Protecting Children with Medically Complex Conditions in the New Healthcare Environment

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Lurie Children’s
Who We Are

• Patient Care
  • Ranked in top ten by *U.S. News and World Report*
  • 1,245 physicians in more than 70 pediatric specialties

• Education
  • Home to Department of Pediatrics, Feinberg School of Medicine, Northwestern University

• Research
  • One of only a few institutions in nation dedicated solely to pediatric research.

• Advocacy/Community
  • Child advocacy part of core mission
  • Active in Springfield and Washington D.C. seeking to influence policy on matters affecting children's health and well-being.
Who we serve

- 149,468 children served in 2012
- Children from across Illinois; 49 states; 34 countries
- More than half our patients are insured by Medicaid; state’s largest provider of pediatric Medicaid services
New hospital

• After 8 years of planning, moved to new facility in June 2012
  - 288 beds in all private rooms
  - Designed to promote family-centered care
  - Creative interiors designed in partnership with more than 20 of Chicago’s premier art, cultural and civic organizations

• New hospital is already enhancing our mission
  - Recruiting top specialists
  - Doubled clinical research space
  - Latest technology helping us care for patients better
Critical care services

• Specialized care provided by Lurie Children’s
  - Pediatric Trauma Level I
  - Perinatal Level III
  - Cardiac Care Unit
  - Host of other specialized care services for children

• Designed to enhance critical care services
  - 132 critical care beds
  - Dedicated ground ambulance bays
  - Second floor Emergency Department
  - State of the art rooftop heliport

• Dedicated critical care transport team brought 4,526 children to us from 100 hospitals in FY 2012
Total Transport & Bring Volumes
FY2004 to FY2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Transport &amp; Bring Volumes</th>
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<tr>
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<td>FY2012</td>
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Percentage Growth:

- FY2004: 30.96%
- FY2005: 10.42%
- FY2006: 10.97%
- FY2007: 5.55%
- FY2008: 5.43%
- FY2009: 5.42%
- FY2010: 12.77%
- FY2011: 3.14%
The role of children’s hospitals
Children’s hospitals

- 220 children’s hospitals across the nation provide specialized care for most vulnerable children

- Less than 70 are dedicated freestanding children’s hospitals
  - Serve the most medically complex and fragile children with imminent life-threatening conditions on a regional basis
  - Train the next generation of pediatric specialists
  - Invest in research to speed cures and treatments
  - High concentrations of Medicaid; little Medicare, no Medicare GME
Current and future challenges
Children’s Hospitals are battling hard to retain their market position across several dimensions.

- **New Sources of Competition**
- **The Challenge of “Switzerland”**
- **Pediatrics - Smaller % of Total Medical Expenditures**
- **New Reimbursement Pressures**

**Changing Environment for Pediatric Institutions**

**Accountable Care and Health Care Reform**

- **Battle with New Competitors**
- **Battle for Independence**
- **Battle for Relevance**
- **Battle for Reimbursement**
Lurie Children’s preparations for the future
Lurie Children’s: Preparing for the New Healthcare Environment

**Constants**
- Mission
- Vision

**External Pressures**
- Government
- Market Competition

**High-value care: delivery of better health outcomes at reduced costs**

**Lurie Children’s Preparations**
- Government Advocacy and Initiatives
- Clinical Practice Improvements
- Sustainable Cost Reduction Initiatives
- Exploring New Models of Care Delivery
- Growing Our Business
Key initiative: expand networks

Children’s hospitals need to help regionalize high-acuity pediatric care

- Need to strengthen partnerships
  - Closer alignment with referring physicians
  - More partnerships with community hospitals

- Need to ensure that children are getting care at appropriate facility
  - Most convenient and cost-effective
  - Focus on high acuity at specialty hospitals

- Role of critical care transport will be more important than ever
  - As partnerships increase, we will rely on highly-qualified transport professionals to bring children to us from more areas and greater distances
Key initiative: government advocacy

Children’s hospitals need to lead advocacy efforts on behalf of medically complex children

• Lurie Children’s efforts with State of Illinois:
  – Stay involved with efforts to establish exchanges/marketplaces
  – Ensure that new payment methods protect access to highly specialized services for children
  – Proposal to coordinate care for 20,000 children on Medicaid with medically complex conditions

• Lurie Children’s efforts with federal government:
  – Protect Medicaid funding
  – Create new model of care nationally for medically complex kids
How you can help

• Strong critical care transport teams will be more important than ever in the new healthcare environment
• Transport teams will need to move these children seamlessly between provider locations and partners
• Like all other clinical teams, transport teams will need to find innovative ways to cut costs and demonstrate superior outcomes
• Experts like you will need to advocate on behalf of critically ill children to ensure that they have access to appropriate levels of care
THANK YOU!!