Administration
2014 Accomplishments

• Successfully completed bonding and construction
  o ED
  o OR’s
  o Tower
  o Patient-focused facilities

• Successfully completed bonding and implementation of:
  o EPIC → SJLinked
  o Co-Generation (8-10 year projected payback, saving approx. $1.5M/yr)

• Continue to lead in market growth

• Continued to see improvements in quality, per year savings and remained profitable

• Multiple Health Dept. visits – all issues resolved

• Great DNV site visit

• Good recent DOH visit re: Ebola preparation
2014 Accomplishments (cont’d.)

Thank You
- Med Staff achieved numerous recognitions, improved our quality and reduced our costs.

As a Result: “We have the CNY market.”
  - Excellus – ACQUA (First Narrow network that allows us (you & org) to benefit from savings we produce)
  - Aetna did something similar with a Medicare product “Only St. Joseph’s network was chosen”
    → Both products will direct regional business to you as Tier I.
2015 Goals

1. Continue to develop our regional system.


3. Continue to grow use of Patient portal – e-visits, patient self scheduling, are all future goals.

4. Establish the Board of the CIN with Physician leadership. 2015 is the year we move further to go management of the Health system with our Medical Staff.

5. Continue to grow our affiliation with CHE Trinity
The Industry Demands Fundamental Change in How We Operate

TODAY
- Producer-Centered
- Service Volume

Drivers
- Retail Health Market
- Narrow Networks
- Transparency
- Financial Incentives

TOMORROW
- People-Centered
- Population Value
Finance
Medical Discharges

- 2013
- 2014
- 2014 Budget

Graph showing medical discharges from January to December.
Surgical Discharges

- 2013
- 2014
- 2014 Budget
Outpatient Surgeries

- 2013
- 2014
- 2014 Budget
Med/Surg Length of Stay

- 2013
- 2014
- 2014 Budget

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
### YTD Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>YTD September Actual</th>
<th>YTD September Budget</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hospital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIDA</td>
<td>$33.1M</td>
<td>$41.2M</td>
<td>$(8.1)M</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$3.1M</td>
<td>$12.5M</td>
<td>$(9.3)M</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>0.78%</td>
<td>3.07%</td>
<td>-2.29%</td>
</tr>
<tr>
<td><strong>System</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIDA</td>
<td>$22.5M</td>
<td>$27.0M</td>
<td>$(4.5)M</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$(9.1)M</td>
<td>$(3.1)M</td>
<td>$(5.9)M</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>-2.03%</td>
<td>-0.67</td>
<td>-1.36%</td>
</tr>
</tbody>
</table>
SJ Linked
Thank You!

- Officially live 181 days!
- Transition has been complex and demanding
- Medical staff has been resilient & supportive
Key Accomplishments

- Numbers/figures – tickets closed, MD training/support hours since go live, etc (Jamie)
- Key issues being addressed
  - InBasket messaging
  - Faxing In and out of Epic
  - Epic Care Link
- New Implementations
  - Upstate Surgical Group
- Received the Epic MVP Award for top performance in hospital billing
Next Steps

- 2015 Strategic Initiative – Epic Optimization
- Invest & Expand Physician Support
  - Physician builder program
  - Physician leadership/champions
- New Physician Governance Structures
Key Upcoming Issues
Documentation

- New discharge summary goals
  - Design a concise uniform format
  - Encourage a patient specific narrative
  - Include only clinically relevant information
  - Maintain efficiency for inpatient providers
  - Include an accurate discharge medication list
  - Send it promptly on discharge
  - Highlight key follow-up items
  - **Route fewer documents**
Thrive After Go-Live

- Learn a Faster Way to Work with Epic!
- Are you still struggling to return to your pre-Epic productivity levels?
- Here’s your chance to change the way you work with Epic, you’ll learn tips and tricks that will save you time and help you navigate quicker and faster than you ever dreamed.

- November 4-6
Tower Opening
Patient Tower

Keys to Success
- Research
- Collaboration
- Clinical Input
- Teamwork
- Mock-up Rooms
- Community Engagement
- Trust
- Accountability

Results:
- Patient Centered Care
- Best Practice Environment
- Innovative Technology
- Spacious Private Rooms
- Increase in Patient Satisfaction
- Reduce Noise and Infection
- On budget
- On time
2015 – What’s next...

<table>
<thead>
<tr>
<th>Bed “Shuffle”</th>
<th>Date</th>
<th>Private Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-1 Remodel</td>
<td>4&lt;sup&gt;th&lt;/sup&gt; quarter</td>
<td>14</td>
</tr>
<tr>
<td>1-4,1-5,2-4,2-5 (upgrades)</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; quarter 2015</td>
<td>96</td>
</tr>
<tr>
<td>1-8, 2-8 convert to private</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt; quarter 2015</td>
<td>31</td>
</tr>
</tbody>
</table>

Result: Private rooms from 30% to 80%
System Development
St. Joseph’s System Development

• Desired Outcomes

  *Strengthen Future Positioning of St Joseph’s System*

  • Increasing “Covered Lives”
    – Prepare for “At Risk” payment methodology

  • Reduce Overall Costs
    – Enhance Hospital Efficiency
    – Allocate Overhead

  • Enhance Quality/Improve Patient Outcomes
    – Readmission
    – Complications
Market Clusters

Sources: AHA Quick Disc
Potential Strategies

• Hospital
  – Affiliation Agreement
    • Program Collaboration
      – Joint Venture Development
      – Group Purchasing Opportunity
      – Subspecialty Access
      – Outside Funding
      – Reduction of Overhead/Operating expenses
  – Merger/Acquisition
Potential Strategies

• Physician Alignment
  – Clinically Integrated Network Inclusion (CIN)
    • Excellus AQUA
    • Medicaid DSRIP
    • Medicare Bundled Payment
  – Support Service Provision
    • “Back Office” support (IT/Billing/Coding/Compliance)
    • Clinical Support-
      – Transfer/Consult/Telemedicine
      – Rural Residency/ MD recruitment
Development of the Clinically Integrated Network
ACQA

• St. Joseph’s has an executed ACQA contract with Excellus.
• Patients are attributed based on the Primary Care Physician practices.
• St. Joseph’s is enrolling physicians and physicians groups to participate in ACQA.
  – Letters will be going out this week to Primary Care Physicians and Specialists.
  – Primary Care Physicians can only enroll with one ACQA network, while specialists can enroll in multiple.
• Physicians that participate in ACQA will be on Founding Committee.
  – Founding Committee will determine charter, bylaws, etc. for ACQA governance board and newly forming Clinically Integrated network.
    • Clinically integrated network will be the contracting vehicle for value based contracting in the St. Joseph’s Network.
• Contracts required.
Clinical Integration

• A physician alignment model that allows the health system to organize both employed and independent physicians into a single network focused on performance improvement.
  – Quality
  – Patient Health
  – Affordability

• Governed by physicians.

• Allowed to Jointly contract with payers.
Creation of the Syracuse MSA Network Chapter (SNC, LLC)

**ACQA Work (Current)**

- Excellus BCBS
- ACQA Contracts
- ACQA Executive Oversight Committee (EOC)
- ACQA Partnership Operating Committee (POC)
- Provider Agreements
- ACQA Provider Network

**Network Chapter (Planned)**

- St. Joseph's & Medical Community
- Syracuse Network Chapter, LLC
- SNC, LLC Governance
- SNC, LLC Provider Agreements
- Syracuse MSA Provider Network

- Contracting Committee
- Strategy/Network Development Committee
- Operations/IT Committee
- Finance Committee
Medical Staff - Additions
WELCOME...

Patrick Adcock, M.D.             Emergency Medicine
Scott Allan, M.D.                Family Medicine
Howard Amann, Jr., M.D.          Family Medicine
Magdalene L. Antill, C.N.M.      Obstetrics & Gynecology
Michelle J. Auerbach, D.O.       Obstetrics & Gynecology
Christian C. Bannerman, M.D.     Emergency Medicine
Roshelle J. Beckwith, M.D.       Emergency Medicine
Elizabeth W. Bozeman, M.D.       Surgery/Urology
Gary D. Bozeman, M.D.            Surgery/Urology
Jay M. Brenner, M.D.             Emergency Medicine
Andrew C. Bushnell, M.D.         Emergency Medicine
Peter S. Ceravolo, D.D.S.        Surgery/Dental
Brando Cobanov, M.D.             Pathology
Thomas DiNardo, M.D.             Emergency Medicine
Samuel N. Echezona, M.D.         Emergency Medicine
Mohamed S. Elfar, M.D.           Surgery/Plastic
Cinthia L. Elkins, M.D.          Family Medicine
Brennan P. Ellis, M.D.           Emergency Medicine
Nathan G. Everding, M.D.         Musculoskeletal/Orthopedics
Alexander Filipski, D.O.         Family Medicine
Matthew J. Garman, M.D.          Emergency Medicine
Erika Hegland, D.O.              Family Medicine
<table>
<thead>
<tr>
<th>Name</th>
<th>Specialty</th>
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<tbody>
<tr>
<td>Ingrid C. Hernandez, M.D.</td>
<td>Psychiatry</td>
</tr>
<tr>
<td>Wallace G. Jamison, M.D.</td>
<td>Psychiatry</td>
</tr>
<tr>
<td>Shane Jennings, M.D.</td>
<td>Emergency Medicine</td>
</tr>
<tr>
<td>Mary John, D.D.S.</td>
<td>Surgery/Dental</td>
</tr>
<tr>
<td>Gary A. Johnson, M.D.</td>
<td>Emergency Medicine</td>
</tr>
<tr>
<td>Jeremy D. Joslin, M.D.</td>
<td>Emergency Medicine</td>
</tr>
<tr>
<td>Alexander Kazos, M.D.</td>
<td>Emergency Medicine</td>
</tr>
<tr>
<td>Nelly Y. Kazzaz, M.D.</td>
<td>Internal Medicine/Cardiology</td>
</tr>
<tr>
<td>David W. Kelley, D.O.</td>
<td>Anesthesiology/Intensivist</td>
</tr>
<tr>
<td>Michael P. Kenney, D.O.</td>
<td>Internal Medicine</td>
</tr>
<tr>
<td>Muhammad A. Khan, M.D.</td>
<td>Surgery/Vascular</td>
</tr>
<tr>
<td>Sang W. Kim, M.D.</td>
<td>Surgery/ENT/Plastic</td>
</tr>
<tr>
<td>Brian Kline, M.D.</td>
<td>Family Medicine</td>
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<tr>
<td>Christian C. Knutsen, M.D.</td>
<td>Emergency Medicine</td>
</tr>
<tr>
<td>Kara C. Kort, M.D.</td>
<td>Surgery/General</td>
</tr>
<tr>
<td>Vanessa Lalley-DeMong, D.O.</td>
<td>Family Medicine</td>
</tr>
<tr>
<td>Nicholas J. Manzari, M.D.</td>
<td>Emergency Medicine</td>
</tr>
<tr>
<td>Peter J. Mariani, M.D.</td>
<td>Emergency Medicine</td>
</tr>
<tr>
<td>Radhika Mehra, M.B.B.S.</td>
<td>Family Medicine</td>
</tr>
<tr>
<td>Katie O'Brien, C.N.M.</td>
<td>Obstetrics &amp; Gynecology</td>
</tr>
<tr>
<td>David T. OuYang, M.D.</td>
<td>Emergency/Family Medicine</td>
</tr>
<tr>
<td>Michael P. Owen, M.D.</td>
<td>Musculoskeletal/Neurosurgery</td>
</tr>
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</table>
WELCOME...

William Paolo, M.D.  Emergency Medicine
Clifford R. Peck, M.D.  Emergency Medicine
Lori B. Peppers, M.D.  Psychiatry
Brian K. Rader, D.O.  Emergency Medicine
Ronald T. Rakowksi, M.D.  Emergency Medicine
Ijaz Rashid, M.D.  Internal Medicine/Neurology
James E. Richardson, D.D.S.  Surgery/Dental
Gagangeet Sandhu, M.D.  Internal Medicine/Intensivist
Vijaya Seepana, M.D.  Family Medicine
Eric Shaw, M.D.  Emergency Medicine
Tarek J. Sousou, M.D.  Internal Medicine/HemOnec
Kelsey M. Stack, D.O.  Emergency Medicine
Esther J. Steinberg, M.D.  Family Medicine
C. Melinda Stevens, D.O.  Surgery/General
Eric M. Suess, M.D.  Emergency Medicine
Ross W. Sullivan, M.D.  Emergency Medicine
Austin Tsai, M.D.  Family Medicine
Jacob A. Vella, M.D.  Musculoskeletal/Pain Mgt.
Travis P. Webb, M.D.  Surgery/General
Erin M. Wirths, D.O.  Emergency Medicine
Jingbing Xue, M.D.  Radiology
Sergey Zavilyansky, M.D.  Family Medicine
Quality
FY 2015 Value Based Purchasing

Significant improvement from prior year VBP performance
Expanded focus on mortality, patient safety and infection control for FY2015 performance

<table>
<thead>
<tr>
<th>Facility</th>
<th>State</th>
<th>National</th>
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<tbody>
<tr>
<td>50.3181081818102</td>
<td>30.773552459314</td>
<td>41.701695349649</td>
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</table>

<table>
<thead>
<tr>
<th>Clinical Process of Care Domain</th>
<th>Weighting</th>
<th>Weighted Domain Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted Domain Score</td>
<td>20%</td>
<td>9.8181081818102</td>
</tr>
<tr>
<td>49.0900900900909</td>
<td>30%</td>
<td>13.5000000000000</td>
</tr>
<tr>
<td>45.0000000000000</td>
<td>30%</td>
<td>21.0000000000000</td>
</tr>
<tr>
<td>70.0000000000000</td>
<td>20%</td>
<td>6.0000000000000</td>
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<table>
<thead>
<tr>
<th>Value-Based Percentage Payment Summary</th>
<th>Fiscal Year 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Operating DRG Payment Amount Reduction</td>
<td>1.50000000000%</td>
</tr>
<tr>
<td>Value-Based Incentive Payment Percentage</td>
<td>1.54666666619%</td>
</tr>
<tr>
<td>Net Change In Base Operating DRG Payment Amount</td>
<td>+0.44566666619%</td>
</tr>
<tr>
<td>Value-Based Incentive Payment Adjustment Factor</td>
<td>1.00446666648</td>
</tr>
<tr>
<td>Exchange Function Slope</td>
<td>2.5791399336</td>
</tr>
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</table>

Calculated values were subject to rounding.
Reference the Hospital Value-Based Purchasing page on QualityNet for report information, calculations, and Hospital VBP resources.
2014/2015 Priorities

- Reduction of *hospital-acquired pneumonia*, including ventilator associated
- Improve *Culture of Safety* through continued focus on Just Culture principles and culture of safety concepts
- Improve clinical outcomes for high-risk/chronic disease patient populations (ex: Diabetes & COPD)
- Continued improvement in VBP indicators
  - Optimization of EHR to support clinical decision making
- Optimization of Electronic Health Record to standardize care