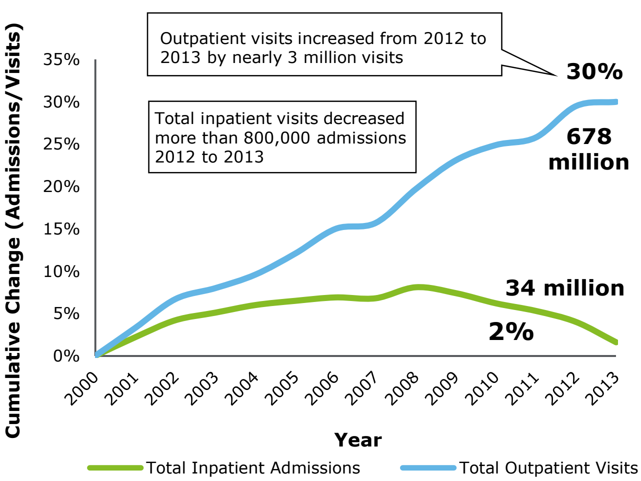
Where are your patients going?

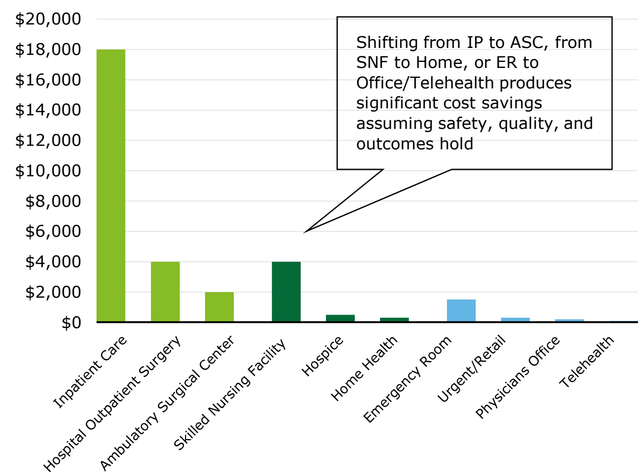
Macro trend	Fueling the fire
Inpatient volumes have declined nationally by 8% since 2008[1] and the **growth in outpatient and ambulatory services is expected to exponentially increase**	• Med-tech advances allow more procedures previously done in the inpatient environment to be done in the outpatient/ambulatory environment • Increasing payment model pressures, both commercial and government, favor service delivery in lower cost settings • Physicians want greater control over the care they deliver which is offered by non-hospital settings (e.g., procedure room availability, supporting clinical staff, scheduling, convenience to patients and families, proximity to office and home)

Let's look at some overall stats….

Cumulative Change in US Total All-Payer Inpatient Admissions and Outpatient Visits (2000–2013)[1]



Average Cost per Encounter by Site of Service (2012–2015)[2]



…and specifics for total hips:

Total Hip—CPT 27130—% of total in ASC/Out-patient Setting YoY[2]

2012	3.7%
2013	4.2%
2014	5.2%
2015	7.2%

- Inpatient surgery compared to Outpatient on average is **~ 8x in costs** per encounter[2]
- Inpatient surgery compared to ASC is **~17x in costs** per encounter[2]

"Non-hospital settings are almost always more comfortable for patients, and certainly more palatable."[3]

"It is almost always safer, on balance, to provide care in the least complex setting"[3]

"Care in less complex settings is invariably less costly … thus benefits both individuals and society."[3]

[1]American Hospital Association, Trend Watch Chart Book, 2015

[2]Truven Health Analytics, MarketScan 2012–2015

[3] "Never Say Never Again," Population Health Management, v19 n5, 2016

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How do you get ahead of the shift?

Address these questions

What services are shifting and when?

Leverage actuarial service analytics to understand and project site of care trends and pace of shift

Do I have the assets to service the shift?

Evaluate ambulatory asset portfolio to identify capacity and readiness for accelerated sight of service shifts

What investments are required?

Determine investments and plan to address gaps in capacity and services as well as financial and market share impacts

Deloitte's solution can provide the foresight to anticipate the challenges and rewards with site of service optimization through:

- Market specific predictive modeling that identifies shifts in location of care—assists in determining what services are shifting, **where they are going**, and whether you have the right ambulatory services, in the right location to meet demand
- Clinical mindset to evaluate the **strategic repositioning of care** and services that can safely be performed at lower acuity settings
- Competitive landscape to see market share threats and opportunities relative to traditional and non-traditional players—**it's not just about what other health systems are doing**—health plans, private equity investors, physician groups, and global organizations are eyeing US ambulatory markets for growth
- Insights for a phased implementation, at the appropriate speed, to **minimize service disruption while protecting market share** and prioritizing opportunities to gain value from limited resources

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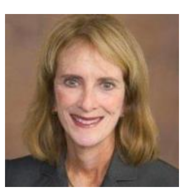

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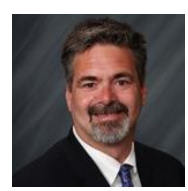

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