Growth in a Declining Market – Developing a Robust Regional Referral Center Strategy

Becker’s Hospital Review
6th Annual Conference
May 7, 2015

Ochsner Health System
Our Mission is to Serve, Heal, Lead, Educate, and Innovate

- Largest Health System in Gulf South
- 13 hospitals (Owned, Managed)
- 50 Health Centers
- Nearly 1,000 group practice physicians in over 90 subspecialties
- 1,600 Active Community Physicians
- 9 of 12 specialties nationally ranked by U.S. News & World Report
- Top 15 Teaching Hospitals in America
- Largest Private Employer in Louisiana
- #1 fitness chain in Louisiana

Revenue ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>$0.0</th>
<th>$1.0</th>
<th>$2.0</th>
<th>$3.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Patient Activity

- 385K Unique Patients
- 57K Discharges
- 1.5M Clinic Visits
- 280K ED Visits
- 45K Surgeries (In & Outpatient)

2014 Patient Activity

Proven Quality - Top 1% in US

#5 in Diabetes & Endocrinology
#5 in Ear, Nose and Throat
#14 in Gastroenterology & GI Surgery
#45 in Geriatrics
#34 in Nephrology
#24 in Neurology & Neurosurgery
#41 in Orthopedics
#46 in Urology
#26 in Pulmonology
#46 in Urology

National Rankings:
- #8 Overall Hospital Care
- Top 100 Overall Medical Care
- #1 Liver Transplant
- #4 Trauma Care
- #10 in 6 Other Specialties
- #1 in Market
- #1 in State

Overall State Rankings:
- #1 & #2 Overall Hospital Care
- #1 Overall Medical Care
- #1 in Market
- #1 in State
Shift From Inpatient to Outpatient

Medicare Volume Growth
Cumulative Percent Change

Outpatient Services per FFS Pat & Beneficiary
Inpatient Discharges per FFS Pat A Beneficiary

Ochsner Health System

What are We Trying to Solve For?

Inpatient Discharges In OHS Operating Regions

STEP 1: BUILD THE REGIONAL REFERRAL CENTER (RRC)
2014 Regional Referral Center

6,443

Regional Referral Center: Keys to Success

- **Internal Synergy**
  - Medical Director - collaborate with operations and physician champion
  - Aligned incentives with Business Development team
  - Senior Executives’ commitment to making transfers a priority

- **Technology**
  - Electronic system for tracking transfers
  - Real time call statistics to track abandoned calls (i.e. missed opportunities)
  - Call Center staffing levels
  - Call recording platform - legal assurance, QA, and PI

Regional Referral Center: Keys to Success

- **Partnerships**
  - Community Hospitals – Service Availability, Escalation Plans.
  - Outside Partners – either strategic partners or high volume referrals
  - Voice of the Customer
  - Standard process for the referring physicians to transfer patients out
  - Yet we allowed our community hospitals to customize how we transferred patients into their facilities

- **Physician Engagement**
  - Medical Director - key recourse for tough conversations with other physicians
  - Getting Frontline physicians to embrace the culture of “YES”
  - Worked with physicians for service line specific protocols
STEP 2: REDEFINE YOUR MARKETPLACE

A Destination for Care

OMC Discharges From > 25 Miles

Total Transfer Growth Accelerates
STEP 3: MAXIMIZE SYSTEM ASSETS

END RESULT
Discharge Growth at Ochsner Medical Center 2012-2014

Securing Our Primary Market

Strengthening Our Position in the State
Bridge to Success in 2015

Efficiency on the Local Level
30/70 Transfer Split
Invest in Transportation
Amazon.com Model
Physician Directed Protocols
Telemedicine Expansion

Lessons Learned (Don’t Make These Same Mistakes!)

• Market the transfer center as a System Resource so it is not only associated with the flagship.
• Technology is great but it cannot fix all your problems…clear understanding of what the transfer tracking technology can and cannot deliver.
• Clear escalation plans when a physician or facility decline a patient.
• Growth involves change and change takes time…continued focus on daily process improvement.

AMBULATORY REFERRAL EXCELLENCE
Value Proposition

Clinic Concierge: Keys to Success

- Buy-in from internal stakeholders
- Hire - and train - for success
- Awareness and marketing
- Partnership with Business Development
- Feedback

CC Referrals
**No-Show Rates**

<table>
<thead>
<tr>
<th>Service</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>OHS</td>
<td>8%</td>
</tr>
<tr>
<td>Best in Class</td>
<td>5%</td>
</tr>
<tr>
<td>Clinic Concierge</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Feedback from Referral Sources**

- "I couldn’t imagine any one else handling my referrals."
- "...very pleased and satisfied with the Ochsner Clinic Concierge. They are very helpful, courteous, friendly. ...Wish we had more like them, they brighten our days when we speak to them."
- "Very satisfied with the whole process. Had to send two patients in same day and process was great. Will continue to use Ochsner because process is so good."
- "This service is awesome. It has increased my referrals to Ochsner 10 fold. Everyone I have spoken to on the phone has been extremely helpful, professional and courteous. Keep up the great work."

**Dispelling the Black Hole**

**CONS/NP Referred Patient Feedback Rates**

- Pre Launch: 39%
- Current: 83%
2015: The Journey Continues

Ochsner Medical Center Contacts:
Rob Wolterman, CEO
rwolterman@ochsner.org, 504-842-0165
Beth Walker, COO
bwalker@ochsner.org, 504-842-3257