Engineering the Second Curve in Health Care:
"The Role of the CHNA"

by Debra Thompson, MBA
President, Strategy Solutions, Inc.

as Presented at the 2014 ACHI National Conference on March 6, 2014

According to the American Hospital Association's report *Hospitals and Care Systems of the Future*, "hospitals and health systems in the United States face unparalleled pressures to change in the future. Industry experts have projected that multiple, intersecting environmental forces will drive the transformation of health care delivery and financing from volume-based to value-based payments over the next decade. These influences include everything from the aging population to the unsustainable rise in health care spending as a percentage of national gross domestic product.

Economic futurist Ian Morrison believes that as the payment incentives shift, health care providers will go through a classic modification in their core models for business and service delivery. He refers to the volume-based environment hospitals currently face as the ***first curve*** and the future value-based market dynamic as the ***second curve***. Progressing from the ***first curve*** to the ***second curve*** is a vital transition for hospitals. This is analogous to having one foot on the dock and one foot on the boat - at the right point, the management of that shift is essential to future success." ***The Community Health Needs Assessment (CHNA) process should be both the driver and evaluation mechanism to determine whether your hospital/health system is successfully making this transition*** (see Figure 1).

Many are currently exploring innovative ways to make this shift. Some have CMS demonstration projects and others have created ACOs (Accountable Care Organizations). Others believe that the CHNA is only related to community benefit and are not "connecting the dots" to integrate the CHNA with their clinical program planning efforts, even if they are involved in these innovations. Many also struggle with measuring outcomes and are narrowly defining impact only related to community benefit. Some are ignoring this completely, and expect to "catch up" when reimbursement changes. If the current legislation sponsored by Senator Wyden of Oregon passes, a more reasonable approach to creating accountable care organizations through the Medicare Better Care Program may be in place within the next two years, driving faster change.

What should your hospital/health system do?

1. **Embrace the Affordable Care Act vision** to engineer the "new" health care delivery system. While IRS compliance is important, the "spirit of the law" is to move toward population based health improvement by forcing accountability. The CHNA and its imple-

(continued on page 2)

Figure 1

Integrating CHNA and Strategic Planning:
Overview of the Strategic Planning Process

WHERE ARE WE NOW?	WHERE DO WE WANT TO BE?	HOW WILL WE GET THERE?	WHO MUST DO WHAT?	HOW ARE WE DOING?
ASSESSMENT	OUTCOMES	IMPLEMENTATION		REVIEW
Operational Needs; PRIORITY NEEDS AND ISSUES CHNA; PRIORITY NEEDS AND ISSUES	Goals & Objectives	Clinical & Operational Strategies Implementation Strategies	Defined Action Plans: Internal & Collaborative	Evaluation

Key strategic question:
Have we "institutionalized" the CHNA processes to position the needs assessment as the driver and evaluator of our strategic and operational improvement efforts?

"Triple Aim" metrics: improve care, improve health, lower cost

Strategy solutions, inc.

mentation efforts should be strategic activities used to drive program planning and integrate prevention and intervention efforts across the continuum of care. Formal evaluations should be conducted to measure the outcomes and impact of these efforts, drive continuous improvement and not simply count the number who attended a program.

2. **Adopt innovative program development and implement** programs that address sizable populations through your implementation strategy. Some recognize that their employee population is a significant "captive audience" where health status improvement can make a huge impact. Although some argue you can't legislate behavior, using a "carrot and stick" benefits design, Excela Health in Westmoreland County, PA, has achieved 93% participation in their employee wellness program, was named one of the healthiest employers in the US (number 34!), and saved $5 million in healthcare premium costs. They are now engaging other employers in their county to follow. Others are forming regional partnerships to create community paramedicine programs to offer at home chronic disease monitoring and provide lower cost alternative forms of transportation to decrease Emergency Department utilization and impact readmission rates. The CHNA guidelines do not state that all intervention strategies must be offered free of charge to the community. Determine how your various strategies work together to impact community health.

3. **Facilitate new and creative programs/structures** that encourage shared risk and reward between and among providers and payers. "You don't have to own it all" to create a risk-sharing care delivery network. Rigorous selectivity, identifying partners with compatible cultures and collectively managing performance allow partnerships with other entities across the post-acute continuum of care, including home care, long term care, behavior health and community social services. Heath care systems can share risk while standardizing practice by developing their own local demonstration projects" and asking payers to fund them NOW.

4. **Build internal capacity to facilitate CHNAs,** implement evidence based approaches that connect with clinical intervention efforts and evaluate the outcomes of these programs. While relying on external resources and consultants is convenient when internal expertise does not exist, it is important to determine which processes should be "institutionalized." Many hospitals and health systems already have the internal expertise to do more than they realize, but don't recognize that building capacity means rethinking how departments work together and apply their existing expertise in new ways.

Leaders are told, "be the change you want to see in the world." During this transition time, catalyze change and improve community health by using CHNA processes as the framework through which these changes happen.

Strategy Solutions, Inc.
8425 Peach Street
Erie, PA 16509

Founded in 1998,

Strategy Solutions, Inc. is dedicated to facilitating creative solutions to ensure the sustainability of public, private, and non-profit organizations and create healthy communities.

Our unique process

of combining analytical research capabilities, group process techniques, and planning tools, blended with enthusiasm, energy, and total dedication to each client's success, has resulted in hundreds of clients who have achieved remarkable outcomes.

Our projects

and clients have been recognized as best practices by the PA and NY Departments of Health, PA Department of Education and Welfare, the US Department of Health & Human Services, PA Partners, MD Workforce Development Association, and the International Economic Development Council. We are certified as a Women's Business Enterprise in PA, WV, VA, GA and FL.

About Debra Thompson

Debra Thompson, is Founder and President of Strategy Solutions, Inc., a business development firm that provides strategic planning, market research and support services to communities and organizations. She can be reached at 814-480-8000 or through her website at www.getstrategy.com.

www.getstrategy.com

Strategy solutions, inc.