



marinhealthSM

Revitalization Plan

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Areas of Focus

- Assess Hospital Services
- Optimize Physician Enterprise Approach
 - Virtual Health + Real Estate
- Form New Partnerships
- Leverage UCSF Health Alliance
- Bolster Payer Strategy
- Revenue Cycle
- Cost Management

Assess Hospital Services

- Bringing hospital services back online is a great opportunity to reassess which services should continue to be offered
- Evaluate the real estate portfolio due to changing essential services and care delivery models (rise in virtual health)
- Leverage the effective COVID-19 response to bring confidence to patients and providers that will help to build procedure volume
- Continue community preventive care outreach
- Review purchased services and other costs

New Hospital Benefits

- Functional Space Design
 - Increased bed capacity: ability to admit patients more quickly from ED or direct admits
 - All private rooms in inpatient areas
 - Not transferring patients between rooms during isolation decreases exposure
 - Expanded ED capacity with separate rooms will help to accommodate patients requiring isolation/testing
 - Convenient storage to access critical equipment closer to patient care areas
- Virtual Care Platform by Banyan
 - Remote access to various practitioners
 - Decreased need for PPE, less staff exposure and need to enter the room
- Infection Prevention
 - More negative air flow rooms (airborne isolation), that contain anteroom
 - PPE availability in each room, instead of isolation carts on demand

Optimize Physician Enterprise Approach

- MarinHealth Medical Network swiftly converted to virtual visits during the COVID-19 crisis
 - Assume CMS will continue reimbursement for virtual visits
 - Continue to build on new virtual health capabilities post pandemic
 - Expand access to care and improve patient experience
 - Control overhead expenses
 - Work to ensure future specialist access that can be delivered via virtual health
- Medical Practice Alignment
 - Reassess practice real estate footprint in the service area due to changing care models and space needs of providers
 - Understand implications to future medical office design

Form New Partnerships

Independent Physicians

- Shelter-in-place and elective procedure restrictions have had a major financial impact on most independent providers in the community
- Presents an opportunity for MarinHealth to align with providers
 - Ensure thriving specialty practices in Marin
 - Grow the MarinHealth Medical Network physician enterprise
 - Evaluate ancillary and surgical services partnership opportunities

Other Potential Partners

- Collaborate in caring for the underserved and address healthcare disparities
- Identify areas where MarinHealth can provide services to other networks

County Health and Human Services

- Identify new revenue to help support caring for the underserved

Leverage UCSF Health Alliance

- Identify our capacity to help UCSF alleviate surgical back logs
- Update strategic alliance structure from project based to enterprise based. This will help drive results faster and focus on MarinHealth's overall success.

Bolster Payer Strategy

- Obtained market level comparative data to understand where our opportunities exist
- Conduct collaborative negotiations to work with payers to obtain appropriate rates & rebalance to areas of strength.
- Take aggressive stand when needed

Revenue Cycle

- Hospital Revenue Cycle
 - Began 1/2020
 - New tools and software
 - Reduce denials
 - Improve charge capture and documentation
- Medical Network Revenue Cycle
 - Began 6/2020
 - Working to design revenue cycle function for network
 - Reduce denials
 - RFP for billing vendor
- Re-initialized the Clinical Documentation function @ hospital
- Provider coding education

Cost Management

- Initiated labor review project with Huron in 2020
 - Ongoing adjustments to workforce as needed –continuation of work that began in late 2019
 - Flexing staff all staff to volume
- Initiated project to reduce loss at MHMN through improved revenue (besides revenue cycle) and manage costs.
- Continue to drive down supply costs
- Reduce rent by consolidating space and exiting higher cost space

Revitalization Summary

MarinHealth Revitalization Plan

	Recognized August 2020	Amount to be Recognized in Late 2020 and 2021	Total Benefit in 2021	Potential in 2022	Comment/Status
Growth/New Revenue					
New Growth Opportunities with Strategic Partners	-	2,500,000	2,500,000	27,000,000	
Expand Physician Network	-	2,000,000	2,000,000	13,000,000	Working to expand Medical Network. GI group joining in 12/2020 and others discussion on going
Total Revenue Growth	-	4,500,000	4,500,000	40,000,000	
Revenue Rate Improvement					
Managed Care Rate Increases	400,000	1,900,000	2,300,000	5,000,000	In process with support from Guidehouse. Completed negotiations with Aetna, Blue Shield, Anthem and California Dept of Corrections
Revenue Cycle Improvements Hospital	5,000,000	6,250,000	11,250,000	9,000,000	Substantially complete. Huron estimate is between \$9.3M - 13.2M.
Medical Network	322,000	4,928,000	5,250,000	5,000,000	Huron project started full swing in June of 2020 and is expected to last until November 2020. Huron estimate is between \$4.3M - \$6.2M
Clinical Documentation Hospital	1,714,000	1,886,000	3,600,000	3,000,000	Completed work. Results lagging due to lower volumes associated with COVID. Still anticipate at least \$3M
Physician Network	TBD	TBD		500,000	Huron project began at the end of May 2020 and is expected to continue through the end of September.
Total Revenue Rate Improvement	7,436,000	14,964,000	22,400,000	22,500,000	
Cost Improvement					
Labor Improvements	2,648,000	10,900,000	13,548,000	14,100,000	Huron project began in July 2020 and is expected to continue through the end of November. Target labor improvements represent 4% of SW&B.
Supply/Purchased Serv Reductions	600,000	2,000,000	2,600,000	5,000,000	Huron project began in May 2020 and expected to continue through the end of December.
Reduce rent spend			-	2,000,000	We have located lower cost space to reduce cost. Additionally, we are assessing post COVID needs to reduce amount leased space.
Physician Network Loss Improvement			-	4,500,000	Huron project began on in July 2020 and expected to continue through December. Represents approximately a 4% improvement in the cost structure.
Other			-	3,000,000	
Total Cost Improvement	3,248,000	12,900,000	16,148,000	28,600,000	
Total Improvements	10,684,000	32,364,000	43,048,000	91,100,000	

Oct. 8, 2020

Questions