

UMC Coming Near You: *Continuing Our Mission*



UNIVERSITY
MEDICAL CENTER
OF EL PASO



Develop Outpatient Care Destination Centers

Outpatient Care Destination Centers



- Goal
 - Establish Clinics throughout El Paso
 - Improve Access to Care
 - Enhance Quality of Care
 - Improve Healthcare Outcomes

Outpatient Care Center



Outpatient Care Center



Outpatient Care Center



Outpatient Care Center



Outpatient Care Center

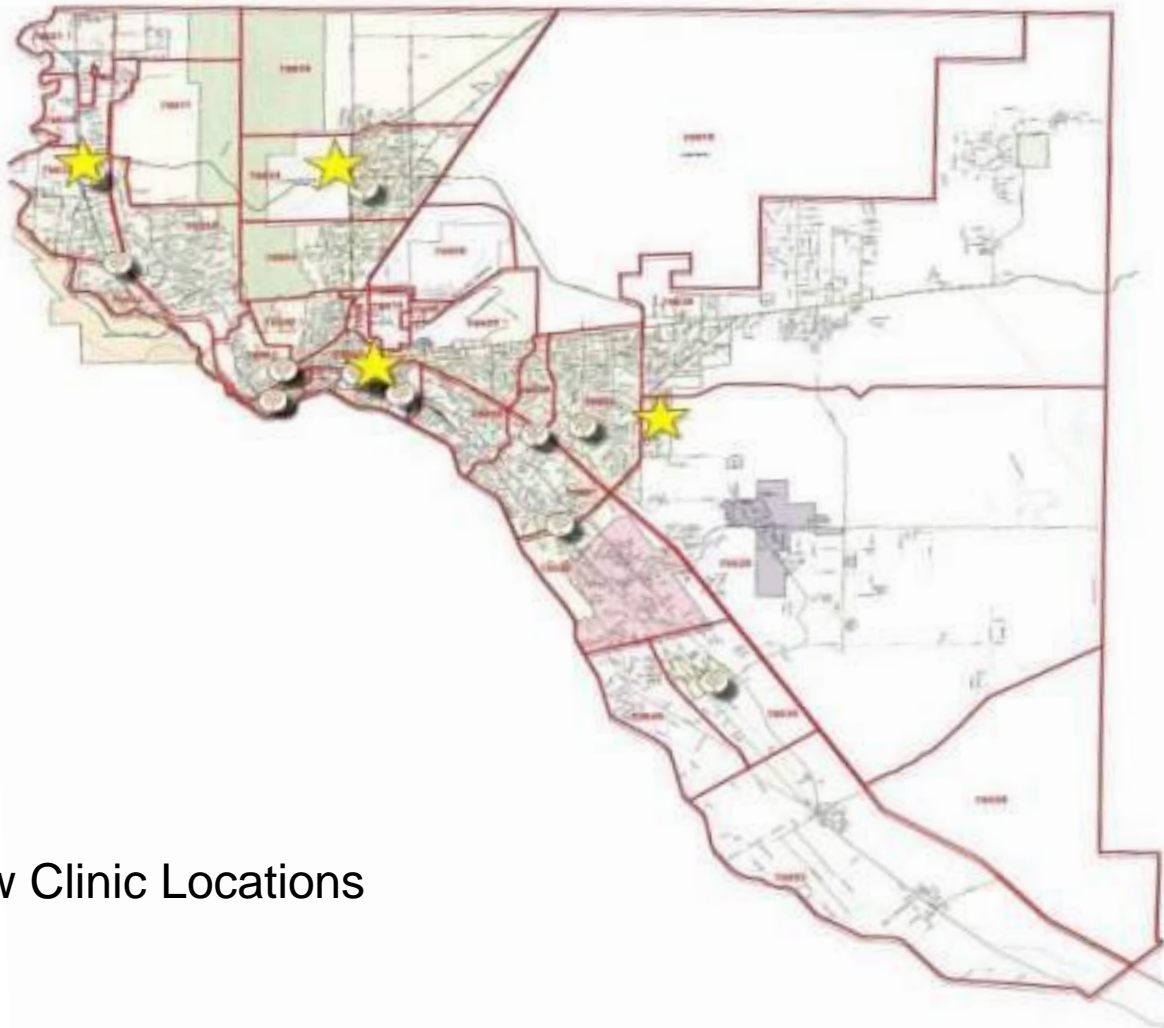


Develop Outpatient Care Destination Centers



- Locations: East, West, Central, North East
- Services: Primary Care
Specialty Care
Imaging including CT, MRI
Lab, Pharmacy, Rehab
- Approx 50,000 square footage
- Hours: Weekdays, Weekends, Evenings

El Paso Locations



★ = New Clinic Locations

Community Support for Project



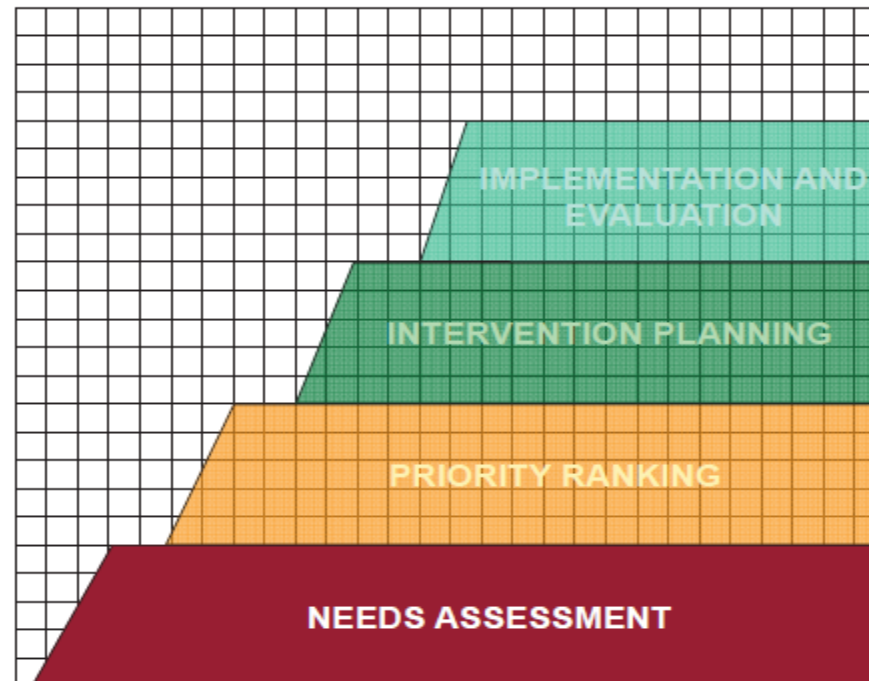
- Needs Assessment Report
- Regional Strategic Health Framework Report
- Regional Health Partnership #15 (Medicaid Waiver)
- UMC Strategic Plan 2013-2018

Needs Assessment Report



Regional Strategic Health Framework

PHASE ONE: Needs Assessment Report



**Paso del Norte Blue Ribbon Committee
for a Strategic Health Framework**

Convened by the City of El Paso and the Paso del Norte Health Foundation
Analysis completed by the HAMMES Company, Dallas, Texas

Needs Assessment Report



- Paso del Norte Region
- Community Adopted Report March 24, 2011
- 159 Participants / Agencies
- Mission:
 - “Create solutions for identified & prioritize health concerns.”

Needs Assessment Report (con't.)



■ Goal: “Improve Health in the PDN Region”

- Immunizations
- Teenage Pregnancy
- Prenatal Care
- Dental Care
- Fitness, Nutrition & Obesity
- Early Disease Detection
- Mental Health
- Chemical Dependency
- Primary Care
- Specialty Care
- Clinics / Urgent Care
- Inpatient Care
- Post Acute Care
- Insurance

Regional Strategic Health Framework Report



Regional Strategic Health Framework



- Paso del Norte Region
- Community Adopted Report October 24, 2012
- 6 Priority Areas

Priority Areas



1. Obesity /Diabetes / Fitness / Nutrition

- Goal: Promote a life-long commitment to healthy eating and active living.

2. Mental Health: Behavioral Health

- Goal: Improve overall mental health and wellness.

3. Substance Abuse

- Goal: Reduce substance abuse and protect the health of all residents.

Priority Areas (con't.)



4. Healthy Sexuality / Teen Pregnancy

- Goal: Ensure the provision of healthy sexuality education and reduce teen pregnancy.

5. Access to Health Care

- Goal: Improve access to comprehensive, coordinated, high quality health care services.
 - ❖ A. Primary Care
 - ❖ B. Specialty Care

6. Violence and Injury Prevention

- Goal: Reduce violence through awareness programs.



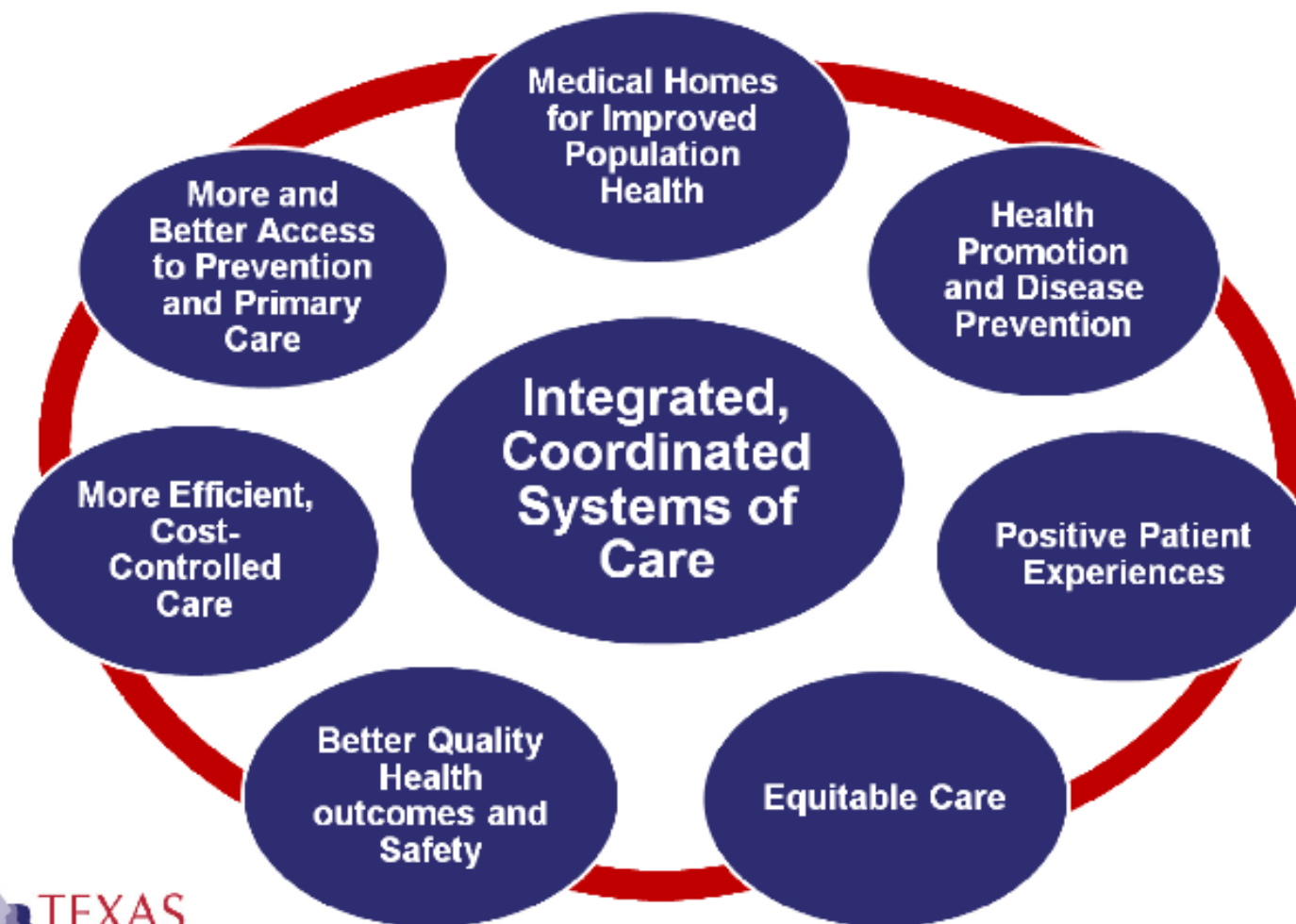
“Medicaid Waiver”
Regional Health Partnership (RHP)
Region 15

Medicaid Waiver Definition



- Previous payment methodology for hospitals who treat unfunded and indigent patients (UPL) has gone away.
- New: Two Funding Pools
 - Uncompensated Care (UC). Payment for unfunded patients.
 - DSRIP Delivery System Reform Incentive Payment
Support coordinated care & quality improvements to transform care delivery systems.

Waiver Planning & Payment



Waiver Payment



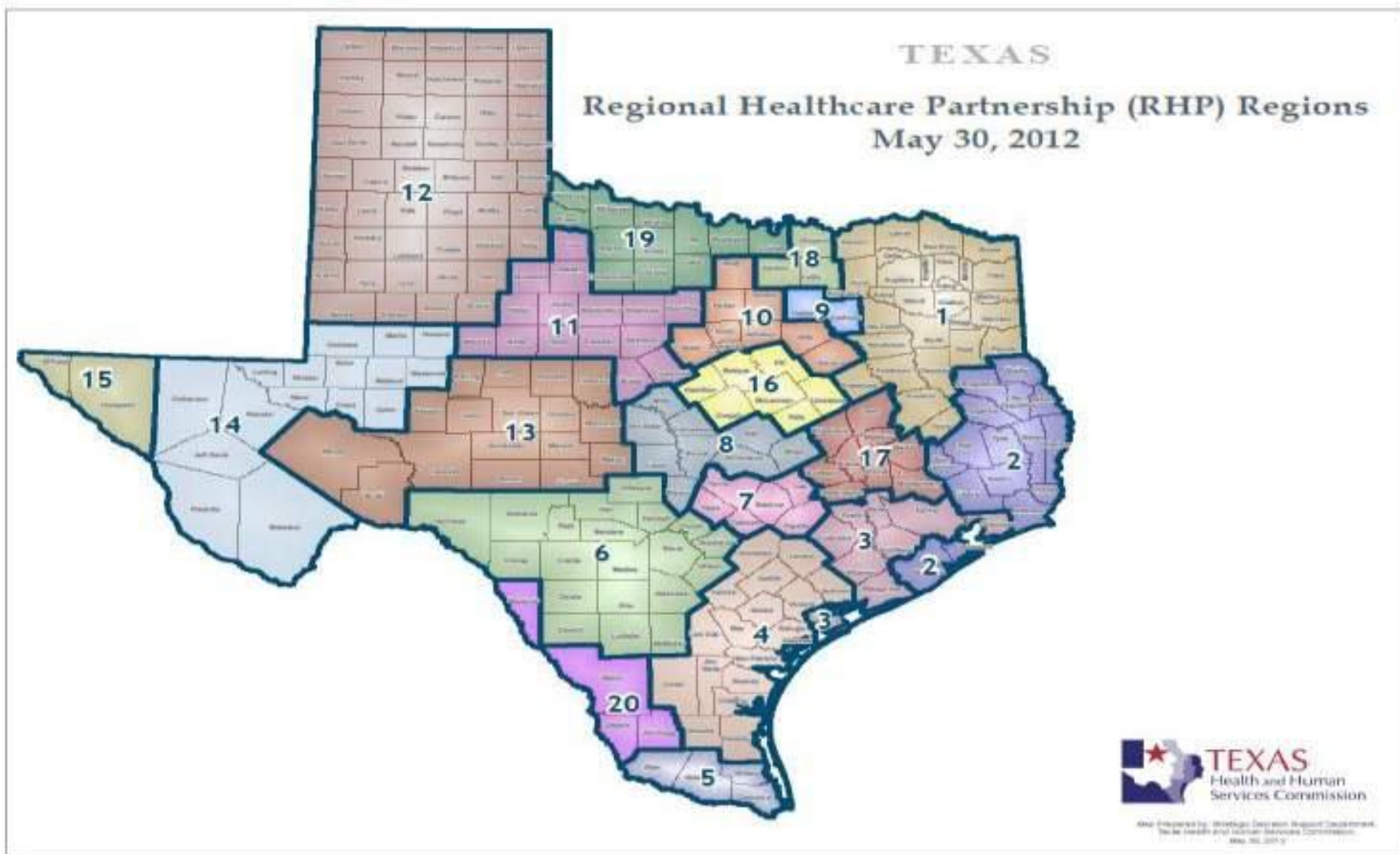
- Hospitals receiving UC payments must report on a subset of DSRIP Category 4 measures:
 - Potentially Preventable Admissions
 - Potentially Preventable Re-Admissions
 - Potentially Preventable Conditions
- Failure to report and achieve health measures will result in forfeiture of payments.

Medicaid Waiver



- Waiver State Approved
- Waiver Federal (CMS) Approved
- Regional Healthcare Partnership
- UMC Serving as Anchor
- RHP Region 15: El Paso, Hudspeth
- 5 Year Waiver
- 26 Certified Participants in Region 15

Regional Healthcare Partnership



Medicaid Waiver



- RHP #15 Submitted Plan November 14, 2012
- Plan is +800 pages
- Represents 54 Community Projects
- 4 Yr. Implementation 2013-2016
- Project Themes:
 - Access to Care
 - Quality of Care
 - Health Outcomes
- Project Focus:
 - Outpatient Care
 - Primary Care, Specialty Care
 - Improve Health Outcomes
- State wants construction completed by Year 3

El Paso Inc: *Transforming Border Health Care, November 12, 2012*



El Paso Inc.

Transforming border health care

Partnership to fund 47 projects



CEO Blake Barrow

In front of a building under construction at the El Paso Rescue Mission. A new Medicaid program would pay for nurses to staff a medical facility there full time. Rescue Mission CEO Blake Barrow in a dormitory that will be converted into a medical facility. The regional health-care program would pay for nurses to staff the facility full time.



Jim Valenti, CEO

CEO of University Medical Center of El Paso, says the new program would fund nearly 50 projects, from expanded residency and fellowship programs for med students to new primary care clinics.

Posted: Sunday, November 11, 2012 8:00 pm | Updated: 6:30 am, Mon Nov 12, 2012.

Transforming border health care By Robert Gray El Paso Inc. staff writer El Paso Inc. | 0 comments

A complex program to overhaul the health coverage system for the poor in Texas has the potential to bring hundreds of millions of state and federal dollars to the Borderland.

The funds could mean a slew of new projects designed to rein in health-care spending while improving care.

"This is shaping up to be one of the most exciting times in health care," says Jim Valenti, CEO of University Medical Center of El Paso.

"For the first time, this community is coming together in a very inclusive way to look at access to care and improve the quality of care."

There are nearly 50 projects local health-care providers hope to fund using a portion of the new dollars. Projects include everything from expanded residency and fellowship programs for med students to new primary care clinics on the Eastside and Westside.

One project would provide nursing care for residents of the El Paso Rescue Mission and Salvation Army. Others include the recruitment of new physicians and creation of new health databases. They expand medical homes, health care for women and children, and access to primary care.

"They are projects that really transform health care in a meaningful way," Valenti says.

They would reduce emergency room visits, increase primary care visits and, as a result, reduce costs and improve quality, he says.

To understand exactly where the funding is coming from means learning something about the shifting world of health care in the U.S. and Texas. Nearly a year ago, in December 2011, the federal Centers for Medicare and Medicaid Services approved Texas's application for a five-year waiver of certain federal Medicaid requirements.

Essentially, the Medicaid waiver gave state officials more freedom to tailor the Medicaid program to their liking. It expands Medicaid managed care and replaces the old program with two shared "pools."

One funding pool reimburses hospitals for caring for indigent patients. The other, a much smaller pool, pays health-care providers to improve the quality and lower the cost of care.

That's where the new projects come in.

Health care rescue

Three years ago, El Paso Rescue Mission CEO Blake Barrow made a request for 911 emergency call records. As the emergency shelter embarked on a \$1.5 million, 18,400-square-foot expansion, Barrow wanted to get a better sense of the health needs of the vulnerable population the mission serves. What he found shocked him.

UMC Strategic Plan 2013-2018



Strategic Plan Development Final Report

August 28, 2012



UNIVERSITY
MEDICAL CENTER
OF EL PASO

Hälsa *Advisors*



■ 5 Goals

1. Achieve Growth Across Service Lines
2. Advance Regional Market Presence & Leadership
3. Align with Clinical Partners
4. Differentiate by Quality & Service
5. Advocate for the poor and underserved, reducing health disparities



■ 10 Strategies

1. Expand Regional Primary Care Network
2. Develop Emergency Dept. in NE
3. Develop new Outpatient Care Destination Centers
4. Develop Senior Care Service Line
5. Strengthen High-Risk OB

UMC Strategies (con't.)



6. Enhance Key Clinical Areas
7. Enhance UMC – TT Relationship
8. Enhance Patient Experience
9. Build upon UMC's Culture of Quality Improvement
10. Operationalize Medicaid Waiver



First Pilot 2009

First Pilot 2009



- Location: Northeast El Paso
50,000 square feet

- Services: Primary Care
Lab, Imaging, Pharmacy
Rehab, Pain Management
Sports Medicine
Women's Health

UMC NE Clinic



UMC NE Clinic





	Patient Visits	
	<u>2009</u>	<u>2012</u>
■ Office Visits	16,053	29,460
■ Lab	879	10,518
■ Imaging	2,260	11,103
■ Pharmacy	56,472	76,152
■ Rehab	0	9,299
■ Sports Medicine	0	1,497
■ Pain Center	0	4,162
■ Positive Net Earnings		



How Does This Project Help Us?

Furtherers our Healthcare Mission

Justification



- Promotes Primary Care & Specialty Care
- 100% Alignment with Needs Assessment
- 100% Alignment with Strategic Health Framework
- 100% Alignment with Medicaid Waiver
- Prepares Campus for Healthcare Reform: ACA
- Primary Focus of UMC Strategic Plan 2013-2018

Good for El Paso



- Meets El Pasoans' requests for UMC
(+200k new patient visits).
- Achieves geographic coverage for El Paso Market.
- Supports all patient needs regardless of payor source
(Insurance, Medicaid, Medicare & Charity).
- Provides healthcare jobs in EP (+450 new jobs).
- Provides economic development for EP (\$\$).
- Supports teaching & education missions.
- Campus enjoys high public credibility for progress & value.
- Improves the overall patient experience & convenience.

Good for El Paso



- Outpatient Care is less expensive.
- Reduces Emergency Room overcrowding.
- Reduces Emergency Room wait times.
- Studies show Outpatient vs. Emergency Care is 5x less expensive.
- Cuts Costs – Preserves Precious Resources
(\$17m annually).
- Centers will cover all El Pasoans
(+100k new uninsured patient visits).
- Better Quality of life for all. Healthier citizens.

Good for El Paso



- U.S. Senate Health Committee Testimony, Peter Cunningham, Sr. Director of Center for Studying Health System Change:

“Shifting ED visits for non-urgent health problems to primary care providers in the community is a necessary step for broader efforts in the healthcare system to create ‘patient-centered medical homes.’ This would not only improve the quality of care by ensuring that patients have a primary care physician to see for their non-urgent health problems and coordinating care with specialists and other providers, but it is also likely to generate additional cost savings by reducing unnecessary or redundant utilization.”

- Bottom line: reduces ED overcrowding, improves patient care, saves precious resources.

Good for UMC



- Maximizes waiver impact to UMC.
- Supports new Medicaid reimbursement model.
- Continues Campus momentum & growth.
- Improves Campus marketshare.
- Achieves geographic market coverage of UMC.
- Expands current clinic capacity which is at capacity.
- Supports census growth at UMC.
- Supports “HUB & Spoke” strategy.
- Improves the overall patient experience.

Supports our Fiduciary Responsibility



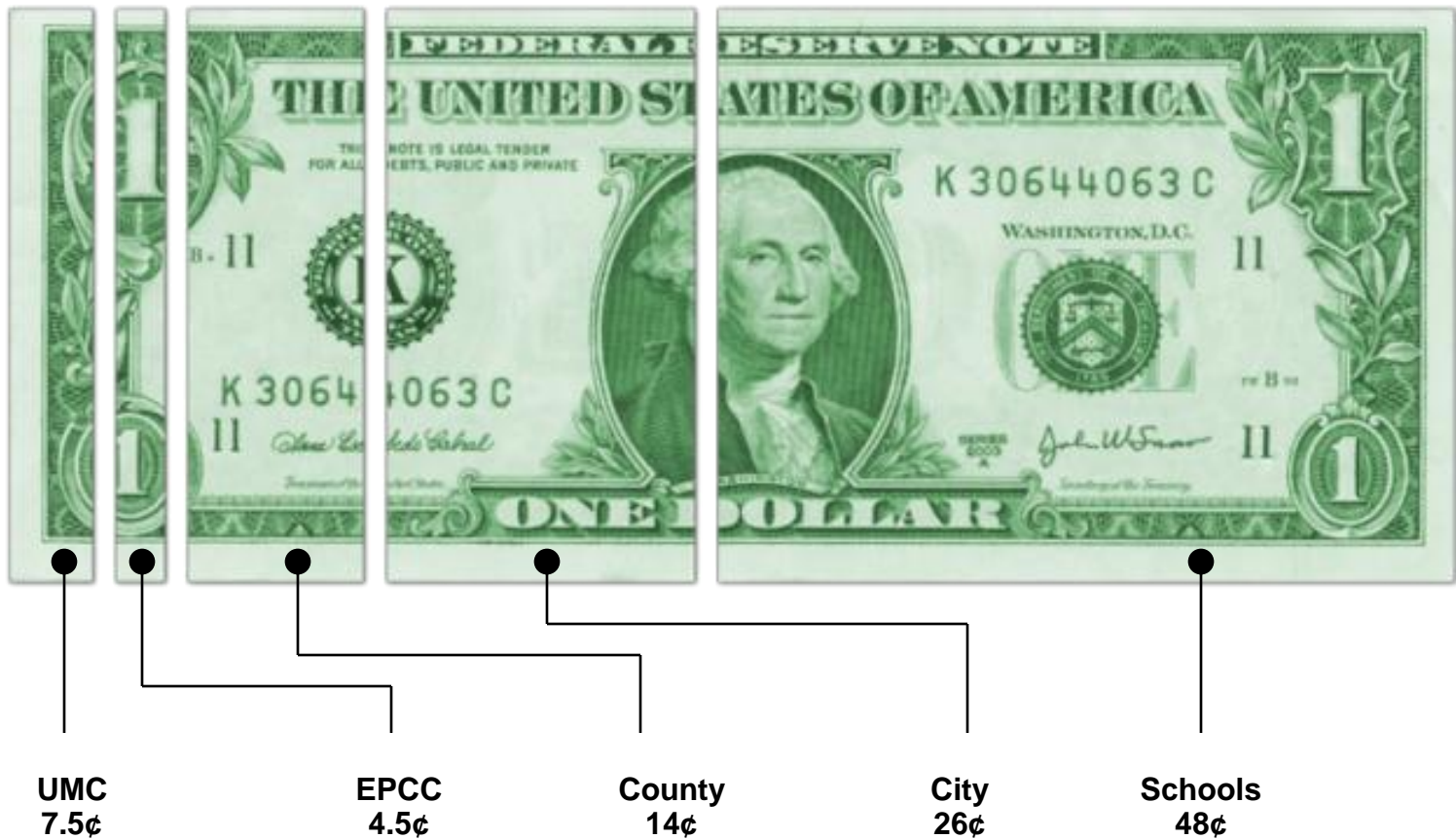
- Highly favorable bond market & low interest rates.
- Complements our financial rating of “AA”.
- Consistent with rating agency outlook emphasizing Outpatient Care.
- Continues UMC’s existing low tax rate in state.
- Promotes the multiplier effect of 1 to 7.
- Improves Campus marketshare.
- Improves Campus payor mix.

Multiplier Effect

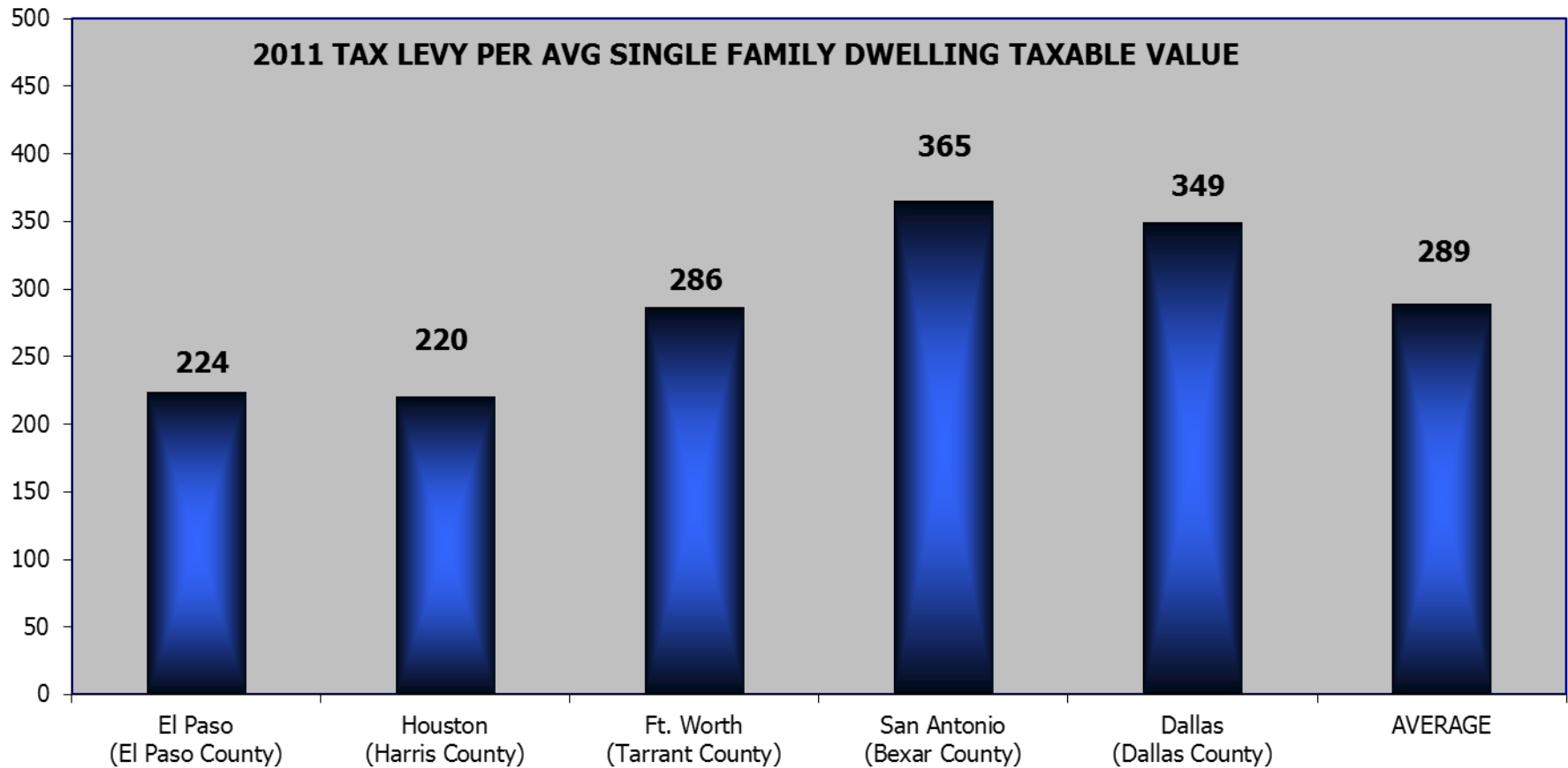


- \$1.00 of public funding (Tax) = \$7.00 UMC economic development
- \$64m UMC Tax = \$445m UMC net revenue
- UMC is Significant Economic Engine to EP

Estimated 2012 Tax



Hospital District Tax



Source: County Central Appraisal Districts



Can UMC Afford This Project?

Current Achievements



- Solid 8 years of operating & financial performance.
- Seven straight years of positive net earnings.
- Two bond upgrades to “AA” from Fitch.
- S&P Reaffirmed “AA-” Rating, Dec. 19, 2012.
- One of lowest tax rates in state.
- Conservative fiscal policy.

UMC Financial Projections



	2013	2014	2015	2016
■ Net Revenue	<u>\$476m</u>	<u>\$487m</u>	<u>\$500m</u>	<u>\$513m</u>
■ Net Earnings	<u>\$8.0m</u>	<u>\$4.2m</u>	<u>\$6.3m</u>	<u>\$1.5m</u>

Source: UMC Finance Committee

The Project



Outpatient Care Destination Centers

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- Approx 50,000 square footage
- Hours: Weekdays, Weekends, Evenings
- Financial Proforma: Positive Effect to Net Earnings

Capitalization Plan



- Necessary to Operationalize UMC's Strategic Plan
- \$162m Certificates of Obligation Bonds
- Requires Commissioners Court Approval
- Highly Favorable Bond Market & Interest Rates
- Rating Agency Visits to El Paso
- Sell Bonds First Quarter 2013

Taxpayer Investment



- 2013 \$162m Bonds
- Current Property Tax Rate \$0.192
- Bond Project Property Tax Rate \$.020
- On \$100,000 Home: Tax Increase \$20 per year

- Refinancing Opportunity of 2005 Bond Issue
- \$7m Net Present Value Savings
- Highly favorable bond market & low interest rates

Bond Project List



■ Outpatient Care Facilities

	<u>Project Cost</u>	<u>Notes</u>
West Clinic	\$28.5m	50k sq. ft.
East Clinic	38.5m	plus land cost
Central Clinic	28.0m	50k sq. ft.
Northeast Emergency Room	9.0m	10k sq. ft.
Medical Equipment & other renovations	15.2m	Imaging, GI, Gyn, Neuro, Surgery
Annex Renovation	10.0m	Outpatient Srvcs.

■ Other Projects

3 rd , 5 th , 6 th , 7 th Renovations	<u>29.3m</u>	50 year old bld.
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Total	<u><u>\$162m</u></u>	
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Thank You

