

Market Characteristics



- Meaningful Use Incentives drive EHR activity
- Increasingly Complex Regulatory Requirements
 - ANSI 5010 (12/31/2011) and ICD-10 (October 1, 2013)
- Reimbursement Compression & Fewer Patient Visits
- Rising administrative costs & broken collection processes
 - 20% of claims submitted have errors (Eligibility – 30-40%, Coding Errors, Administrative Errors)
 - 75% of those claims were eligible for higher reimbursement
 - 50% of those claims are actually corrected and resubmitted
 - A study conducted by the MGMA found that the average cost of re-working a denied claim for payment was \$25. - That's 50 claims PPPM @ \$25 /each = \$1250 in admin costs alone!
 - For patient responsible co-pays not collected at time of service, 60% becomes bad debt!
- Deductibles are on the rise and patient financial responsibility is increasing
- Consolidation – Large Groups are “Consuming” Smaller Groups
- Growth in “Outsourced Billing”
- Early stages of Transition from FFS to FFV (ACO & PCMH)

Employment by Hospitals

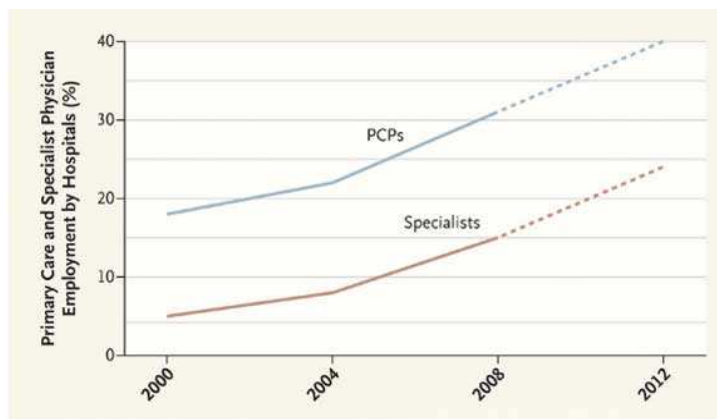


Figure 2. Percentages of Active U.S. Primary Care Physicians (PCPs) and Specialist Physicians Employed by Hospitals, 2000–2012. Data are from the Physician Compensation and Production Survey, Medical Group Management Association, 2003–2009.

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Unsustainable system

The healthcare system is built on a flawed economic foundation that rewards **volume**, not **value**.

Physicians

- Fee-for-service rewards quantity, not quality
- Practice variation is widespread
- Limited accountability for patient outcomes

Hospitals

- Overcapacity & cost-shift
- Volume, not quality-based model
- Limited focus on total cost of care and measurable outcomes

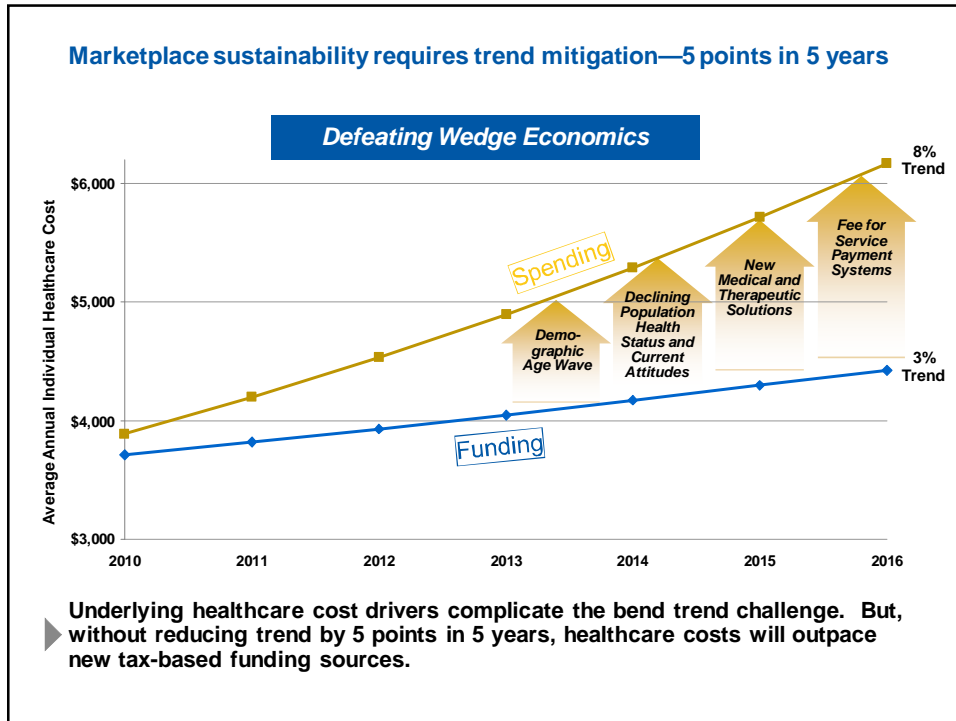
Today's
system
grows 6-8%
a year

Patients

- Few incentives to be engaged in managing own health
- Low satisfaction with fragmented care delivery

Employers

- Escalating costs to provide benefits, w/o better value
- More likely to drop coverage or reduce benefits



Where is all of this heading?
Market forces will reshape the healthcare industry over the next decade.

Health systems with unprecedented financial motivation integrate and become health management companies

- Community health manager focused (vs. hospital centric)
- Primary care evolution – from transactional to care coordination
- Multidisciplinary mgmt of complex patients thru shared care planning
- Transfer of ~\$1T of clinical risk from plans to providers over next 10 yrs
- Emergence of new biz models with health mgmt, wellness, lifestyle focus

HIT players become key change agents with connected clinical systems and integrated solutions

ACO: Revenue Cycle & Performance Management

Revenue Cycle Management

- Intake (Eligibility, PPA)
- Enrollment Management (ACO)
- Activity Management & Resource Access (ACO)
- Enterprise Appointment Scheduling
- Case Management
- Billing
- Collections
- Clearinghouse
- Contract Management
- Denial Management
- Contract Audit & Recovery
- Electronic Statements
- Web-based Patient Payments
- Payment Hub
- Inventory Control
- Global Purchasing
- Revenue Distribution

Performance Management

- Cost Accounting
- Strategic Product Budgeting
- Operational Budgeting
- Labor Productivity
- Product Line Analysis & Financial Outcomes
- Enterprise Reporting & Analytics
- Staff Optimization
- Bundled Payment Modeling
- Strategic Market Planning
- Physician Management
- Episodic Visualization & Analytics

Medical Banking

- Data Transmission Network
- Identity Management, Fraud & Abuse
- Smart Cards & Consumer Card Systems
- Patient Payment Support
- Financial Assessment at POS
- "Multi-Purse" Processing
- Participant Communication
- Payment Hub/Revenue Distribution
- Source of Funds & Cash Management

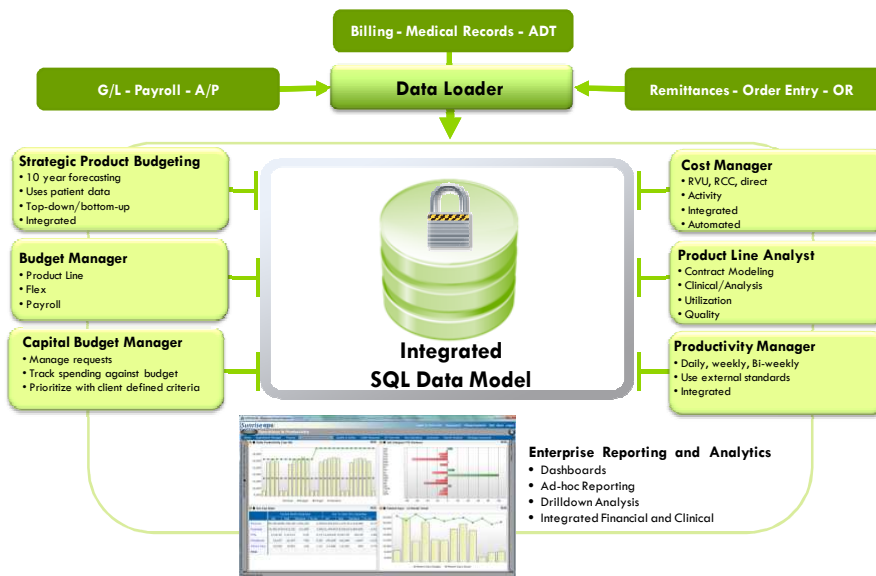
Framework

- Common Authentication & Authorization
- Common Messaging & Communication
- Visual Workflow
- User Interface
- Common ETL Solutions
- Master Data Services (Terminology, etc.)



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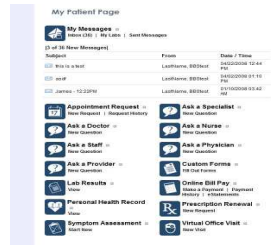
Performance Management: Overview



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Patient Portal

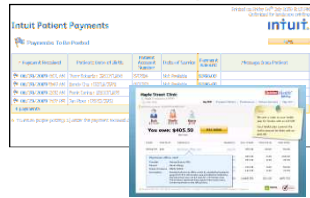
Patient Portal



Personal Health Record



Intuit Health Bill Pay Premier



Integrations

