



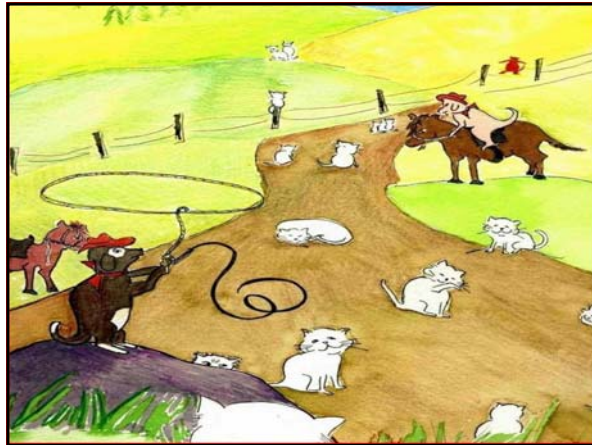
Who We Are. What We Do.

**Health Communicators
of Oregon**
November 3, 2006

OAHHS

Who We Are and What We Do

- Mission**
Oregon Association of Hospitals and Health Systems is a statewide association dedicated to providing representation, advocacy and assistance for hospitals and health care systems. The association, through leadership and collaboration among health care providers, promotes quality health care that is adequately financed and universally accessible.



The Ice Breaker: Some Random Healthcare Facts

- 46 million uninsured Americans and growing
- 64% of America's hospitals went on ED divert w/in last 12 months due to overcrowding
- 1 in 9 jobs in U.S. is in the healthcare sector
- IOM reports 30% waste = +/- \$600B
- Wennberg/Dartmouth Atlas reports 60% cost variation across US (driven by hospital bed and specialist supply)
- Rand reports Americans getting only 55% of recommended care
- 70% of all Medicare expenditures consumed by patients with 5 or more chronic conditions

WHAT'S WORRYING CEOs

In a survey, hospital chief executive officers ranked financial challenges as their primary concern in 2005. CEOs were asked to rank their top three. The percentages represent the share of CEOs who listed the following issues as among their three biggest worries.

Financial challenges:	67%
Personnel shortages:	36%
Care for the uninsured:	35%
Physician-hospital relations:	33%
Quality:	23%
Patient safety:	20%
Patient satisfaction:	18%
Capacity:	17%
Technology:	17%
Governmental mandates:	16%
Malpractice insurance:	11%

Source: American College of Healthcare Executives

REVENUE WOES

The American College of Healthcare Executives asked hospital chief executives to rank their specific financial concerns in 2005. The percentages represent the share of CEOs who listed the issues as among their three biggest worries.

Medicaid:	82%
Medicare:	71%
Bad debt:	68%
Revenue-cycle management:	44%
Managed-care payments:	42%
Emergency department:	40%
Other commercial insurance:	30%
Outlier payments:	13%

Source: American College of Healthcare Executives

The Listening Campaign: What Oregonian's are Asking About...

- The *Cost of Healthcare*
- The *Value Equation*
- **Accountability**
 - Transparency around cost and quality
 - Community Benefit/Tax Status
 - Sarbanes Oxley in a N-F-P World
 - CEO Compensation




The *Cost of Health Care*.....

In Oregon:

- Avg. monthly home mortgage: **\$ 1,100**
- Avg.. monthly family premium: **\$ 850**

Total **\$1,950**

- Avg.. monthly household income (Before Tax): **\$3,750**
- % of avg. household income spent on rent and healthcare: **52%**




The "*Value*" of Health Care.....

Average:

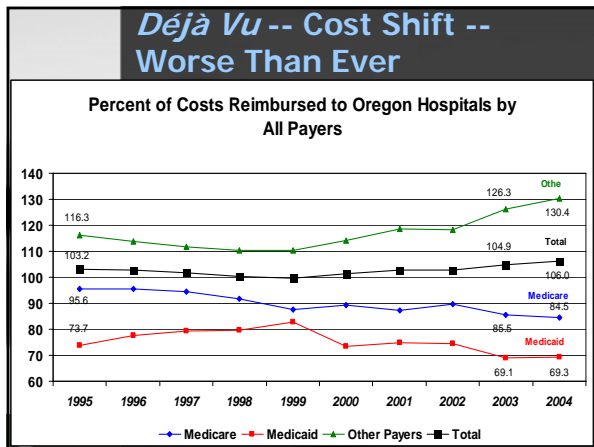
- Cost of an office visit: **\$75**
- Cost of an ER visit: **\$379**
- Cost of a hospital day (med/surg): **\$3,435**
- Cost of a complex leg fracture: **\$17,000**

Cost of a 2006 Toyota Corolla: **\$13,500**



Davidson's Perspective: *What's New? What's Déjà Vu?*

- Disaster Preparedness
- Sarbanes/Oxley
- CEO compensation
- Richard Scruggs/Charity Care Lawsuits
- Community Benefit v. Tax Status
- P4P – Pay for Performance
- Fragmentation of the Delivery System:
 - Specialty Hospitals and ASC's
- Transparency – Cost and quality
- Accountability


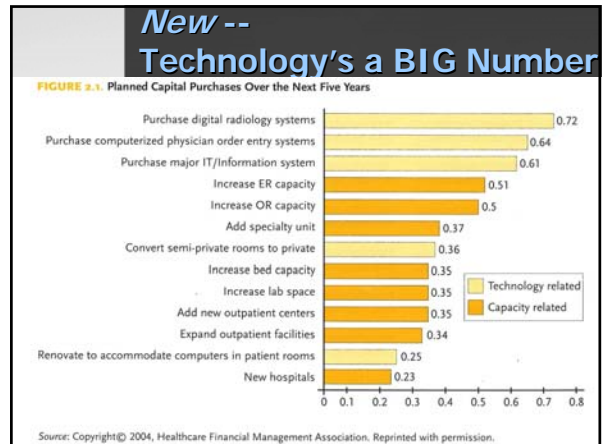
New - Transparency *What Flavor?*

- Price or Charge?
- Quality?
- Quality and Price?
- Negotiated rates between Payers and Providers?
- Just Hospitals?
- Hospitals and Physicians?
- Insurers?



Transparency—Key Challenges


- What problem are we trying to fix?
- Human biology - no cookie cutter medicine
 - Price “Estimates” are just that – An estimate
- Hospital rates do not include all provider services
 - Incomplete picture
 - Where’s the rest of the data coming from?
- Patients don’t shop for most hospital services
 - 40+ % of admissions through the Emergency Room
 - Physicians direct to care locations
- 10% of population consumes 70% of health spending
 - Very little incentive once deductibles are met

New -- Public Trust

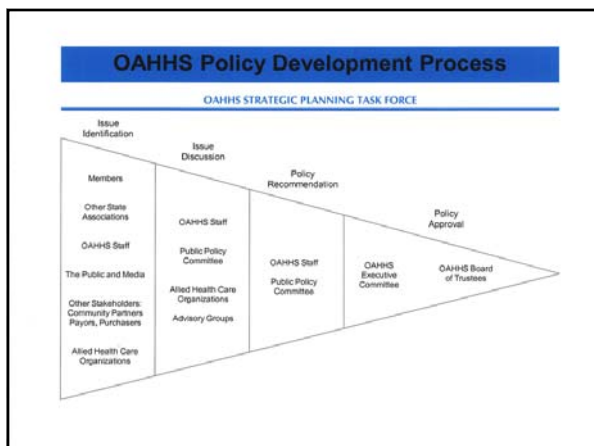
- Why??
 - Quality
 - Billing and Collections
 - Consumer Directed Healthcare
 - 10% Annual Cost Increases
 - Cranes on Every Corner, And....

Union Organizing




Time for a Tune Up @ OAHHS

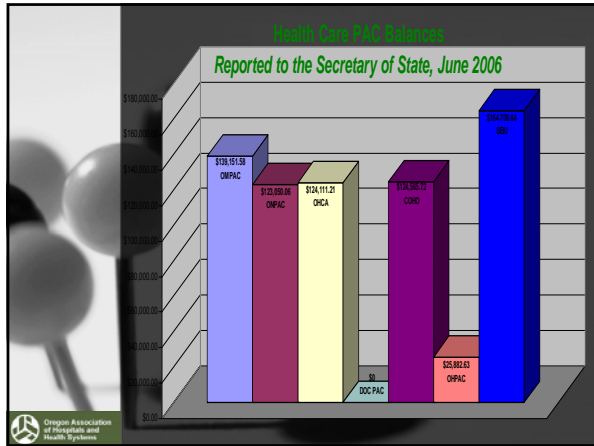
- **What do we stand for?**
 - New Strategic Plan and Focus
- **How do we develop our policy positions**
 - Public Policy Committee and Policy Dev. Process

Advocacy

- **Tighten our Focus**
- **Hone Our Relationships and Influence**
 - Focus on Executive Branch in addition to State Legislature
 - Build Meaningful Alliances w/other stakeholders
 - Create powerful Grassroots/Grasstops structures
 - Clear and consistent Communication and messaging
 - Grow \$\$ OHPAC \$\$
 - Number of contributors and total amount collected





Advocacy

- **Improve our Image**
 - The business that we're in vs. the care that we provide
 - We are a white hat industry
 - One of the largest employers in every community
 - Our Trustees are the backbone of every community
 - Trustees are "heard" differently
- **We Must Be BOLD**
 - **Big Challenges require Big Solutions**

Oregon Association of Hospitals and Health Systems

Consumer Directed Healthcare

"In your case, Dave, there's a choice—elective surgery, outpatient medicinal therapy, or whatever's in the box that our lovely Carol is holding."

Oregon Association of Hospitals and Health Systems