Understanding the health care landscape: The Affordable Care Act

March 2018
## Top 10 CEO Concerns and Triple Aim Concept

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<td>8. Population Health Management</td>
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<td>9. Technology</td>
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<td>10. Personnel Shortages</td>
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These concerns are representative of a shifting health care environment in which hospitals are adjusting to a financial model based on “pay-for-improvement” vs the past model based on “pay-for-reporting.” Reimbursement is tied to the implementation of the **Triple Aim Concept** below.

### Three Pillars of the Triple Aim Concept

- **Better Care:**
  Advance the overall quality of health care by focusing on patients

- **Healthy People/Healthy Communities:**
  Support proven interventions and deliver higher-quality care

- **Affordable Care:**
  Reduce the cost of quality health care

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Impact of Affordable Care Act on Hospital Systems

References:
1. Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Inpatient Prospective Payment System and FY2012 Rates; Hospitals’ FTE Resident Caps for Graduate Medical Education Payment, Federal Register, Volume 76, Number 160, Thursday, August 18, 2011. Accessed March 19, 2015.
2. Medicare Program: Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 2009 Rates; Payments for Graduate Medical Education in Certain Emergency Situations; Changes to Disclosure of Physician Ownership in Hospitals and Physician Self-Referral Rules; Updates to the Long-Term Care Prospective Payment System; Updates to Prospective Payment System; Updates to Certain IPPS-Excluded Hospitals; and Collection of Information Regarding Financial Relationship Between Hospitals; Final Rule, Federal Register, Volume 73, Number 161, Tuesday, August, 19, 2008. Accessed March 19, 2015.
Percentage of Medicare Reimbursement at Stake by Fiscal Year 2017

**Value-Based Purchasing**
- Up to 2%
  - Clinical process
  - Patient experience (patient satisfaction)
  - Outcomes (SSI: colon surgery & abdominal hysterectomy)
  - Efficiency (medicare spending per beneficiary)

**Readmission Reduction Program**
- Up to 3%
  - Acute myocardial infarction
  - Heart failure
  - Pneumonia
  - Chronic obstructive pulmonary disease
  - Total hip arthroplasty
  - Total knee arthroplasty

**Healthcare Acquired Condition Program**
- 1%
  - Agency for Healthcare Research and Quality PSI-90 Composite
  - Catheter-associated urinary tract infections
  - Central line-associated bloodstream infection
  - Surgical site infections (colon surgery & abdominal hysterectomy)
  - Methicillin-resistant *Staphylococcus aureus*
  - *Clostridium difficile*

Your Hospital Data and Outcome Measures

SSI: Colon Surgery & Abdominal Hysterectomy

Rate of Unplanned Readmissions After Hip/Knee Surgery

Survey of Patient Experience

Link to website below

http://www.medicare.gov/hospitalcompare/search.html

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Factors That Impact Your Hospital

**Controllable**
- Evidence-based device selection
- Transition of care (discharge order set)
- Patient instructions and education

**Uncontrollable**
- Changes in health care reimbursements
- Patient comorbidities
- Type of procedure
- Patient’s age
- Discharge environment

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Ethicon: Shaping the Future of Surgery
We strive to live up to our legacy in 3 distinct ways

1 Help protect and save more lives
   • Solutions that help create an optimal environment for wound healing

2 Address pressing health care issues
   • Help address risk factors associated with SSIs
   • Proven to help reduce length of stay1*

3 Advance innovation
   • Technologies that advance skin closure to meet hospital and patient needs

*Applies to Dermabond Advanced Topical Skin Adhesive