

Case Study: A Pacific Northwest Hospital System

Steve and his team have conducted numerous engagements assisting clients to maximize the operational and financial results of their quality-improvement, population-health, and primary care patient-coordination efforts. An excellent example was the work we did with a successful integrated hospital system in the Pacific Northwest that engaged Stroudwater to help them develop and implement the first stages of a complete population-health business strategy for their Medicare, Medicaid, privately insured, and self-funded employee health plan markets. Stroudwater evaluated all these markets and their major payers and then devised a practical step-by-step strategy by which the client would initially demonstrate its growing population-health expertise by generating savings from its own self-funded employee health plan. Stroudwater led efforts to evaluate the plan's benefit structure and historic claims experience to identify opportunities for savings. It then provided guidance in a major restructuring of plan benefits and patient management mechanisms to engage both patients and providers in prevention, chronic-disease management, quality improvement, and per-capita cost reduction.

In parallel with these tactical efforts Stroudwater also (1) conducted a Medicare Advantage feasibility assessment for the client, (2) explored opportunities to engage the client's private insurance payers in savings-capture revenue models to augment and ultimately replace FFS, and (3) provided strategic guidance in implementing new Medicaid managed care revenue and service capabilities.

Finally, because value-based revenue models have the effect of transforming traditional hospital profit centers into cost centers, Stroudwater assisted the client in designing and implementing a new and highly efficient organizational structure to deal with the sometimes conflicting operational demands of parallel FFS and per-capita revenue models.

Because of the comprehensive strategic and tactical nature of this engagement, it is important to note that many Stroudwater engagements are more limited in scope, such as evaluating or optimizing a hospital's self-funded health plan, or developing a Medicaid managed care capability, or negotiating with insurance payers for maximum hospital savings-capture revenue models. We also assist clients in setting up their own provider-sponsored health plans.

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