

Understanding the health care landscape: The Affordable Care Act

March 2018

Top 10 CEO Concerns and Triple Aim Concept

Top 10 CEO Concerns¹

1. Financial Challenges
2. Healthcare Reform Implementation
3. Governmental Mandates
4. Patient Safety and Quality
5. Care for the Uninsured
6. Patient Satisfaction
7. Physician-Hospital Relations
8. Population Health Management
9. Technology
10. Personnel Shortages

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.

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

Impact of Affordable Care Act on Hospital Systems

Affordable Care Act

- Centers for Medicare & Medicaid Services (CMS) readmission penalties¹
- Non-payment of Healthcare Acquired Conditions (HACs)²
- Value-based purchasing³

Regulatory Requirements

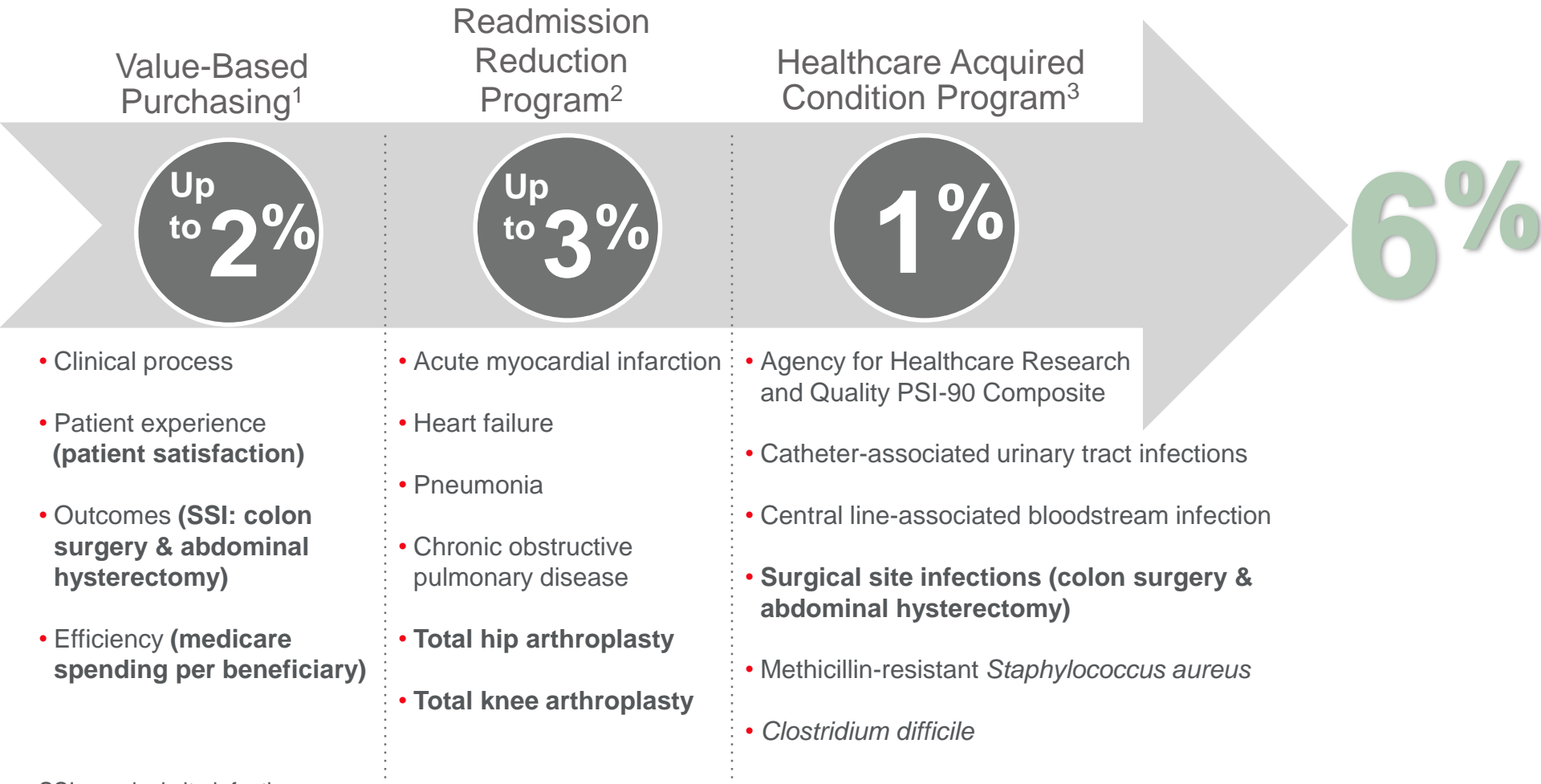
- Reportable quality metrics^{1,3,4}
- Measured patient outcomes^{3,4}
- Patient satisfaction reporting^{3,4}
- Evidence-based medicine practices/protocols

Provider Opportunities in Changing Landscape

- Lower/eliminate readmissions
- Eliminate healthcare acquired infections
- Increase patient satisfaction
- Improve patient outcomes

References: 1. Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital 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. 3. Medicare Program: Hospital Inpatient Value-Based Purchasing Program, Federal Register, Volume 76, Number 88, Friday, May 6, 2011. Accessed March 19, 2015. 4. Medicare Program; Medicare Shared Savings Program: Accountable Care Organizations, Federal Register, Volume 76, Number 212, Wednesday, November, 2, 2011. Accessed March 19, 2015.

Percentage of Medicare Reimbursement at Stake by Fiscal Year 2017

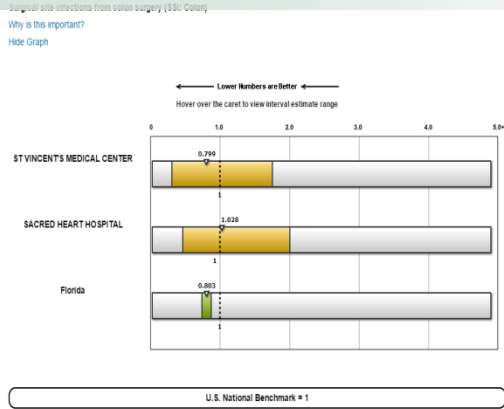


SSI=surgical site infection.

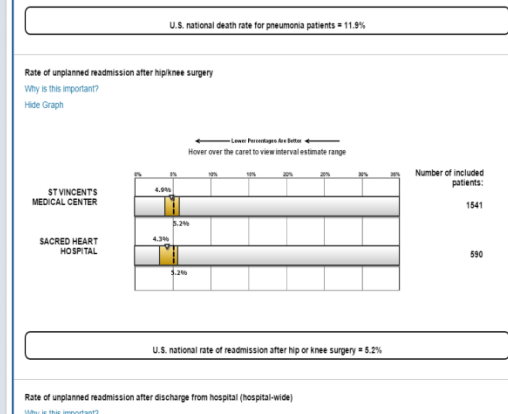
References: 1. The Advisory Board Company, Healthcare Industry Committee. Hospital Value-Based Purchasing. C-Suite Cheat Sheet Series. August 2013. 2. The Advisory Board Company, Healthcare Industry Committee. Hospital Readmissions Reduction Program. C-Suite Cheat Sheet Series. August 2013. 3. The Advisory Board Company, Healthcare Industry Committee. Hospital-Acquired Condition Reduction Program. C-Suite Cheat Sheet Series. August 2013.

Your Hospital Data and Outcome Measures

SSI: Colon Surgery & Abdominal Hysterectomy



Rate of Unplanned Readmissions After Hip/Knee Surgery



Survey of Patient Experience

Patients who reported that their room and bathroom were "Always" clean	61% ¹¹	64%	70%	74%
Patients who reported that the area around their room was "Always" quiet at night	57% ¹¹	60%	59%	61%
Patients who reported that YES, they were given information about what to do during their recovery at home	65% ¹¹	66%	63%	66%
Patients who "Strongly Agree" they understood their care when they left the hospital	45% ¹¹	51%	48%	51%
Patients who gave their hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest)	65% ¹¹	70%	67%	71%
Patients who reported YES, they would definitely recommend the hospital	69% ¹¹	75%	69%	71%

In the tables, you can hover over the footnote number to see the footnote text. View more footnote details.

Link to website below

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

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

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 stay^{1*}

3



Advance innovation

- Technologies that advance skin closure to meet hospital and patient needs

*Applies to Dermabond Advanced Topical Skin Adhesive

References: 1. Souza EC, Fitaroni RB, Januzelli DM, Macruz HMS, Camacho JCA, Souza MRC. Use of 2-octyl cyanoacrylate for skin closure of sternal incisions in cardiac surgery: observations of microbial barrier effects. *Curr Med Res Opin.* 2008;24(1):151-155.