

APRIL 30, 2018

VOLUME 34 NUMBER 07

SYSTEM FORMATION IS COMPLEX: RHODE ISLAND EXAMPLE

On the AMS Health Care Management Predictions **Top Ten Trends for 2020**, Number 5 on the list is the **Creation of 25 Hospital-based Super Systems**, which said, “the big get bigger. Mergers of Hospital Systems driven by cost efficiencies continues, resulting in homogenization and commoditization of healthcare.” Enclosed with this issue is a copy of **The Top Ten Healthcare Trends**, which was originally published in January 2016.



An example of this System Formation is under consideration at Care New England (CNE) (Providence, RI), Partners HealthCare (Somerville, MA), Brigham and Women’s Hospital (Boston, MA), and Lifespan (Providence, RI), which announced in a joint statement “*Care New England and Partners HealthCare have approached Lifespan and will begin formal discussions to explore how all three health care providers might work together to strengthen patient care in Rhode Island*”.

For this to take place is fascinating on many accounts, and AMS wishes all the best in making it happen. Here are some relevant events in the history of Care New England and Lifespan.

- 1986 - Before either system was formed, Women and Infants Hospital (now CNE) affiliated with Rhode Island Hospital (now Lifespan) and relocated to an entirely new facility on Dudley Street in Providence near Rhode Island Hospital.
- 1997 - Lifespan was formerly a two medical school system. From 1997 to 2002, Tufts Medical Center, Boston, then called New England Medical Center (NEMC), was part of the Lifespan system. Before that happened, NEMC also had interest from Columbia/HCA in a possible purchase, which was controversial at the time since it would be a for-profit purchasing a not-for-profit Boston Academic Medical Center. Columbia/HCA’s chair was Rick Scott then, who is now the Governor of Florida.
- 2010 - Lifespan and Care New England said they have abandoned their effort to merge, two and a half years after they first announced plans to combine into one organization.
- 2017 - Women and Infants Hospital had 8,500 births. Rhode Island Hospital filed a certificate of need application with the state to build a 31-bed obstetrics unit that would open in 2020 and accommodate 1,600 births.

- 2018 - (January)-Brown University President Christina Paxson announced in a letter to the Brown campus community on Jan. 11, a proposal to join with CharterCARE Health Partners (owners of two hospitals in Rhode Island, Roger Williams Medical Center and Our Lady of Fatima Hospital) to enter merger discussions with the Care New England Health System. The Brown-CharterCARE alternative was not considered by either Partners or CNE. However, CharterCARE has since made public its intent to acquire and re-open Memorial Hospital in Pawtucket, which had been acquired by Care New England in 2013 and closed as an acute care hospital in late 2017.
- 2018 - (February) Care New England and Partners HealthCare have approached Lifespan and will begin formal discussions to explore how all three health care providers might work together to strengthen patient care in Rhode Island.

All the hospitals in this story are either current or past AMS clients.

6 INDIVIDUALS – 120 YEARS OF SERVICE

AMS' annual meeting was held at the restaurant Seasons 52, Burlington MA, on April 19, 2018. This was a repositioning of the meeting from the traditional November date as that was the time this year the company's 50th anniversary was celebrated.

At the meeting, longevity was in fashion as the following employees were recognized for their commitment of 120 years of outstanding service to the company: Paul Camara, Principal; Carol Cullen, Senior Coder; Michael Foley, Principal; Alan Goldberg, Principal and President; Michele Hope, Manager; William Purchase, Vice President.

After the meeting, the company celebrated with a cocktail party with "heavy appetizers" at the restaurant.

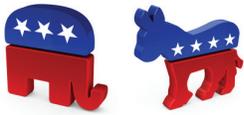
WELCOME FRAN FALSEY

We are very excited to announce Fran Falsey has joined AMS full time as a member of our team! She brings a diverse background of professional experience and achievements that we look forward to sharing with clients. Most recently, a member of the senior executive team at Care New England (CNE), Fran had system responsibility for clinical shared services including imaging, laboratory and pathology, therapies and cardiovascular services.

Prior to her CNE system role, she oversaw clinical ancillary and support services at Kent Hospital, a CNE facility. She joined CNE in 2006 as Finance Director for Patient Care Services. She spent 10 years as a management systems engineer performing labor benchmarking, operational analysis and other projects that included a focus on revenue cycle and care access. Her BS and MBA are in Health Services Administration. Fran's email is ffalsey@aboutams.com. Welcome Fran!



Where to invest your healthcare management dollars

- 1 Patient Empowerment Drives Care**  There's an "app for that." Technology revolutionizes self-driven healthcare — easy access, self diagnosis, telemedicine, personalized genome — creates a true proactive era. Will institutions keep up?
- 2 Healthcare Professional Staffing Shortages** While shortage projections may be overstated for nurses, expect them to be understated for other professionals, such as pharmacists and physicians. We will see an increased need for team-based care and physician extenders such as PAs and NPs.
- 3 Focus on Patient Outcomes and Quality** Requires management vision followed by "measure and compare" and peer-recognition. Patients always at the center, with highest quality, best outcomes and controllable costs the goal. CQI data drives quality improvement. 
- 4 Behavioral Health Parity**  Mental health and drug addiction crises are recognized for major impacts on the healthcare system.
- 5 25 Hospital-based Super Systems** The big get bigger. Mergers of hospital systems driven by cost-efficiencies continues — resulting in homogenization and commoditization of healthcare.
- 6 Pharma and Orthopedic Surgery** Two areas are "red hot" as drivers for living a longer and better quality of life. Elective "self-care" medicine and designer pharmaceuticals means that "80 is the new 40." 
- 7 Information Overload!** Need we say more?
- 8 (Almost) Single-Payer System** Insurance to become an oligopoly, like airlines and automotive industries. Employer-sponsored insurance population will decrease from 50% today to 40% in 2020. Insurance will get a lot more expensive.
- 9 Presidential Election Year - Healthcare Costs**  Healthcare becomes a larger part of the political debate; expect an even longer Presidential-election cycle in 2020.
- 10 Technological Advances in Care Explosion** Increased longevity and care of aging population (20-25% will be age 60+) drive biotech breakthroughs such as further development of regenerative tissue, 3D-printed organs, and use of robotics.