Taking Sedation to a New Place

Current Hospital Trends & Strategies and How These Impacted ProMedica Toledo Hospital’s Decision to Adopt the SEDASYS® Computer-Assisted Personalized Sedation System

May 14, 2015
2 p.m. to 3 p.m. EDT
Introducing Today’s Speakers

Mark D. Dixon, R.Ph, M.H.A., FACHE
President of The Mark Dixon Group, LLC.
Former Regional President of Fairview Health Services and Chief Executive of Abbott Northwestern Hospital in Minneapolis

Joseph Sferra, M.D.
Vice President of Surgical Services and Surgeon at ProMedica Toledo Hospital

Note: Speakers are paid consultants of Sedasys
Today’s Webinar Agenda

• Integrated Delivery Networks and Hospital Trends and Strategies: C-Suite Perspective

• Background on ProMedica Toledo Hospital and the SEDASYS System

• Discussion: How Current Trends Impacted ProMedica Toledo Hospital’s Decision to Adopt the SEDASYS® System

• Questions and Answers
Integrated Delivery Networks and Hospitals Trends and Strategies: C-Suite Perspective
Overview of Presentation

1. What are the Major Changes Occurring with Healthcare Reform
   • What is health reform, and is it here to stay?
   • How is it Impacting Providers?

2. Perspectives and Implications for the C-Suite of Integrated Delivery Networks (IDNs) and their Hospitals
   • Five Key Healthcare Trends for IDNs

3. Winning Strategies for IDNs
What are the Major Changes Occurring with Healthcare Reform and How is it Impacting Providers?
America cannot afford our healthcare system and cannot compete in a world economy if it keeps spending more on healthcare

- Total healthcare and hospital expenditures have nearly doubled in the last decade; Now 17.9% of GDP, projected to grow to 19.6% in 2021\(^1\)
- If growth rate stays constant, average cost of a family health insurance premium will equal 50% of the household income by the year 2021 \(^2\)

The average Medicare couple (dual-earner couple each earning $43,500 and retiring in 2011) pays $119,000 into the program and gets $357,000 in benefits out, according to the Urban Institute \(^3\)

The governmental debt crisis only deepens this issue – we cannot borrow our way out of this. Our economy is going through a major “re-set”.

Healthcare reform is accelerating and is here to stay

2009

2010

2013 to 2022

$260+ billion in reduced Medicare payments
Healthcare Reform is Accelerating and is Here to Stay

The Patient Protection and Affordable Care Act (ACA) of 2010 are having a major impact on the entire U.S. Health Care System

• The Health Information Technology for Economic and Clinical Health (HITECH) Act
• Value-based purchasing
• Accountable Care Organization (ACO)
• Insurance reform – coverage for all, insurance regulation

• Over 2013 to 2022, drastic Medicare payment reductions
  • $260 billion in Medicare hospital payment cuts
  • $56 billion reduced Medicare and Medicaid DSH payments
  • $151 billion decrease due to sequestration/2013 budget bill
• The vast majority of industry growth will be Medicare patients
• Reform is designed to achieve the “Triple Aim” of reduced cost and improved quality/patient experience
The Institute for Healthcare Improvement (IHI)
“Triple Aim” 4

ACA’s Overarching Goals
• Healthier communities
• Better health care
• Lower costs

“The fee for service reimbursement model as we know it today is dying quickly; we just don’t know the date of the funeral yet.”

Rich Umbdenstock (AHA President & CEO)
Perspectives and Implications for the C-Suite of Integrated Delivery Networks (IDNs) and their Hospitals
Five Key Healthcare Trends for IDNs

1. Healthcare consumerism is here
2. Population Health: Volume to value
3. Physician employment and integration
4. Scale will win: Continued industry consolidation
5. A relentless focus to reduce cost – the new normal
1. Healthcare Consumerism is Here

- Consumers and employers are taking action
  - High deductible products have already grown 4X since 2006
  - Median deductible in the 2014 public exchanges is $2,500
  - Employers and payers experimenting with cost-control, steerage tactics
  - Price transparency tools and regulation reveal price differential, directing volumes

- 72% of retail healthcare consumers say #1 issue in provider selection is cost.

2. Population Health: Volume to Value

Creating Accountable Care Organizations, population health capabilities, and new models of care

- Fundamental care model changes with triple aim focus
  - Care bundles, care management, pathways, coordinators, and more
  - Patient-centered medical home
  - Evidence-based medicine incorporated into care models

- The business model for an ACO/Care Transformation
  - Low-cost clinically integrated networks of physicians and other care providers
  - Growth strategy targeted at increasing covered lives
  - New, innovative performance-driven narrow-network contracts
  - Cross-continuum performance management
    - Key tactics to address leakage/keepage beyond acute care
3. Physician Employment and Integration

Physician consolidation/employment to achieve alignment and engagement

- Primary care, specialists, and all others – potential for alignment (more than 50% of MDs are employed\textsuperscript{13})
- Physicians are also consolidating into larger groups
- Clinically integrated physician network development
  - Alignment with large systems
  - Many different forms - PHOs; Foundation models; some loose, some tight
- The doctor is the deal!

4. Scale Will Win: Continued Industry Consolidation

2020 Provider Landscape Dominated by 100+ Super Regional Mega Systems

- National Mega System ACO
- $10B+ of Revenue
- 30+ Hospitals
- 300+ Clinics

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<th>Size</th>
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- Small IDN
- Independent Hospital
- Standalone AMC

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5. A Relentless Focus to Reduce Cost: The New Normal

• Radical operational performance improvement – make money on Medicare pricing
  • Reduce costs and improve operating margin to make money on Medicare; cut costs 15 – 25+ percent.
  • Average 2013 Medicare margin projected to be negative 6% 14

• Key areas of focus
  • Cutting direct costs (FTEs, Drugs, Services)
  • Leveraging size to negotiate better pricing
  • Increasing operational efficiencies
  • Value-based purchasing – improving quality and experience
  • Physician engagement
  • Creating value through population health management

Winning Strategies for Integrated Delivery Networks (IDNs)
IDN Response: Create Enhanced Value for Those We Serve

Journey to transform healthcare – moving from volume to value

Creating Value and Outcomes

Change Care

Consumer

Value

Change Experience

Provider

Change Payment

Patient Activation and Consumer Engagement

Realizing Economic Return for New Value

Employer/Plan

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It is Truly a Journey…

Care Delivery

Value-driven coordinated care

Volume-driven fragmented care

Payment

Discounted fee for service

Episode payment

Shared savings models

Partial capitation

Global payment

Past

Present

Future

Today

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Creating Value & Serving More People

Using the IDN Collective Capabilities and Capacity

Create Value
- Improved clinical outcome
- Exceptional experience
- Reduced total cost of care

Cover More Lives
- Grow provider network
- Improve “keepage”
- Attract new “members”

Improve More Lives
- Health status
- Well-being

The Mark Dixon Group, LLC
Winning Strategies for IDNs

Despite this change, there will be winners who prosper from these changes and have:

- A relentless focus in all areas of their IDN to reduce cost – the new normal
  - Most efficient cost model with significant reduction in variation, evidence-based care
  - Elimination of readmissions and unnecessary surgeries/care
  - Improve throughput
  - People and processes a key focus (50 percent of IDN spend!)
  - Growth

- The creation of value – clinical outcomes, experience and total cost of care leaders – will position IDNs to be successful under multiple payment models

- An ability to accept and manage risk
  - Integrated clinical and financial data across populations of patients – big data
  - Proactive and reactive care coordination solidly in place. It’s how we do it here.
  - Actively pursuing population health ACO deals

- Engaged physicians and employees
ProMedica Toledo Hospital and the SEDASYS® System
Background on ProMedica Toledo Hospital

- About ProMedica – Vision/Mission
- ProMedica Gastroenterology and Prior Approach to Sedation
- Challenges with Status Quo and Why Explore Alternatives?
The SEDASYS® Computer-Assisted Personalized Sedation System

The SEDASYS® System works alongside your physician/nurse teams by vigilantly monitoring and responding to each patient in real time. The SEDASYS System elevates your patient’s safety and comfort.

Only FDA-approved method
The SEDASYS System is the only FDA-approved method of administering propofol to patients without an anesthesia professional delivering the sedation. It targets minimal-to-moderate sedation and is intended to be used with healthy patients undergoing routine colonoscopy and upper endoscopy procedures.
Watching and Reacting to your Patient in Real Time

The SEDASYS® System monitors a patient’s response to the propofol being delivered, limits drug dosing based on a patient’s responsiveness, automatically reduces or stops drug delivery, changes oxygen rate when needed, and quickly alerts the clinical team if the patient experiences trouble breathing or a decrease in blood oxygen levels—all in real time.

Patient Monitoring Compliant with ASA Guidelines for Sedation

Computer-Assisted Drug Delivery

Integrated Patient Monitoring and Drug Delivery via Dosing Limits, Patient Alarms, and Responsive Oxygen Delivery

Pulse Oximetry
Capnography
Electrocardiogram
Blood Pressure Responsiveness

Propofol Dosing Oxygen Delivery

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Indications for Use

The SEDASYS® System is indicated for the intravenous administration of 1% (10 mg/mL) propofol injectable emulsion for the initiation and maintenance of minimal-to-moderate sedation, as defined by the American Society of Anesthesiologists (ASA) Continuum of Depth of Sedation, in ASA physical status I and II patients ≥ 18 years old undergoing colonoscopy and esophagagogastroduodenoscopy (EGD) procedures.

Note: The SEDASYS® System must only be used in hospitals and/or healthcare facilities where an anesthesia professional is immediately available for assistance or consultation as needed. The definition of ‘immediate availability of an anesthesia professional’ will be determined by each individual facility.
Training per Labeling

The SEDASYS® System should be used by a physician-led team trained in administering moderate sedation. At a minimum, the member of the physician-led team who is administering sedation must have training in the management of the cardiorespiratory effects of propofol when administered using computer-assisted personalized sedation systems:

- Pharmacology of propofol
- Identification of high risk patients
- Recognition of progression of levels of sedation, and actions necessary to return patient to intended level
- Capnometry and the determination of adequate ventilation
- Management of airway obstruction and hypoventilation

Prospective users of the SEDASYS® System should complete an EES approved device training program before using the System.
Additional Essential Product Information

CONTRAINDICATIONS:
Patients with a known hypersensitivity to propofol injectable emulsion or its components; patients with allergies to eggs, egg products, soybeans, or soy products; patients with a known hypersensitivity to fentanyl; pregnant or lactating women; delivery of any drug other than propofol emulsion; patients with a full stomach.

WARNINGS:
Do not supplement propofol administered by the SEDASYS® System with additional manual bolus doses of propofol or any other sedative (e.g., midazolam) as this may result in overdosing and respiratory depression.

Do not supplement the single pre-procedure dose of fentanyl with additional doses of fentanyl or any other analgesic (e.g., meperidine) as this may result in overdosing and respiratory depression.

PRECAUTIONS:
In the following patients the SEDASYS® System has not been studied and should not be used: Patients <18 years old; ASA physical status IV and V; patients using a fentanyl patch; patients with abnormal airway or diagnosed sleep apnea; patients with gastroparesis; patients with Body Mass Index ≥35; patients undergoing both colonoscopy and esophagogastroduodenoscopy during the same procedure visit; patients undergoing emergent colonoscopy or esophagogastroduodenoscopy.

For complete indications, contraindications, warnings, precautions, adverse events, and additional product information, see essential product information available at our website at www.sedasys.com or Instructions for Use. Rx Only.
Discussion: Trends and Impact on ProMedica Toledo’s Decision to Adopt the SEDASYS System

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Questions and Answers
Enter the New Era of Sedation

Thank you for participating!