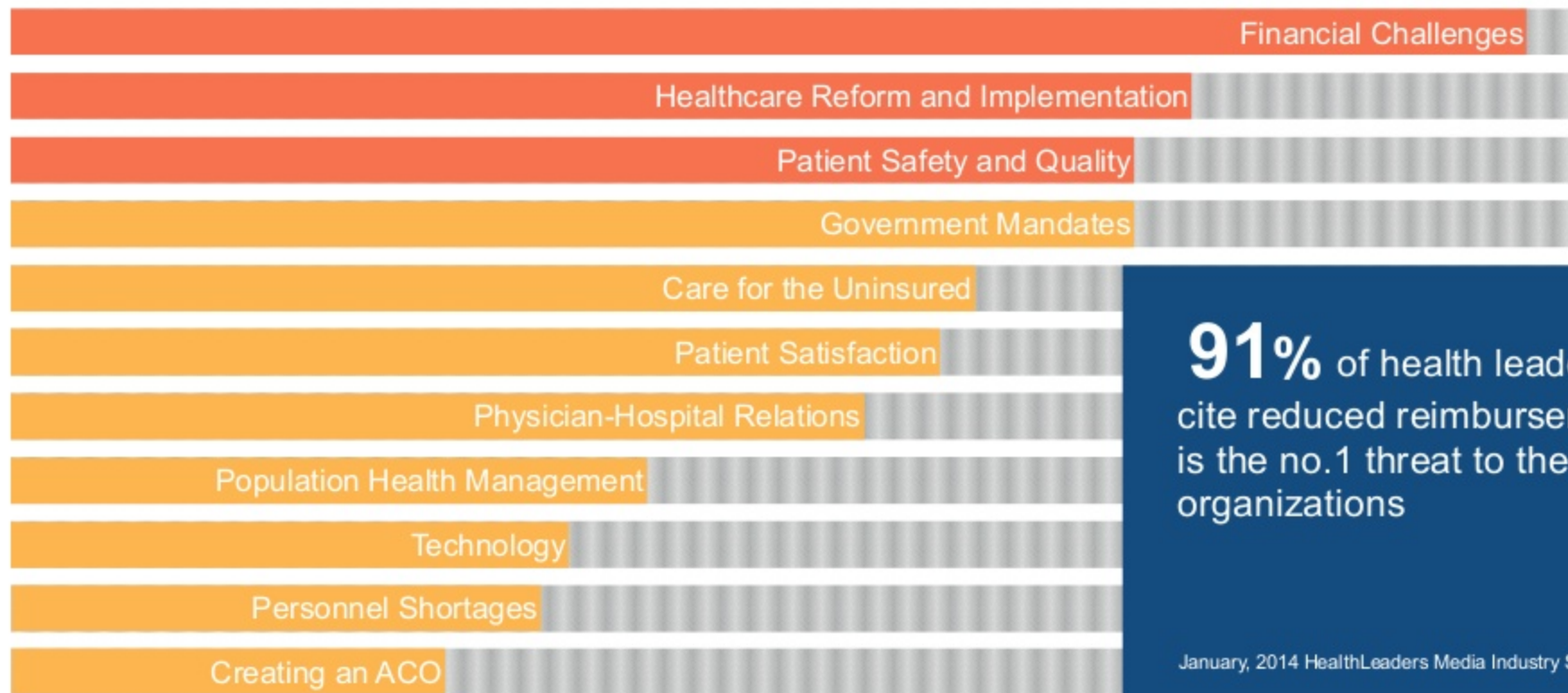
A photograph showing the silhouettes of several business professionals in a modern office setting. They are positioned in front of a large wall of windows, which is brightly lit by the sun, creating a strong backlight effect. The individuals are engaged in various activities, some sitting at desks with laptops and others standing. The overall atmosphere is professional and collaborative.

The Current Landscape

The C-Suite is looking for solutions to address the turbulent times of healthcare today and positioning for the future.

What troubles CEOs

List of the top concerns hospital leaders identified by rank



91% of health leaders cite reduced reimbursements is the no.1 threat to their organizations

January, 2014 HealthLeaders Media Industry Survey

CMS' Progression of Reimbursement Changes

- Effects of healthcare reform/payor mix
- VBP, HAC's and readmission penalties

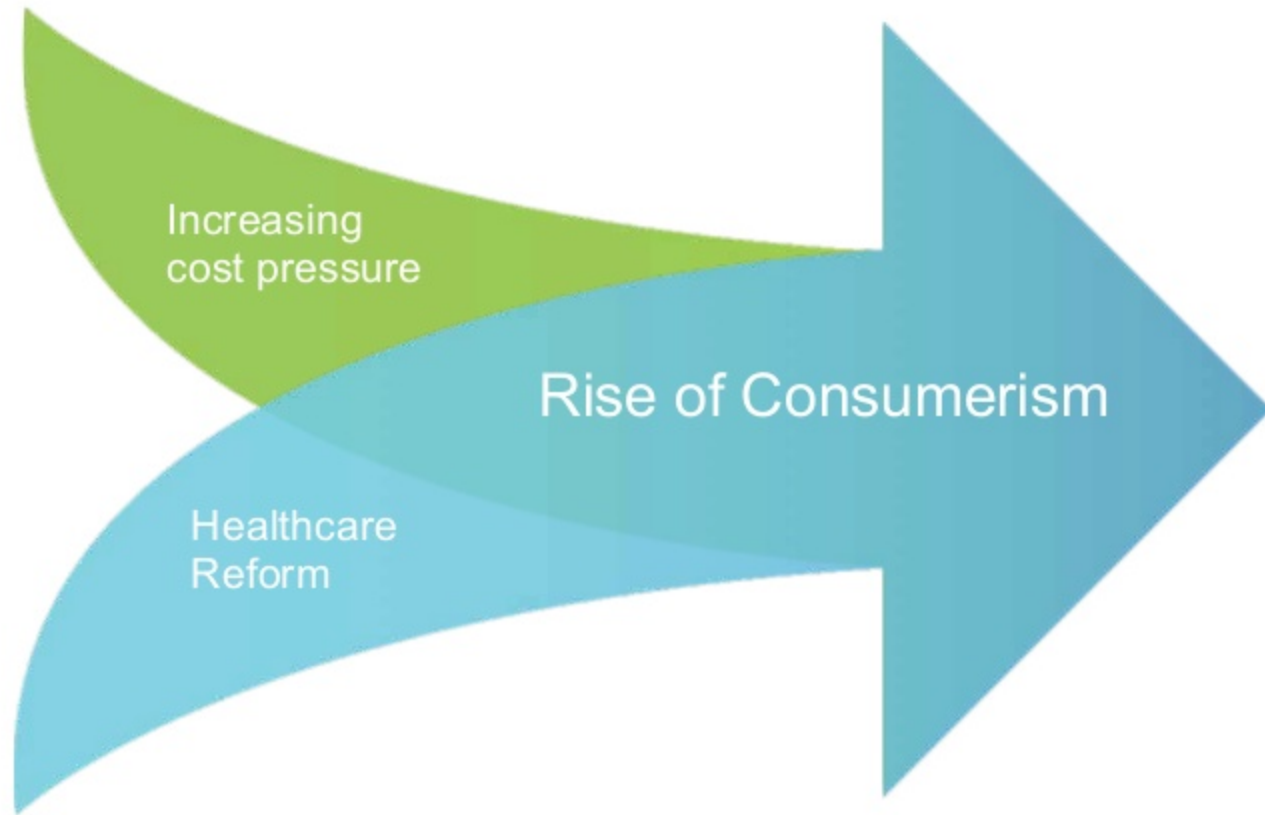
PPACA Section	3001	3008	3025
Fiscal Year (1)	Value Based Purchasing	Hospital Acquired Conditions	Excessive Readmissions Penalty (3)
2011	0%	0%	0%
2012	0%	0%	0%
2013	1%	0%	1%
2014	1.25%	0%	2%
2015	1.5%	1%	3%
2016	1.75%	1%	3%
2017	2%	1%	3%
2018	2%	1%	3%
2019	2%	1%	3%

Payers reward lower cost, higher quality care

Incentive Changes Under Accountable Care

Performance Category	Fee-for-Service →	Bundled Payments →	Shared Savings
Cost Management	<ul style="list-style-type: none">• Control expenses associated with DRGs or case rates	<ul style="list-style-type: none">• Minimize the input costs associated with an episode of care	<ul style="list-style-type: none">• Manage total cost of care for a defined patient population• Target avoidable spending across health system
Clinical Quality	<ul style="list-style-type: none">• Adhere to limited P4P initiatives; eliminate never-events	<ul style="list-style-type: none">• Improve reliability, efficiency of procedural enterprise	<ul style="list-style-type: none">• Minimize preventable admissions, readmissions• Promote community wellness for at-risk populations
Patient Experience	<ul style="list-style-type: none">• Maximize HCAHPS	<ul style="list-style-type: none">• Ensure smooth transitions between care sites	<ul style="list-style-type: none">• Extend "experience" beyond the episode• Improve experience for patients' support structure• (e.g. friends and family)

A new trend in healthcare

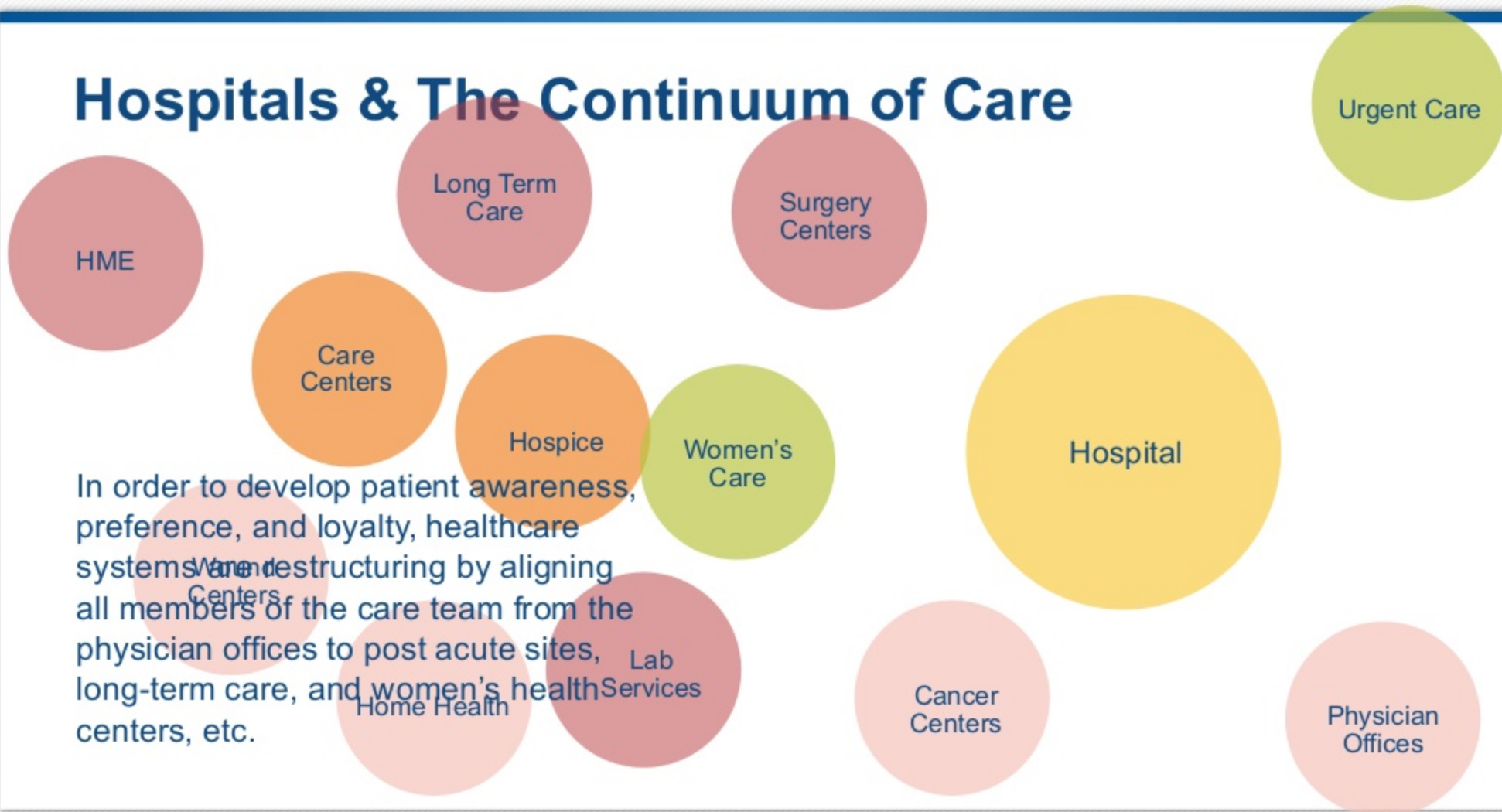


The rise of “consumerism”

Patients are making value-based choices on care locations and physicians as they look online at patient experience data, quality data, and cost.



Hospitals & The Continuum of Care



In order to develop patient awareness, preference, and loyalty, healthcare systems are restructuring by aligning all members of the care team from the physician offices to post acute sites, long-term care, and women's health centers, etc.

Providers are responding in a variety of ways.

- 1 Enacting broad-range cost control programs
- 2 Engaging in a frenetic wave of transactions (M&A)
- 3 Continuing to invest heavily in services and specialists
- 4 Continuing to move towards greater physician alignment
- 5 Considering innovative incentive relationships (e.g. ACO-like or "Clinical Integration")

2010 brings rebound in hospital M&A

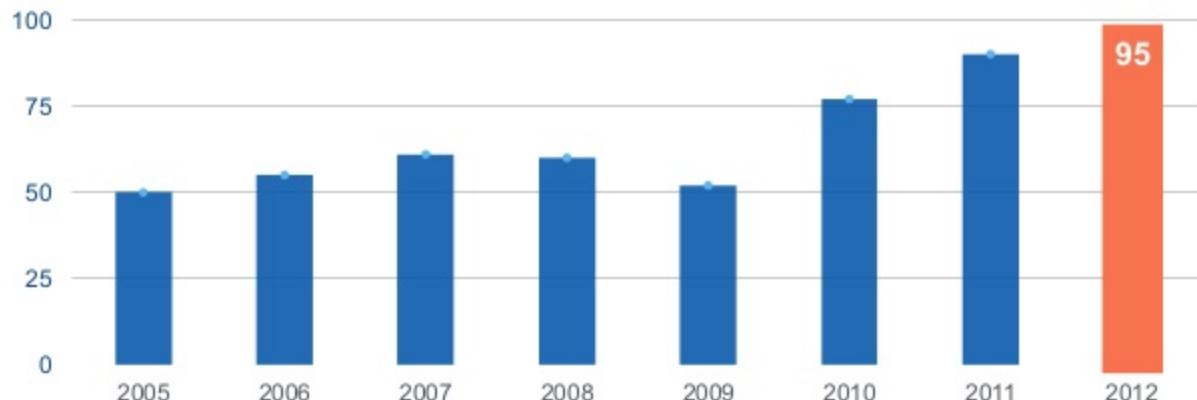
Hospital seeking safety in numbers

Uncertain Future for Stand-Alones

"Every stand-alone hospital in (the state) is currently considering a merger or seeking to be acquired. In any of these consolidations, systems are trying to reduce their cost structure aggressively. The system we are talking to is firing doctors, talking about transferring labs, and shutting down OB/GYN."

Chief Financial Officer
Freestanding Community Hospital

Hospital Merger & Acquisition Deals 2005-2012



Source: "Hospital deals are part of a growing consolidation trend, say analysts." Health leaders media, March 26, 2010; Irving Levin Associates. "Hospital M&A struggling to maintain recent surge." October 26, 2012. Advisory Board interviews and analysis.

How will your organization fuel financial growth over the next five years?



Expand outpatient services 60%

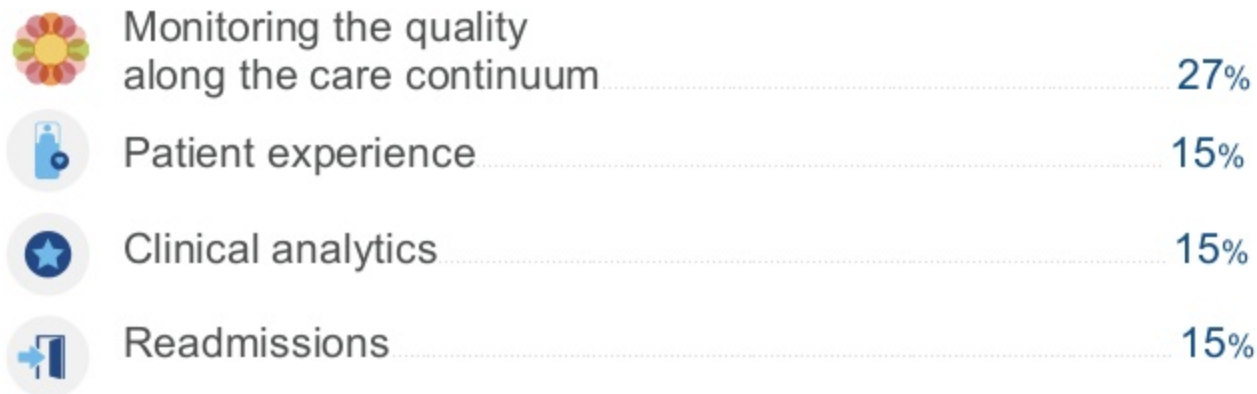


Strategic marketing campaign
for existing market 59%



Strategic marketing campaign
for new market 41%

Regarding clinical quality improvement, which of the following areas represents the single greatest challenge for your organization?



In which of the following areas does your organization expect to begin or increase investment over the next three years?



Patient experience improvements 60%

Concerns: where to focus future efforts



M & As/Consolidation/
Accessibility/Cost



Efficiencies and Cost/
Waste Reductions



Readmissions



Quality



Patient Safety



Brand awareness: creating
consumer loyalty, preference
awareness



Patient Experience

Finding a vendor partner: Qualifications

- 1 Projects that combine both clinical and supply chain initiatives
- 2 Evidence that they can execute on ideas and innovations in partnership with a healthcare system
- 3 Measurements/metrics to demonstrate outcomes
- 4 Ability to construct innovative arrangements, risk sharing & guarantees
- 5 Credentials - are they a part of organizations that support the cause, what is their involvement
- 6 Dedicated resources to focus and target on the plan
- 7 Demonstrated qualities of being "nimble", "flexible", "creative", "outside the box or norm"
- 8 Educational - develop and provide to support implementation and hardware in system