



Patient Share of Care: The Single Metric to Measure Health System Growth Success



Society for Health Care
Strategy & Market
DevelopmentSM



Patient Share of Care: The Single Metric to Measure Health System Growth Success - *Presentation Overview*

- **Abstract:**

- Health system executives frequently struggle with how to summarize the success (or lack thereof) of their health systems overall performance and lack a defined metric to align organizational goals around. HSG developed Patient Share of Care in collaboration with Academic and Community Hospitals to create a single metric measuring the health system's acquisition of patient lives and retention of those patients within their network of Inpatient, Outpatient and Ambulatory care. This webinar will cover an overview of Patient Share of Care, as well as explore alternatives for how it is calculated and utilized by health systems of varying sizes and geographies.

- **Learning objectives:**

- What is Patient Share of Care and how is it calculated?
- What alternatives exist for calculating Patient Share of Care?
- How are health systems utilizing Patient Share of Care as a single metric of success?

HSG Speakers



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**Chief Executive Officer
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Strategic Healthcare Executive experienced in system- and organizational-level management and planning for Physician Alignment Strategy, Employed Physician Network Strategy, and Accountable Care Strategy.

EXPERTISE

- Employed Physician Network Growth
- Operational and Financial Performance
- Physician Network Strategy
- Management Infrastructure
- Market Development Strategy

PROFESSIONAL EXPERIENCE

- Chief Executive Officer at HSG Advisors
- Multi-year enterprise-wide physician strategy planning for large, multi-hospital systems
- Physician Network management team development of long-term alignment and growth plans

EDUCATION

- MBA, Vanderbilt University
- Dual BS in Finance and Business Management, UT Knoxville
- Member, American College of Healthcare Executives (*ACHE*)

HSG Speakers



DJ SULLIVAN

MBA, MHA

**Chief Strategy Officer
Managing Director, HSG Claims Data
Analytics**

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Strategic Healthcare Executive experienced in utilization of data in system- and organizational-level strategic planning and growth.

EXPERTISE

- Claims Data Utilization
- Market Analytics
- Service Line Growth
- Medical Staff Development Planning
- Provider Need
- Market Development Strategy

PROFESSIONAL EXPERIENCE

- Managing Director and Chief Strategy Officer at HSG Advisors.
- Provider of Claims Data Analytics market-level insights several hundred hospitals and health systems nationwide.
- Development of primary care and service line growth plans resulting in multi-million dollar increases in incremental service line and organizational revenues.

EDUCATION

- MBA, University of Utah David Eccles School of Business
- MHA, University of Utah David Eccles School of Business
- BS, Pre-Medicine w Business Minor, Brigham Young University

| Presentation Overview



- “The Single Metric” for Measuring Health System Success
- Defining Patient Share of Care
- Common Approaches to Patient Share of Care
- Market-Based Patient Share of Care Case Study
- Population-Based Patient Share of Care Case Study
- Related Measures Supporting Patient Share of Care Growth



“The Single Metric” for Measuring Health System Success

“The Single Metric” for Measuring Health System Success

HSG developed Patient Share of Care in partnership with a Quaternary Academic Center as a solution to focusing the health system’s many hospital leaders, employed network leaders, service line leaders, and marketing and business development leadership on a **single, growth-oriented metric** that would define whether the health system’s execution of its strategy was resulting in incremental increases in capturing a patient’s total utilization of the healthcare continuum.

Over the last 7 years, HSG has expanded this approach across statewide, regional and community health systems as the challenges every health system are experiencing are basically the same -

- Top line, profitable growth required for health systems to survive
- Balanced Scorecard approach is useful, but creates many different incentives, some lacking in bottom-line impact
- Need to unite health system leadership around one metrics
- Capture and retention of patient healthcare spend aligns with financial sustainability and growth goals.



Defining Patient Share of Care

What is Patient Share of Care?

First, What is Share of Wallet?

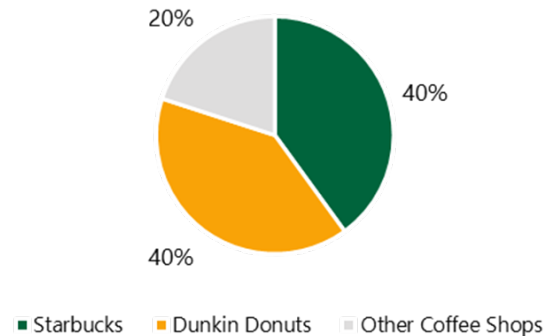
Investopedia: Share of wallet (SOW) is the dollar amount an average customer regularly devotes to a particular brand rather than to competing brands in the same product category.

Individual Cups Sold in Stores



Coffee Shop	Cups of Coffee
Starbucks	4
Dunkin Donuts	4
Other Coffee Shops	2
Total	10

Starbucks Market Share - Cups of Coffee

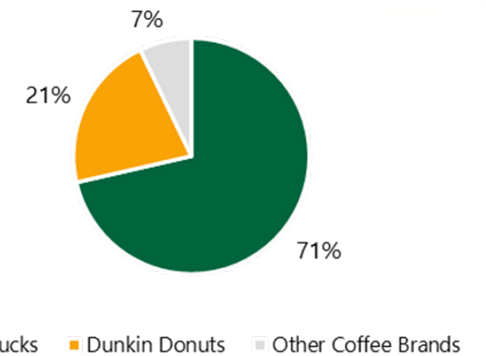


All Coffee Points of Purchase



Coffee Brand	Coffee Spend (\$)
Starbucks	\$25.00
Dunkin Donuts	\$7.50
Other Coffee Brands	\$2.50
Total	\$35.00

Starbucks Share of Wallet - All Coffee



What is Patient Share of Care?

Now, How Does That Apply to Healthcare?

Health System Core Customers

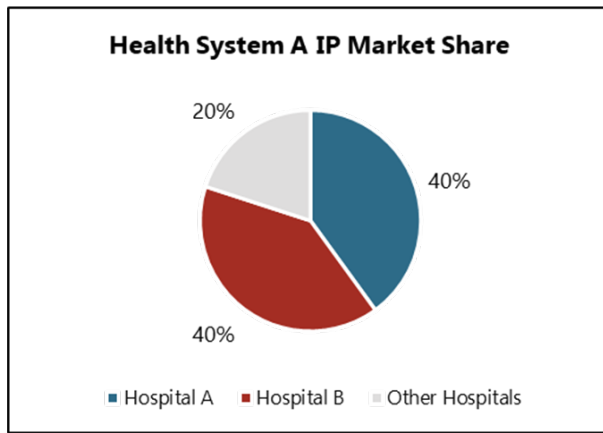


How brand loyal are our established patients on our primary care provider panels?

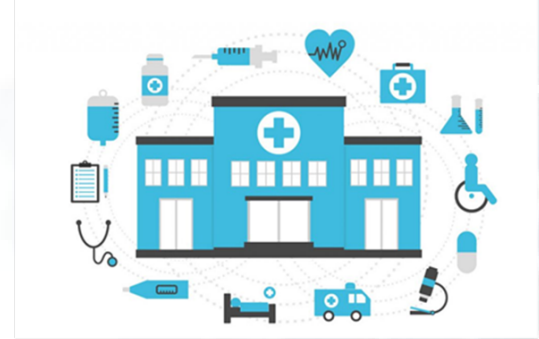
Inpatient Discharges



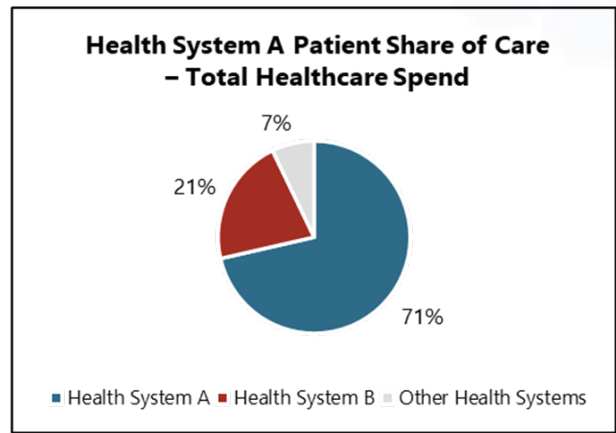
Hospital Locations	IP Discharges
Hospital A	4
Hospital B	4
Other Hospitals	2
Total	10



All Healthcare Services

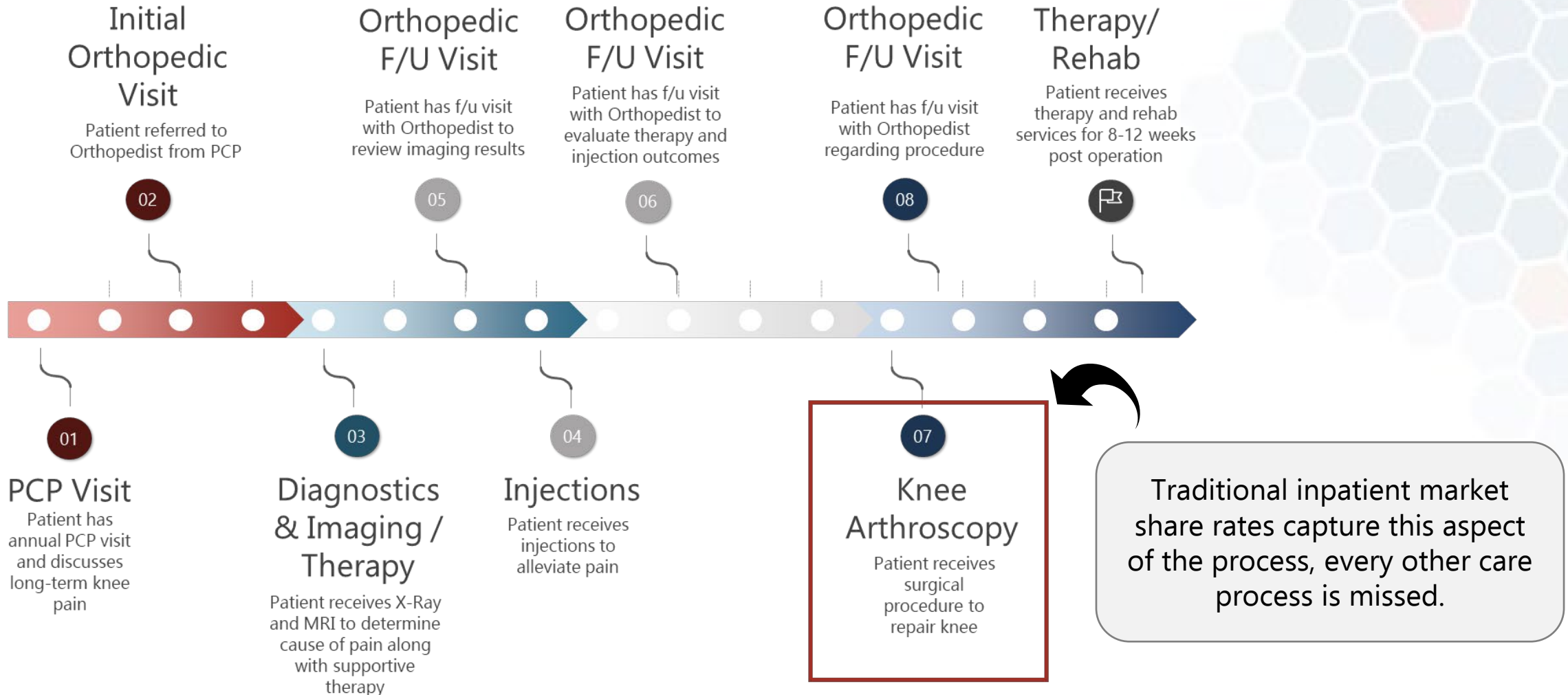


Health System	Healthcare Spend (\$)
Health System A	\$2,500
Health System B	\$750
Other Health Systems	\$250
Total	\$3,500



What is Patient Share of Care?

Measurement of Patient Utilization Across the Care Continuum



Best Data For Measurement

- Many organizations rely on inadequate data and analyses to infer patient behavior.
- **Utilization of one data source (claims-based data)** often leads to the fewest gaps in strategy development.

Data Sources	Commentary
Anecdotal Observations	<ul style="list-style-type: none">• Personal experiences are critical during drill-down to define root cause but should not be a measurement metric• Only tells us what we “feel” is happening
Inpatient/HOPD Market Data	<ul style="list-style-type: none">• Often self-reported to state hospital association• Misses the competitiveness of the ambulatory landscape in each market
Electronic Medical Record	<ul style="list-style-type: none">• Typically focused on identifying referrals leaving the network as part of a referral management strategy• Outputs are only as good as the inputted data• Misses any care provided at other facilities
All-Payer Claims Data	<ul style="list-style-type: none">• Can provide holistic portrait of patient care• Detailed data facilitates multiple analytic approaches• Some data redactions due to privacy protection• Variation in data coverage can become potential limiter

| Observations on Leveraging Patient Share of Care

- Define the patient populations that are most critical to your organizational success. Build the right measurement (market-driver or population-driven) approach to fit your strategic goals.
- Socialize and integrate metrics in visible scorecards or management documents that are available across the organization
- Layer metrics into strategic plan and growth planning initiatives



Common Approaches to Patient Share of Care

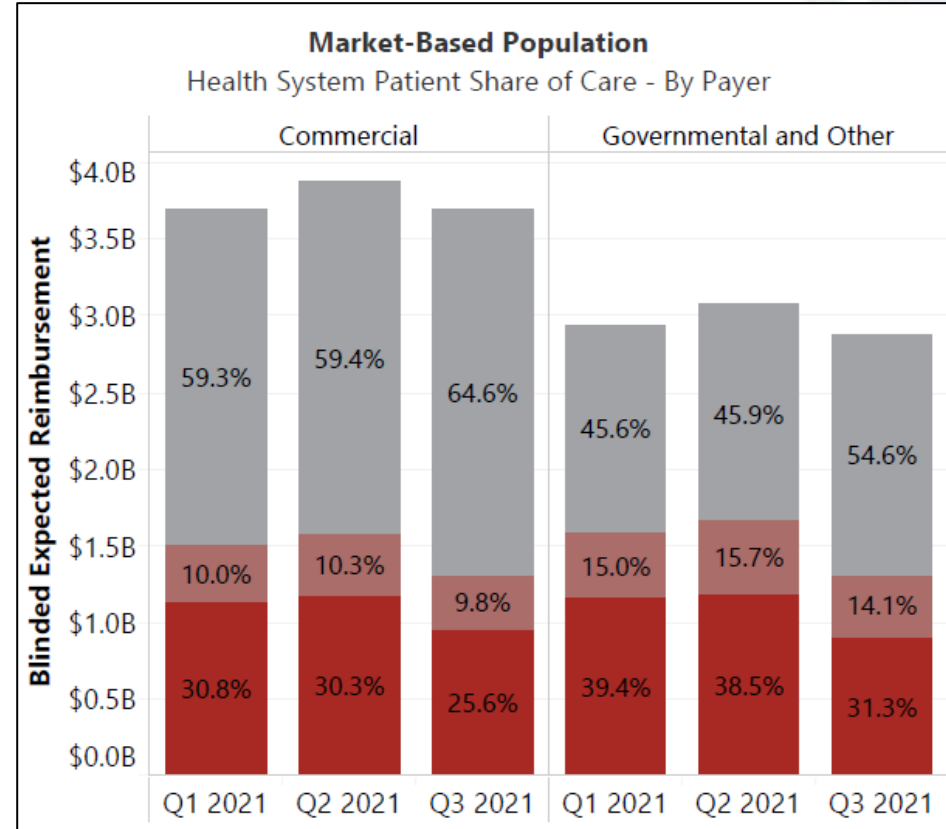
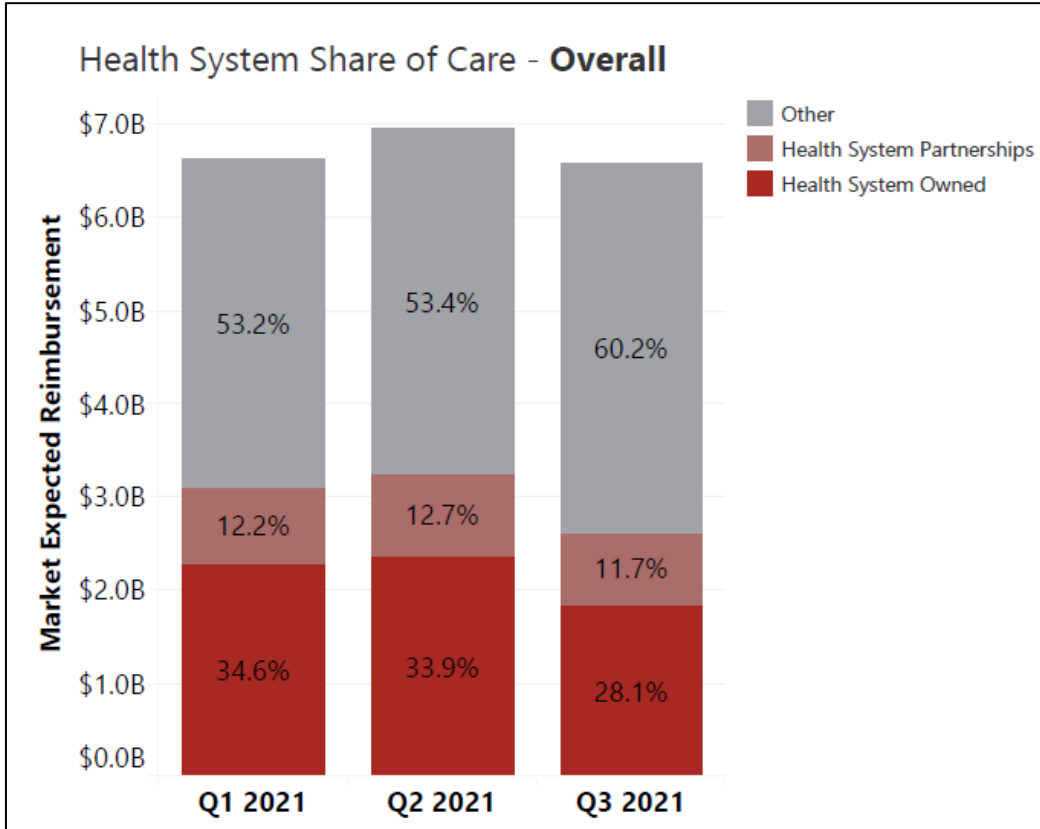
Common Approaches to Patient Share of Care

- **Market-Based** Share of Care
 - **Core Question:** For patients seeking care **within a given market area**, what percentage of the healthcare spend for that population are we capturing?
 - **Common Applications:**
 - Patients seeking care within our Primary and Secondary Market Areas
 - Patients seeking care within a given County, Multi-County, State Market
- **Population-Based** Share of Care
 - **Core Question:** For a given population of patients, what percentage of the healthcare spend for that population are we capturing?
 - **Common Applications:**
 - Patients seen within our Employed Primary Care Practices
 - Patients seen within our Inpatient, Outpatient, and Office Sites of Care
 - Patients seen by our system and other competitor health systems



Market-Based Approach + Case Study

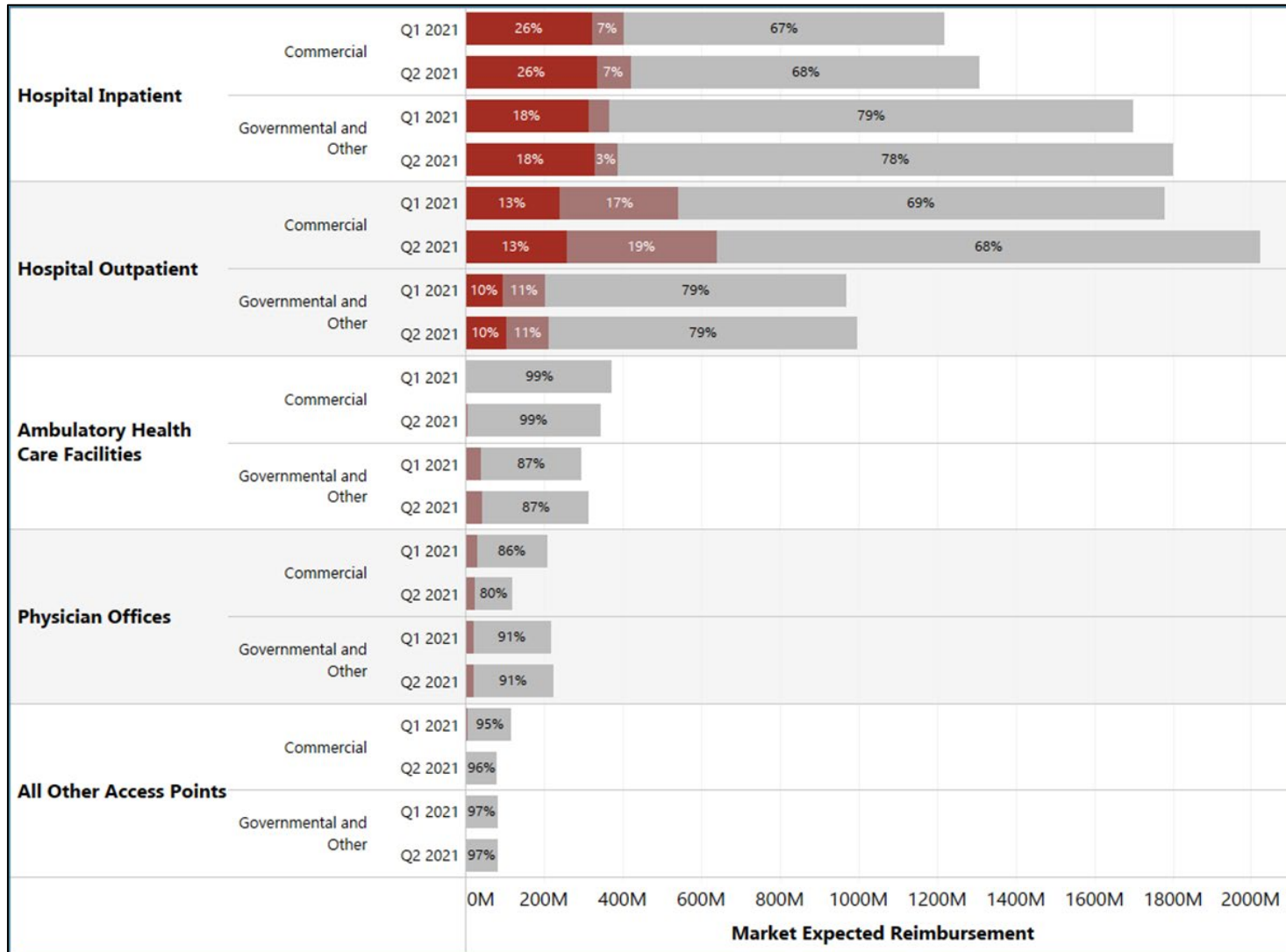
Patient Share of Care: Market-Driven Populations



	Q1 2021	Q2 2021	Q3 2021
Health System Owned	34.6%	33.9%	28.1%
Health System Partnerships	12.2%	12.7%	11.7%
Total Health System Share of Care	46.8%	46.6%	39.8%

- BLINDED CLIENT is **capturing 46.8% of the total expected healthcare spend (\$6.6B) in Q1 2021** for healthcare entities providing services in the service region.
- This ranges from 40% for Commercially Insured patients to 54% for Governmental and Other Payers.

Patient Share of Care: Market-Driven Populations – by Site of Care

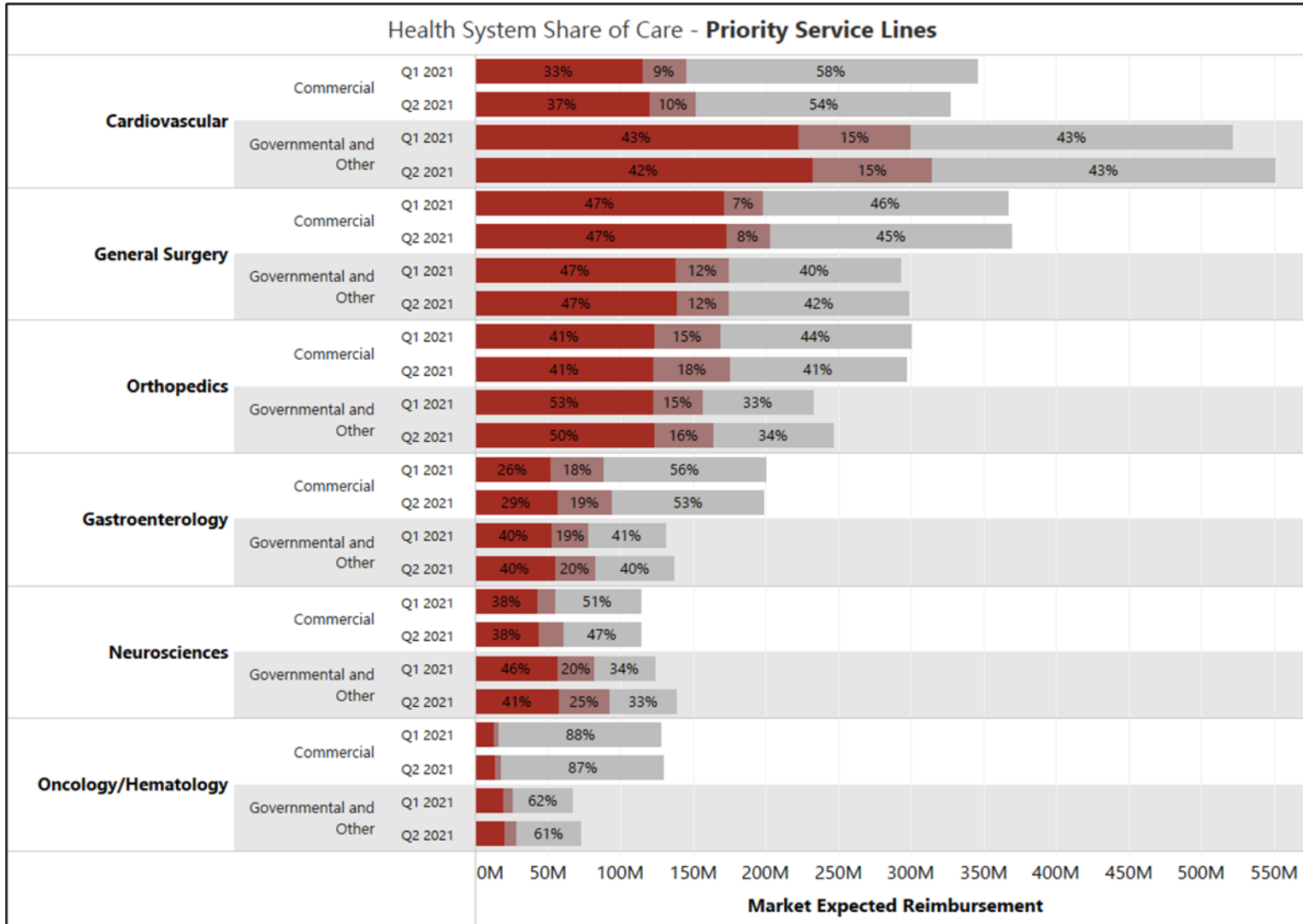


- Site of Care variation is critical to understand for determining organizational growth strategies for market growth
- Utilization of care is becoming increasingly variable based on patient demographics and geography.

LEGEND

- Health System Owned
- Health System Partnerships
- Other

Patient Share of Care: Market-Driven Populations – by Service Lines

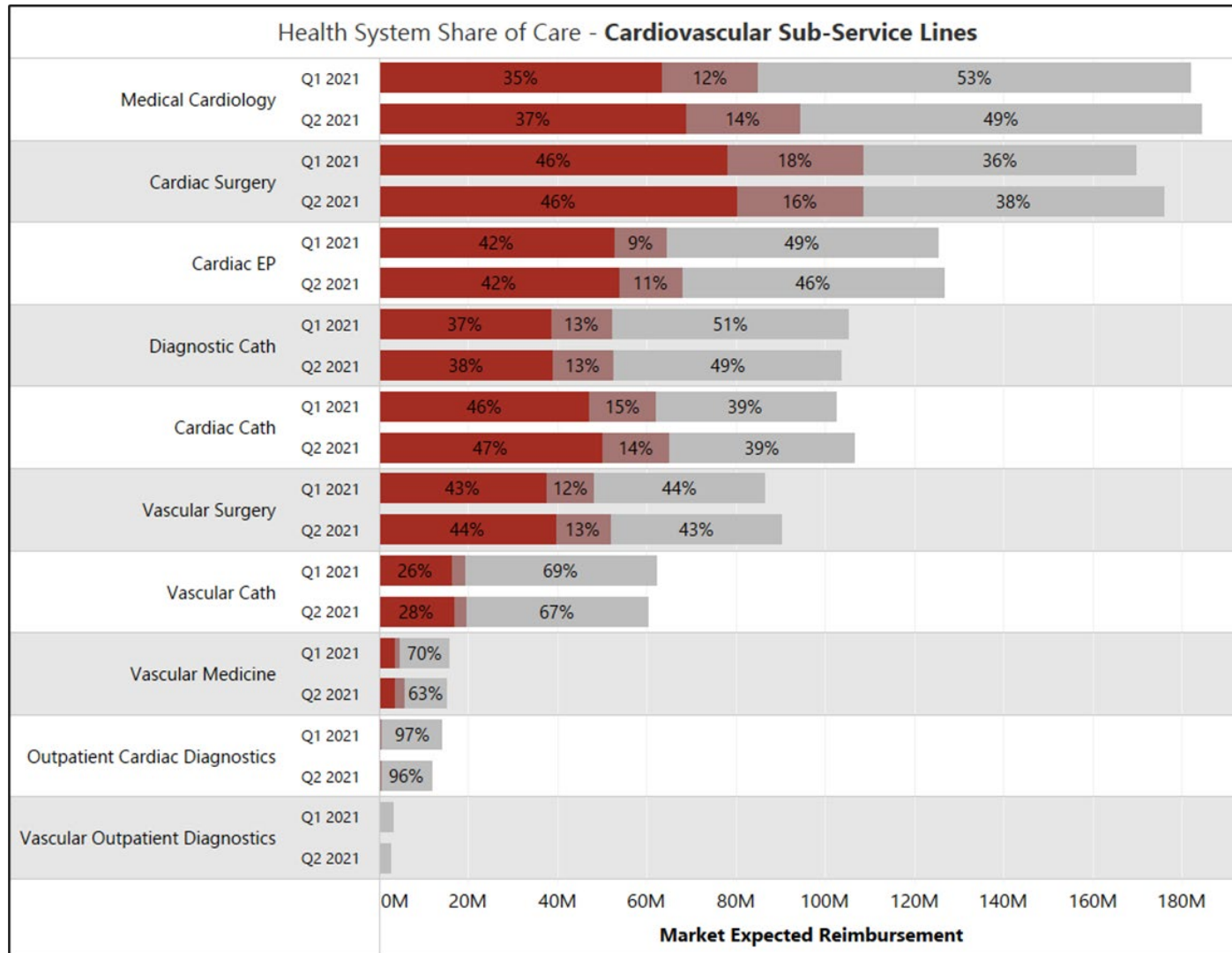


- Service line leaders need detailed insights on overall capture of patient dollars spent in the marketplace.
- Being able to difference by payer type and classification can support many organizational strategies.

LEGEND

- Health System Owned
- Health System Partnerships
- Other

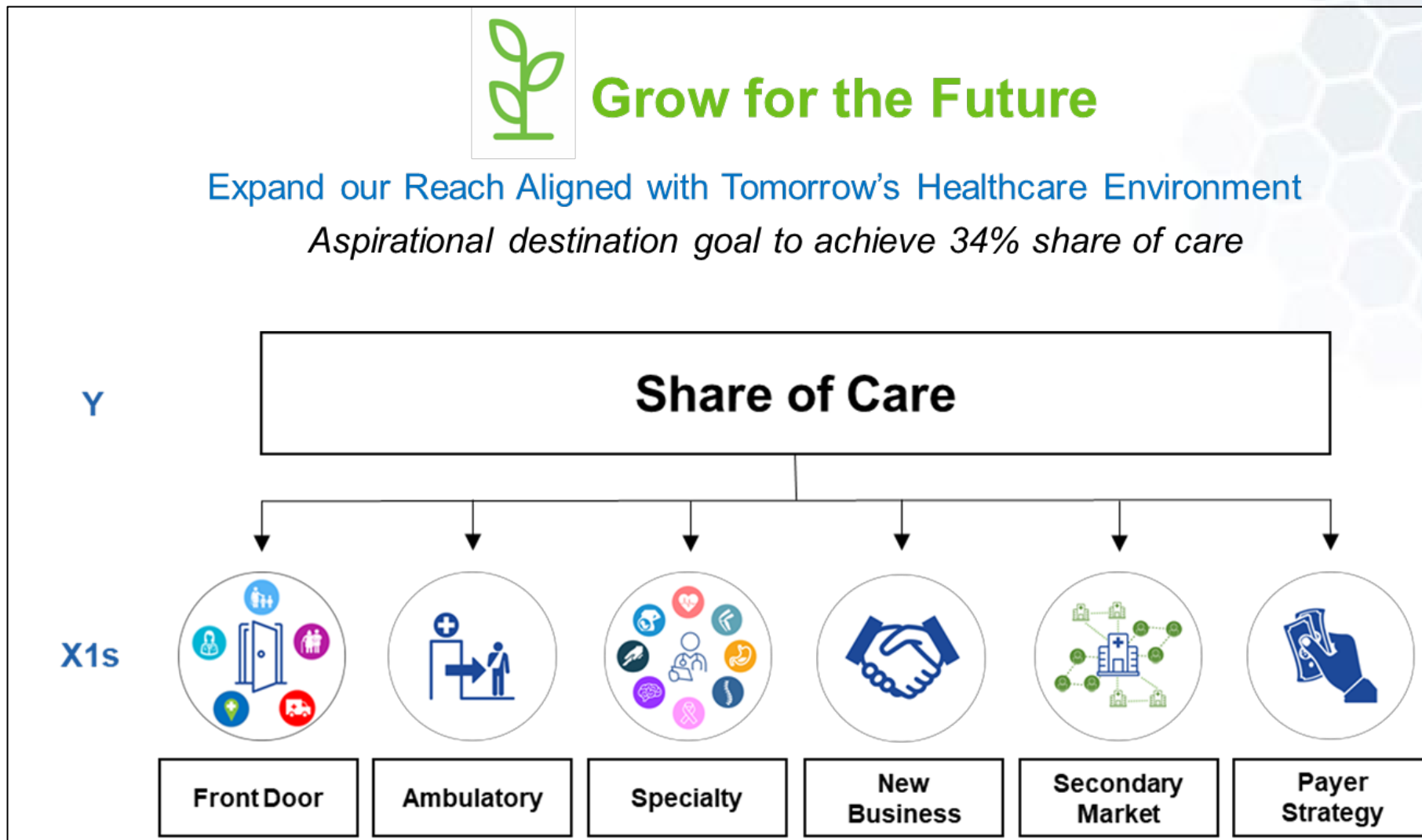
Patient Share of Care: Market-Driven Populations – by Sub Service Lines



- The more detail an organization can provide on how specific patient populations are utilizing specific care types with better arm your leaders with making growth oriented decisions.

Market-Driven Population Case Study

5-County Regional Health System Patients





Population-Based Approach + Case Study

Patient Share of Care: *Patient-Driven Populations*

Region	Reporting Period				Health System Expected Reimbursement Q4 2021	Number of Patients Q4 2021
	Q1 2021 N=500	Q2 2021 N=515	Q3 2021 N=490	Q4 2021 N=495		
Employed Primary Care & Urgent Care Overall	68.9%	70.2%	71.4%	66.6%	\$1.05B	325,000
Employed Group: Region A	64.4%	66.2%	67.6%	63.2%	\$500M	125,000
Employed Group: Region B	76.1%	73.4%	72.6%	71.7%	\$150M	35,000
Employed Group Region C	74.5%	77.4%	79.9%	69.9%	\$300M	100,000
Urgent Care Locations	59.9%	60.4%	61.2%	61.9%	\$100M	55,000

Health System captures approximately **\$0.67 of every \$1 spent on healthcare for the identified patient population.** That varies from as high as \$0.72 for Employed Group Region B to \$0.62 for Urgent Care Locations.

Expected reimbursement is estimated using Health System's reimbursement by payer.

Patient Share of Care: *Patient-Driven Populations – Incremental Access Points*



ACO/CIN Patient
Population(s)



Independent
Practice Patient
Panel(s)



Emergency
Department
Patients



Employed Primary
Care Patient
Panel(s)

- More-common patient access points being evaluated are core to primary care and emergency patients.
- There are no limitations on patient populations that may be critical to your organizational success.
- Extra time spend being very specific about the patient population you're trying to capture volume from will produce the greatest ROI.

Patient-Driven Population Case Study

Academic Health System - Employed Primary Care Patients

Academic Health System Corporate Dashboard KPI

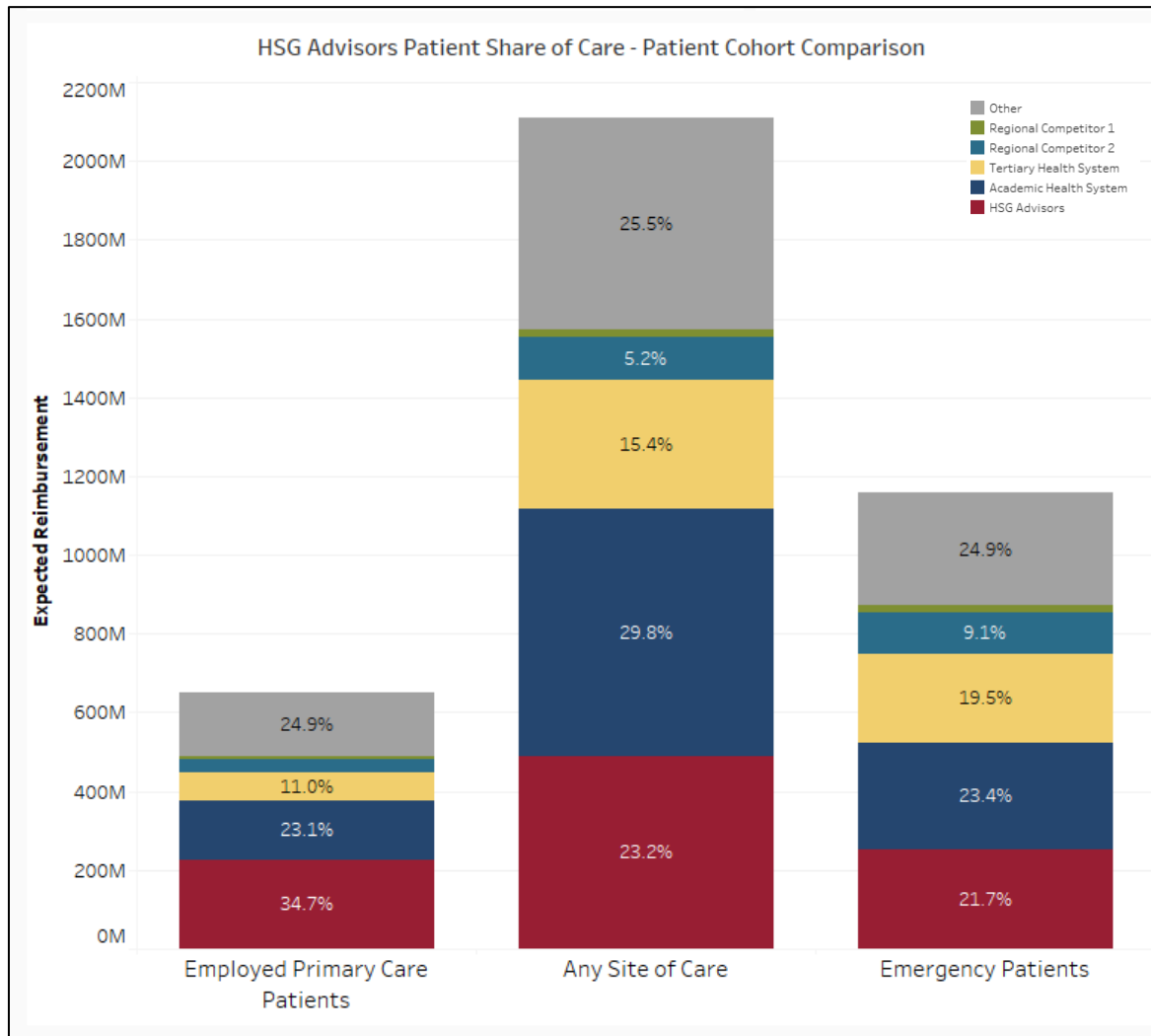
Employed Group Region	Reporting Period			
	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Health System Overall	65+%	65+%	70+%	70+%
Practice A	55+%	60+%	65+%	65+%
Practice B	75+%	75+%	70+%	70+%
Practice C	65+%	70+%	75+%	75+%
Practice D	65+%	65+%	65+%	70+%

Health System Overall	Q1 2021	12-Month Trend
Cardiovascular	80+%	+9%
Orthopedics	<70%	+7%
Oncology	80+%	+3%
Neurosciences	<70%	+4%
General Surgery	80+%	+3%

	>80% SOC
	70 – 80% SOC
	<70% SOC

Patient-Driven Population Case Study

Community Hospital – Variation by Access Points

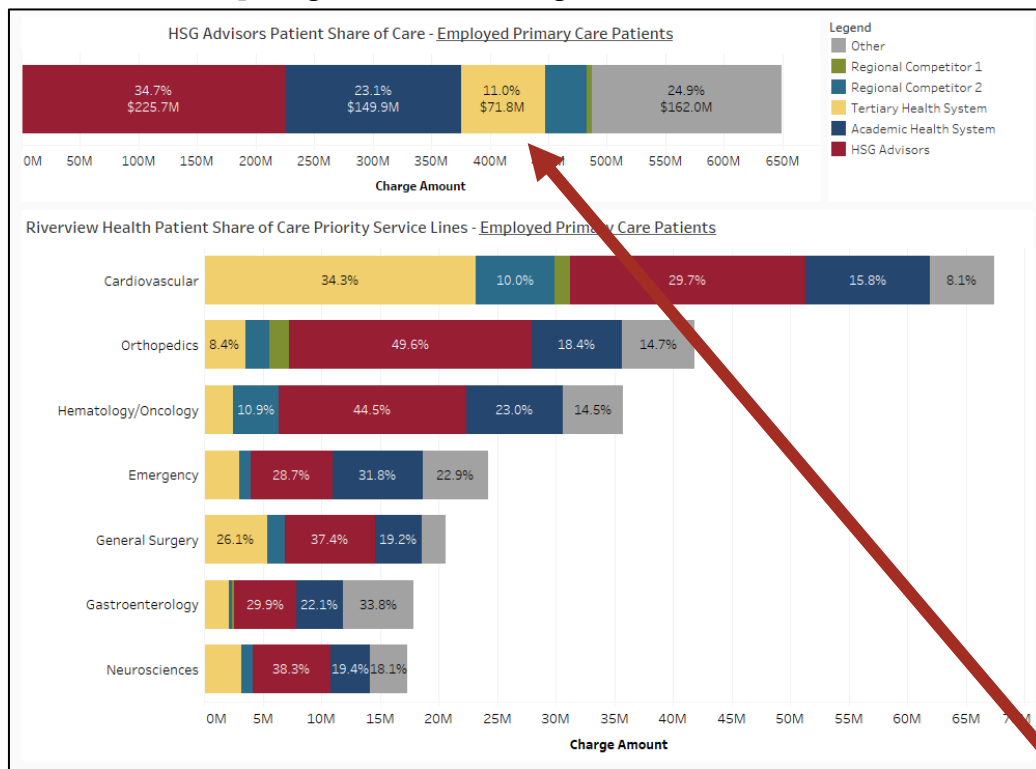


- Community hospitals have unique situations in that they are required to optimize patient capture from every site of care more optimally than larger systems may require.
- This is based on elements such as brand recognition, service offerings/capabilities, and overall patient loyalty.
- Building mechanisms to measure success across all sites of care is most valuable for this organizational type.

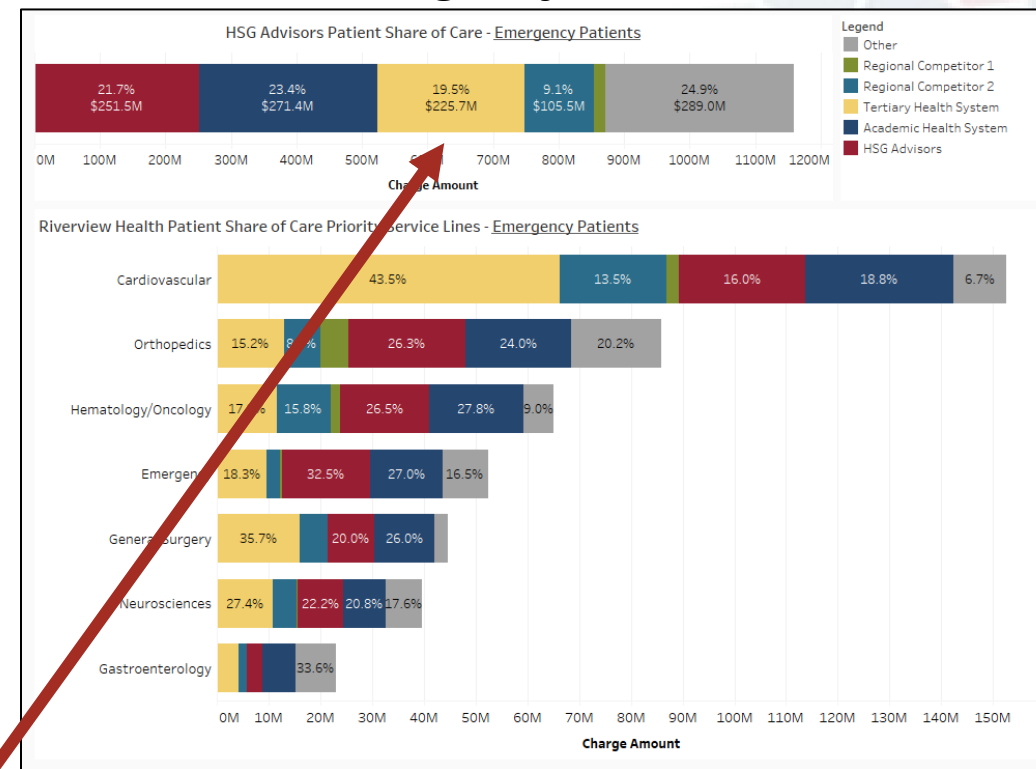
Patient-Driven Population Case Study

Community Hospital – Variation by Access Points

Employed Primary Care Patients



Emergency Patients



- **8.5% Difference** in Capture of Dollars Based on Patient Entrance into the Health System
- Variation even more significant based on service line



Related Measures Supporting Patient Share of Care Growth

Driving Patient Share of Care Growth

To Drive Growth of Patient Share of Care there is significant need to get more granular on market data to define opportunities

What	Source(s)
Inpatient Market Share	<ul style="list-style-type: none">• Typically State Hospital Association• Claims-Based (multi-state systems)
Outpatient Market Share	<ul style="list-style-type: none">• Typically Claims-Based;• Some State Hospital Associations collect HOPD and limited Ambulatory data
Provider Market Share	<ul style="list-style-type: none">• Claims-Based
Patient Leakage/Retention	<ul style="list-style-type: none">• Can be measured on a limited basis through health system EMR• Comprehensive market-views are Claims-Based
Provider Supply and Demand	<ul style="list-style-type: none">• Typically 3rd party and proprietary
Demographics & Market Projections	<ul style="list-style-type: none">• Census-Based• Otherwise 3rd party and proprietary

Conclusion

| Best Practices / Lessons Learned

- Make it bigger than one department; needs to be “The Single Metric” for overall growth measurement.
 - Senior Leadership, Corporate Strategy, Finance, Medical Group, Marketing, Etc.
- Apply the framework to various unique patient populations but everything starts with Primary Care
 - Clearly define your patient population(s)
- Internal education is critical to successfully operationalize Share of Care metrics and is going to take longer than you should expect.
- Claims data provides the most holistic portrait of care delivery and revenue growth opportunities.



HSG
advisors

| **Questions**

HSG Overview

HSG Advisors (HSG) partners with health systems to transform their approach to their markets, services, and providers for improved growth and operational and financial sustainability.

Headquarters: Louisville, KY
Formed: 1999



HSG EMPLOYED PROVIDER NETWORKS

Improve your financial and quality performance and overall Operational Excellence by building a Shared Vision and developing strong organizational, leadership, and governance support structures.



HSG STRATEGY

Define strategic goals and direction for your health systems' long-term growth plans that allows for the simultaneous pursuit of immediate market opportunities, focused on growth strategies and Medical Staff Development Planning.



HSG COMPENSATION AND COMPLIANCE

Develop sustainable provider compensation solutions to achieve market competitiveness, financial sustainability, and regulatory compliance through compensation model development and implementation.



HSG CLAIMS DATA ANALYTICS

Evaluate competitive dynamics within markets, service lines, providers and patients based on all-player healthcare claims data analysis and HSG insights and expertise.

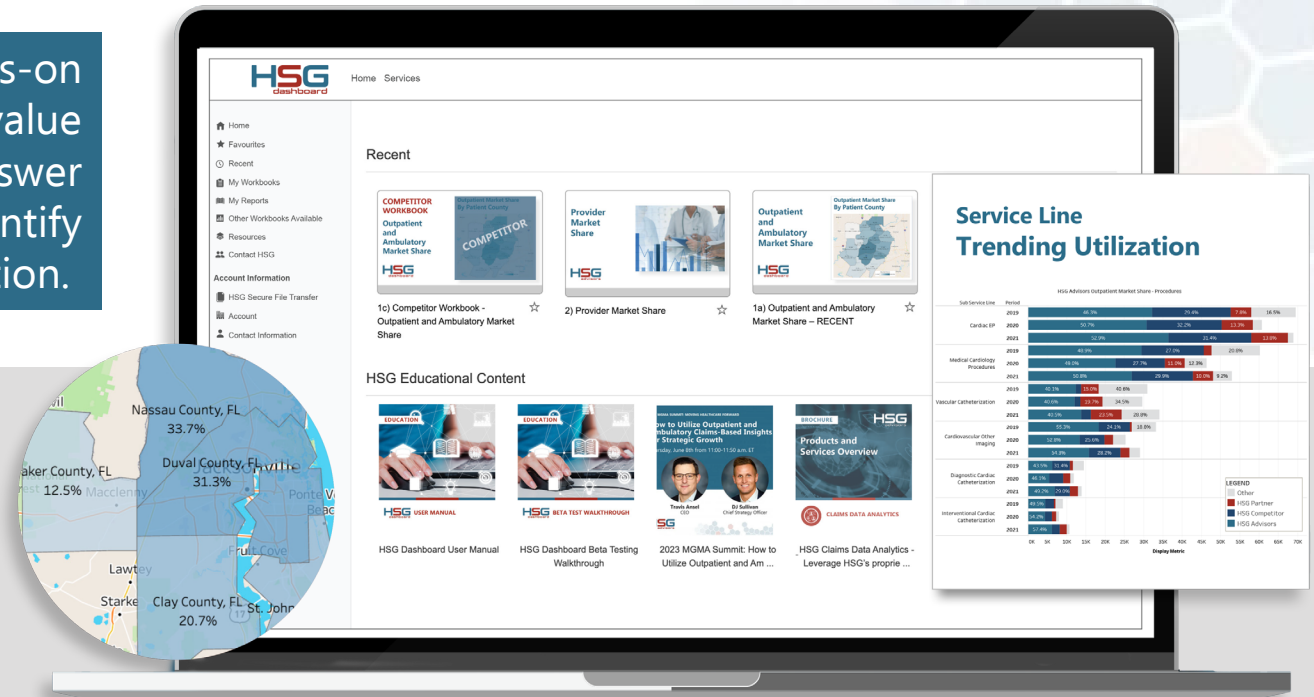
Our Perspective on Integrating Market and Provider Data into Health Systems

HSG Dashboard is HSG's Tableau-based client data visualization environment that blends **HSG's proprietary All-Payer Claims Database, State-Level Inpatient Market Share, Outpatient Market Share, and Emergency Department and internal client health system data** to create unique, easily-interpretable reports, all housed in **one** central location, for utilization by **Health System Executive, Planning, and Employed Network Leadership** and other stakeholders focused on understanding the market and making strategic decisions.

HSG's Strategic Advisory Team employs a hands-on approach to ensure health system clients get the value they are seeking - helping health system clients answer questions about their markets and providers and identify incremental opportunities, turning information into action.

Core HSG Dashboard Solutions:

- HSG Outpatient and Ambulatory Market Share™
- HSG State-Level Inpatient Market Share™
- HSG Patient Flow™
- HSG Patient Share of Care™
- HSG Provider Market Share™
- HSG Provider Need Analytics™
- HSG Market Demographics™



Appendix

Provider Supply and Demand

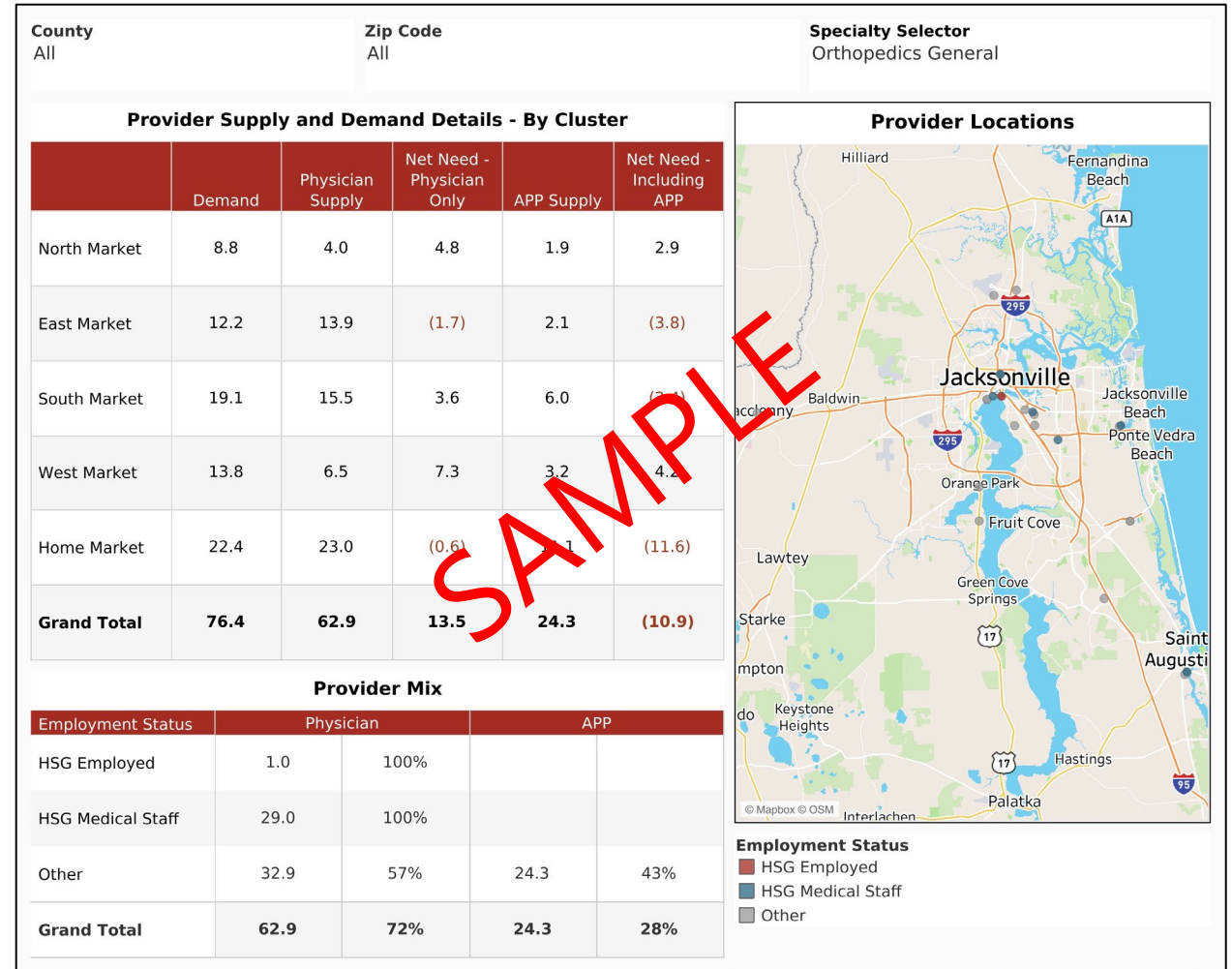
HSG Provider Supply and Demand provides health systems with an understanding of provider dynamics within the market, focused on:

- Strategic Market Provider Supply and Demand
- Stark III Community Need
- Provider Alignment
- Succession Planning Concerns and Impact to Productivity and Access
- Market Demographics

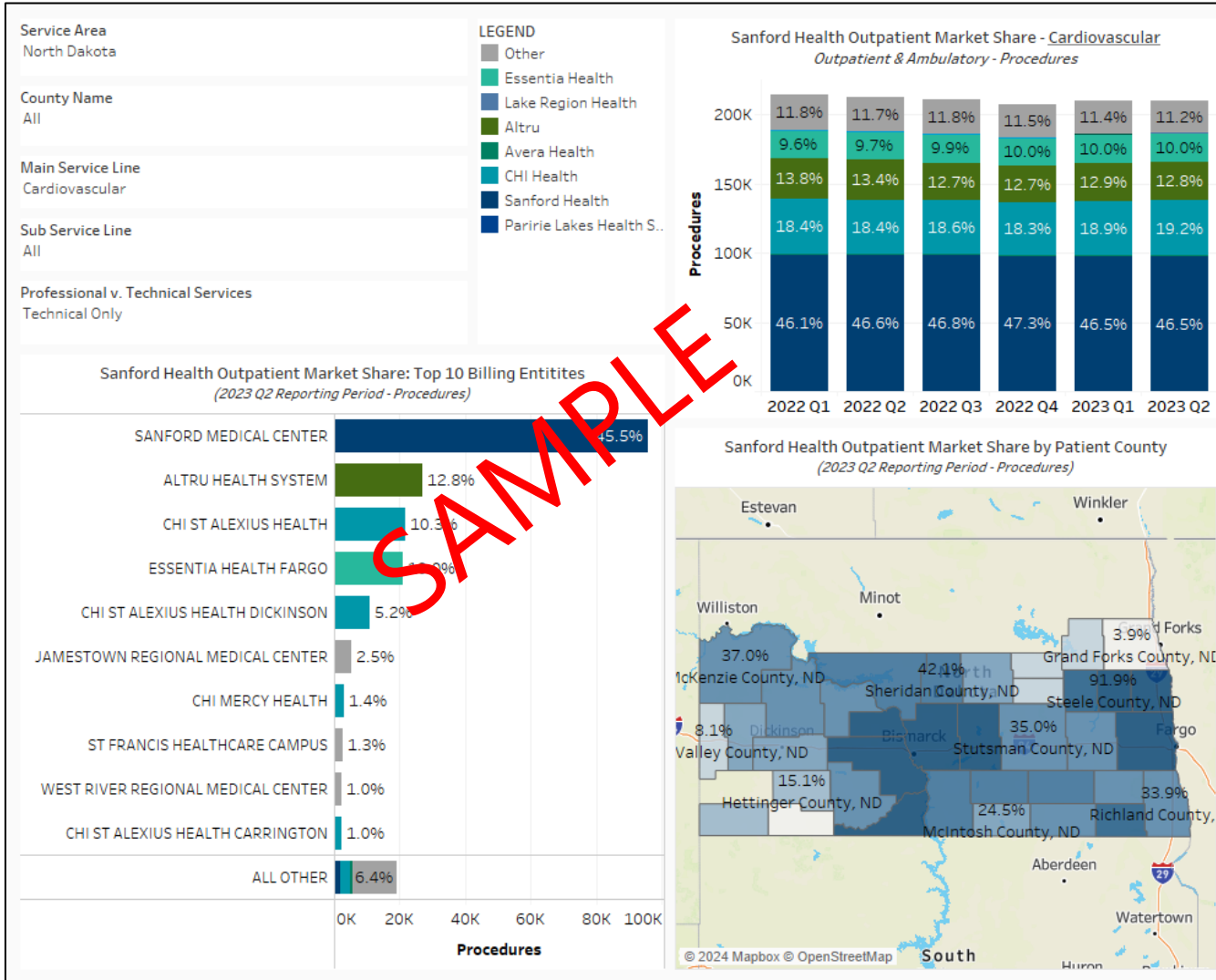
HSG Claims-Based Model for Provider Supply & Demand

Launching in Q3 2024, HSG has developed a nationwide provider supply and demand model based on actual ratios of providers versus population. This model leverages HSG's Claims-Based Specialty methodology for identifying actual provider practicing specialty (including for APPs) and contrasts the presence of providers versus population to create a more realistic model for evaluating provider recruitment need.

This model will be rolled out alongside HSG's existing actuarial models to provide our clients with an alternative, strategic, view of provider supply and demand.



Outpatient and Ambulatory Market Share



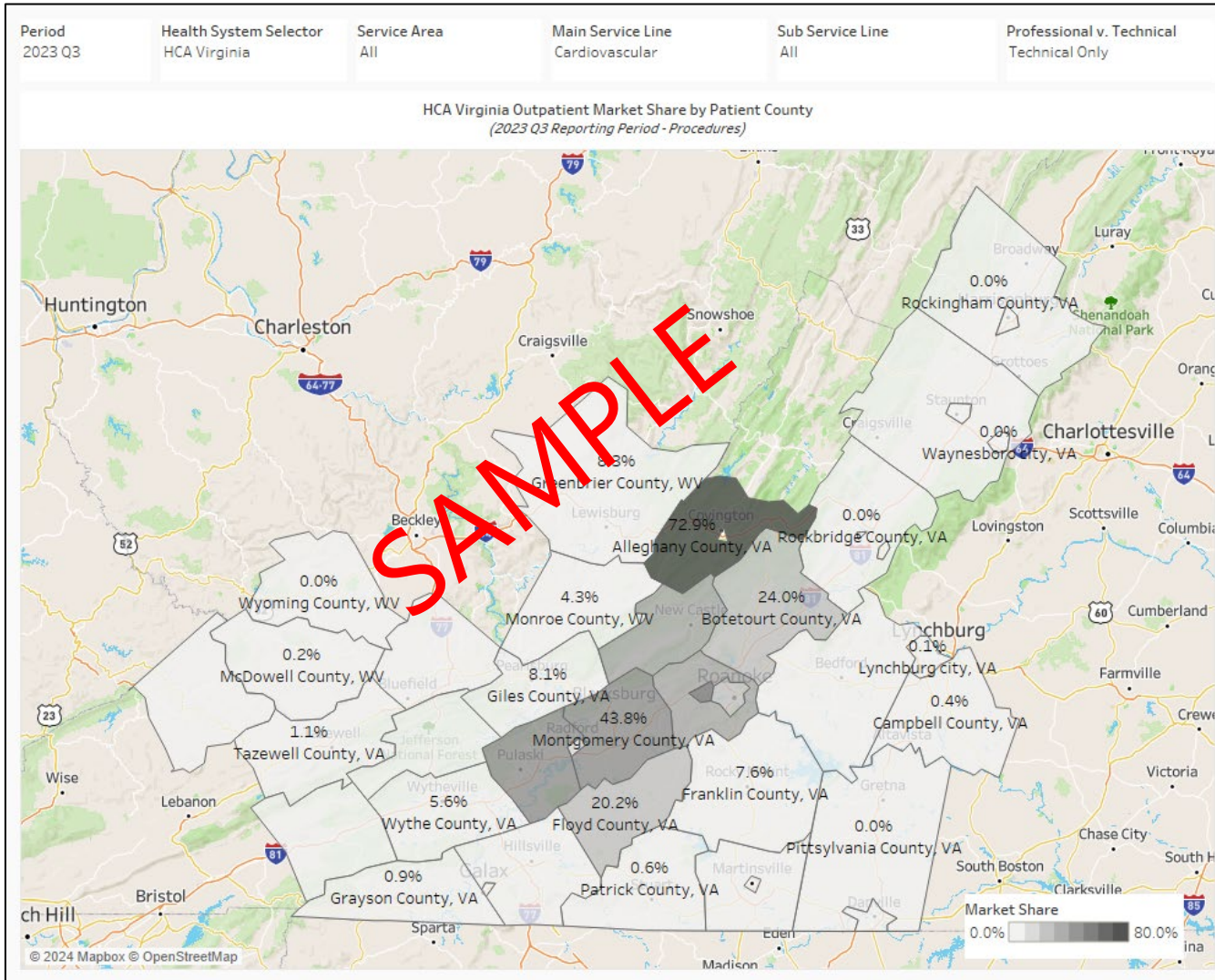
HSG Outpatient and Ambulatory Market Share aggregates and visualizes all-payer claims data to create measurements of performance in the Outpatient, Ambulatory and Provider Office setting. HSG maintains comprehensive proprietary service line and subservice line definitions that create market share measurements analogous to inpatient market share.

HSG Outpatient and Ambulatory Market Share dashboards measure performance at the following levels:

- Overall
- Service Line
- Sub-Service Line
- Procedure
- Imaging
- Region
- County

Market share performance is evaluated retrospectively, with data dating back to 2019. Performance going forward is trended over time, allowing a health system to measure its success over time and understand competitive performance.

Outpatient and Ambulatory Market Share - Competitor



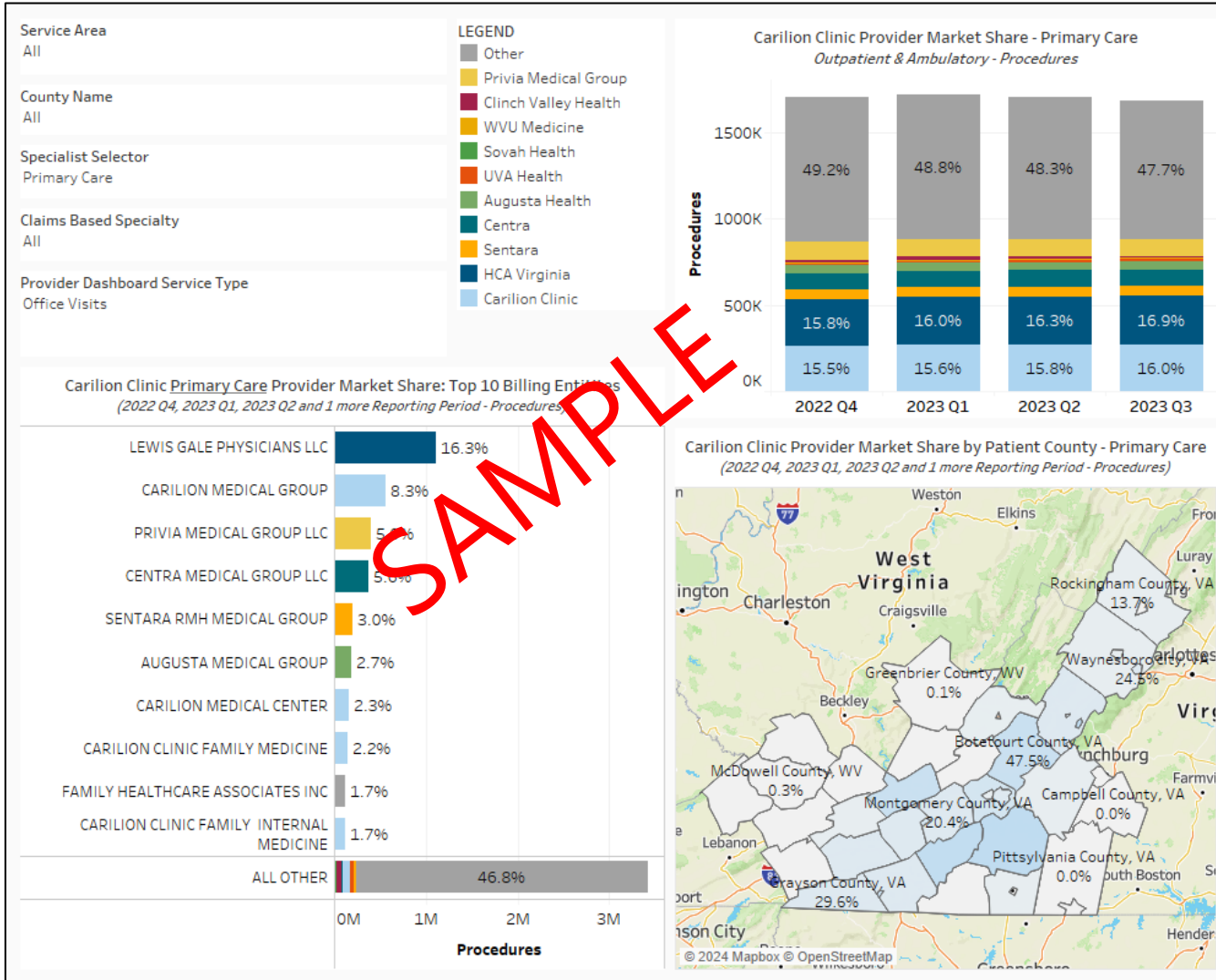
HSG Outpatient and Ambulatory Market Share-Competitor evaluates competitor health system outpatient market share across Outpatient, Ambulatory, and Physician Office sites of care. Data is broken down and reported by service line, subservice line, and geographic region utilizing both technical (location of service) and professional (provider entity) claims for patients in the identified service area(s).

Competitor Workbook dashboards measure competitor performance at the following levels:

- Overall
- Service Line
- Sub-Service Line
- Procedure
- Imaging
- Region
- County

Performance going forward is trended over time, allowing a health system to measure its success over time and understand competitive performance.

Provider Market Share



HSG Provider Market Share aggregates and visualizes all-payer claims data to create measurements of performance in the Outpatient, Ambulatory and Provider Office setting specific to providers.

HSG Provider Market Share dashboards measure performance at the following levels:

- Overall
- Office Visits
- Procedures
- Imaging
- Labs
- Rehab Services
- Ancillary Services (DME, Supplies, Transportation, etc.)
- Other E&Ms

HSG Provider Market Share allows health systems to see site of care delivery by specialty – allowing insight into questions about where independent specialty groups are performing cases.

Patient Flow (Post 90-Days)



HSG Patient Flow aggregates and visualizes all-payer claims data to create measurements of patient retention once that patient has interacted with an access point within a health system, focused on primary care provider to specialty care provider relationships.

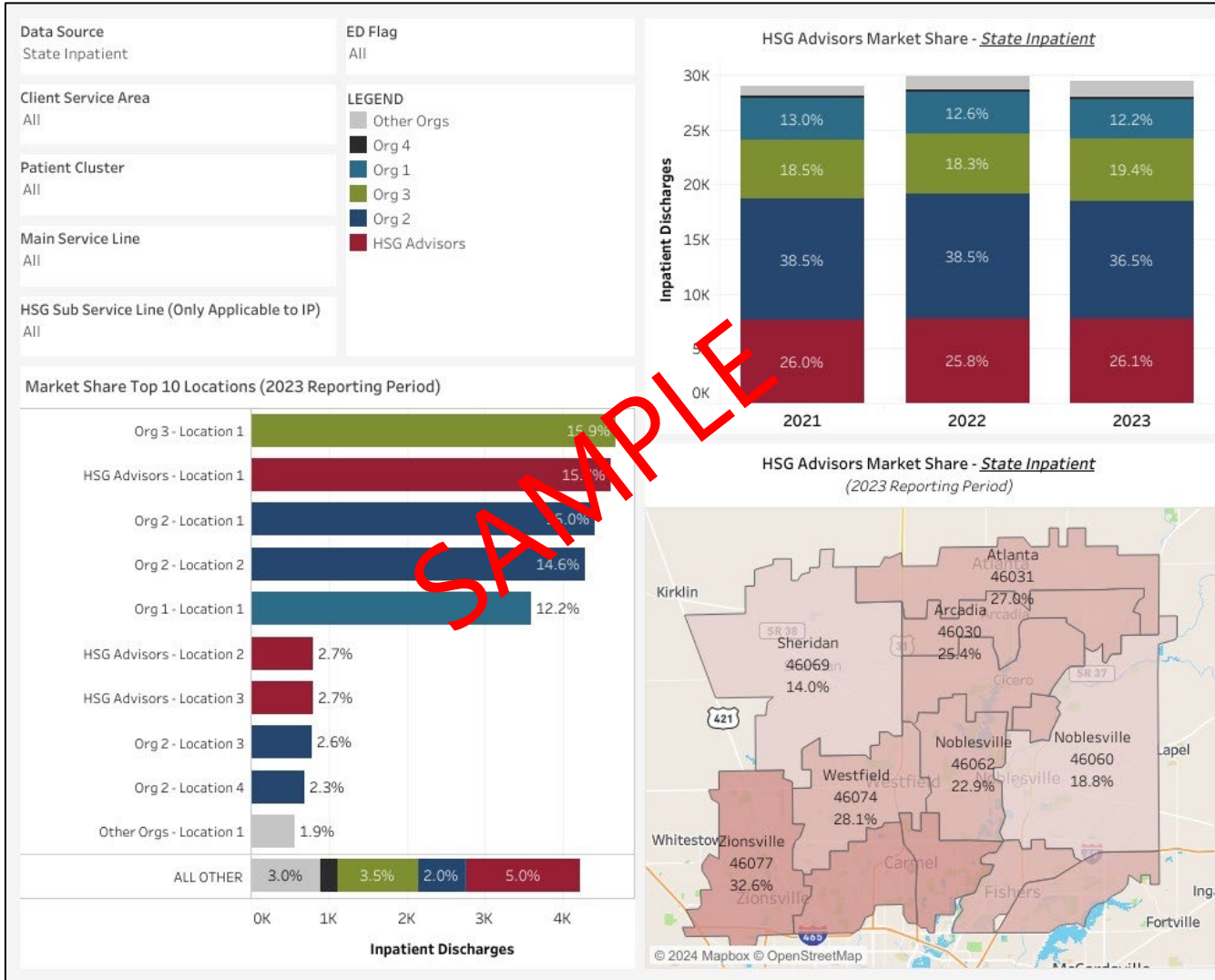
HSG builds comprehensive primary care inventories – contrasting client health system employed providers versus other employed providers versus independent provider groups within the market.

Patient retention is measured by specialty type and is available at the following levels:

- By Specialty
- By Market
- By Primary Care Practice
- By Primary Care Provider

Provider-specific scorecards for a client employed primary care provider are available to facilitate understanding and discussion of retention opportunities with providers and their staff.

State-Level Market Share



HSG State-Level Market Share aggregates and visualizes state hospital association data sets related to Inpatient data, as well other data sets (Outpatient, Emergency Department, etc.) as available by state.

The dashboards below are available based on most state data sets:

- Overall Market Share
- Market Share by Service Line
- Market Share by Service Area
- Sub-Service Line Dashboards
- Payer Market Share Dashboards
- DRG-Level Dashboards