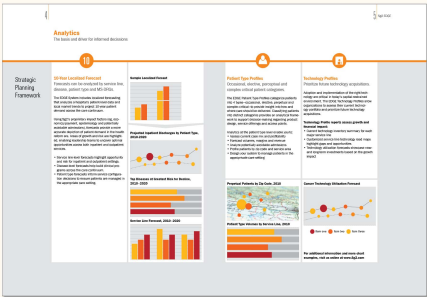


upshift

Sg2 Healthcare

Modern, energetic  
brand identity for a  
leader in healthcare  
management and  
information



**EDGE**

# GROWTH STRATEGIES ARE CHANGING

A data-driven solution for strategic decisions.

+

Online Data

+

Information Support

Sg2 EDGE®

Growth System

  
health care intelligence

  
health care intelligence

4

Analytics

The basis and driver for informed decisions.

10

Strategic Planning Framework

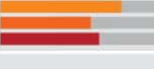
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EDGE

**10-Year Localized Forecast**  
Forecasts can be analyzed by service line, disease, patient type and MS-DRGs.  
  
The EDGE System includes localized forecasting that analyzes a hospital's patient-level data and local market trends to project 10-year patient demand across the care continuum.  
  
Using Sg2's proprietary input factors (eg, economics, payment, epidemiology and potentially avoidable admissions), forecasts provide a more accurate depiction of patient demand in the health reform era. Areas of growth and risk are highlighted, enabling leadership teams to uncover optimal opportunities across both inpatient and outpatient services.  
  
• Service line forecasts highlight opportunity and risk for inpatient and outpatient settings.  
• Disease-level forecasts help build clinical programs across the care continuum.  
• Patient type forecasts inform service configuration decisions to ensure patients are managed in the appropriate care setting.

**Sample Localized Forecast**  
  
**Projected Inpatient Discharges by Patient Type, 2010-2020**  
  
**Top Diseases of Greatest Risk for Decline, 2010-2020**  
  
**Service Line Forecast, 2010-2020**  


**Patient Type Profiles**  
Occasional, elective, perceptual and complex critical patient categories.  
  
The EDGE Patient Type Profiles categorize patients into 4 types—occasional, elective, perceptual and complex critical—to provide insight into how and where care should be delivered. Classifying patients into distinct categories provides an analytical framework to support decision-making regarding product design, service offering and access points.  
  
Analysis at the patient type level enable you to:  
• Assess current care mix and profitability  
• Forecast volume, margins and revenues  
• Analyze potentially avoidable admissions  
• Profile patients by zip code and service area  
• Design your system to manage patients in the appropriate care setting

**Perceptual Patients by Zip Code, 2010**  
  
**Patient Type Volume by Service Line, 2010**  


**Technology Profiles**  
Prioritize future technology acquisitions.  
  
Adoption and implementation of the right technology are critical in today's capital-restrained environment. The EDGE Technology Profiles allow organizations to assess their current technology portfolio and prioritize future technology acquisitions.  
  
Technology Profile reports assess growth and financial impact:  
• Current technology inventory summary for each major service line  
• Customized service line technology road maps highlight gaps and opportunities  
• Technology utilization forecasts show near- and long-term investments based on the growth impact

**Cancer Technology Utilization Forecast**  
  
**For additional information, visit us at**

**EDGE**

## WHERE CAN YOU GROW IN 2001?

You need a system for strategic decision making

[www.sg2.com](http://www.sg2.com)

Sg2 Health Reform Strategies for Success

Developing an Accountable Care Organization

With the passage of health reform legislation, focus on clinical integration and accountable care has increased significantly. The number of Medicare and Medicaid patients will grow, commercial payer reimbursement rates will drop and greater financial penalties for potentially avoidable admissions and 30-day readmissions will require high-quality patient care across the health care continuum. As a result, many hospitals and health systems are taking steps to become an Accountable Care Organization (ACO).

While the definition of an ACO continues to evolve, the risks and rewards for providers are becoming clear. Those that deliver more efficient, coordinated care at a lower cost will have a financial and competitive advantage.

**Engagement**  
The path to becoming an ACO requires organizations to focus on the value they provide to patients and payers. By developing innovative strategies for improving efficiency, service and quality across all sites of care, providers can ensure that patients are getting the right care, at the right time, in the right place. The best ways to establish metrics that measure how well you deliver that value over time. Three key imperatives will form the basis for choosing these metrics and developing your ACO strategy:

**Reduce the Cost of Care**  
The number of insured individuals will skyrocket over the next decade. At the same time, reform provisions will cut \$155 billion out of Medicare and Medicaid. Organizations pursuing an ACO strategy will need to cut costs by focusing on operational efficiency and care effectiveness. This includes closely looking at current cost structures and prioritizing high-volume DRGs that offer the greatest opportunities for financial improvement.

**Manage Care Transitions**  
Acute care is only 1 point on the continuum of care. Rather than manage each care site and episode separately, organizations must integrate the full spectrum of inpatient and outpatient services

into a continuum that follows the progression of disease. Strategies include expanding patient access to outpatient care sites, addressing capacity issues and creating seamless handoffs across care settings.

**Align Physicians**  
An effective ACO may include employed and independent physicians collaborating with the hospital on a set of clinical quality improvement objectives, with shared upside for both parties. Clear policies and performance metrics will be critical to selecting which physicians to engage, determining which geographic locations to focus on and measuring performance across the care continuum to minimize financial risks.

Reform Timeline Drives ACO Strategy

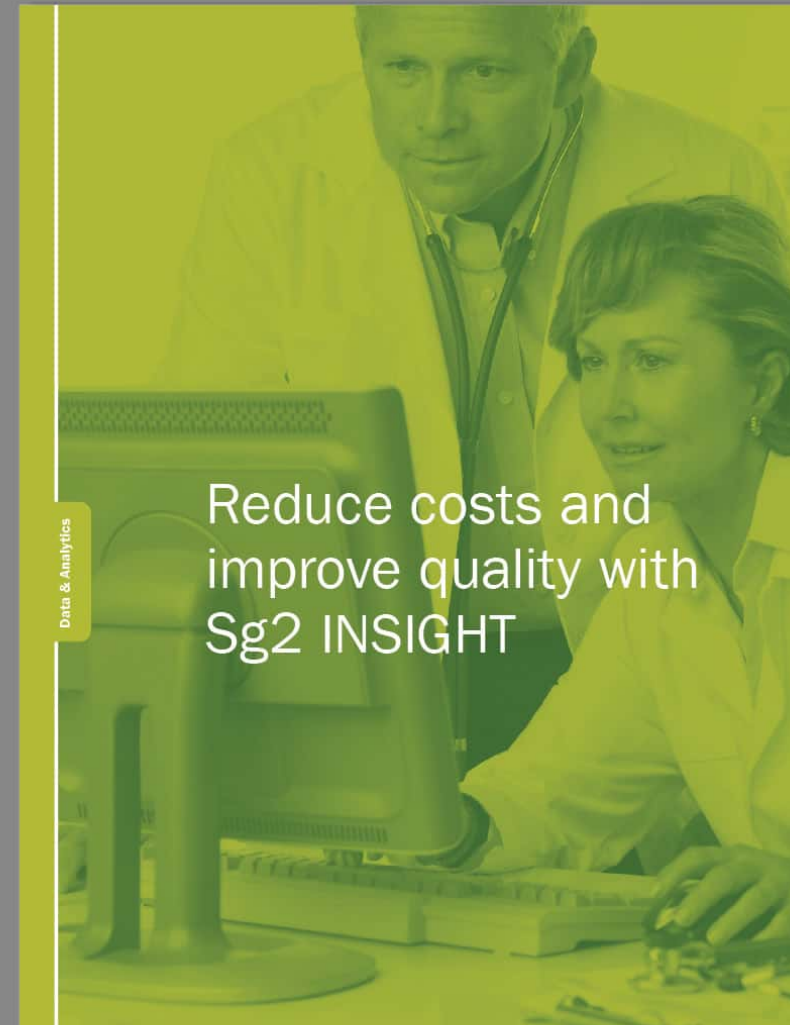
Sg2 has identified 3 distinct time periods for reform staging. During the Prewrite, reform provisions will make minor adjustments and set the stage for big changes to come. One such provision will create a CMS pilot program that allows providers organized as ACOs to share in cost savings by meeting voluntary quality thresholds as early as 2012.

| The Prewrite | Market Expansion | Regulation & Restructuring |
|--------------|------------------|----------------------------|
| 2010-2013    | 2014-2017        | 2018-2020                  |

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# GROWTH STRATEGIES ARE CHANGING



A data-driven solution  
for strategic decisions.

+ Online Data  
+ Information  
+ Support

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Sg2 EDGE®  
Growth System

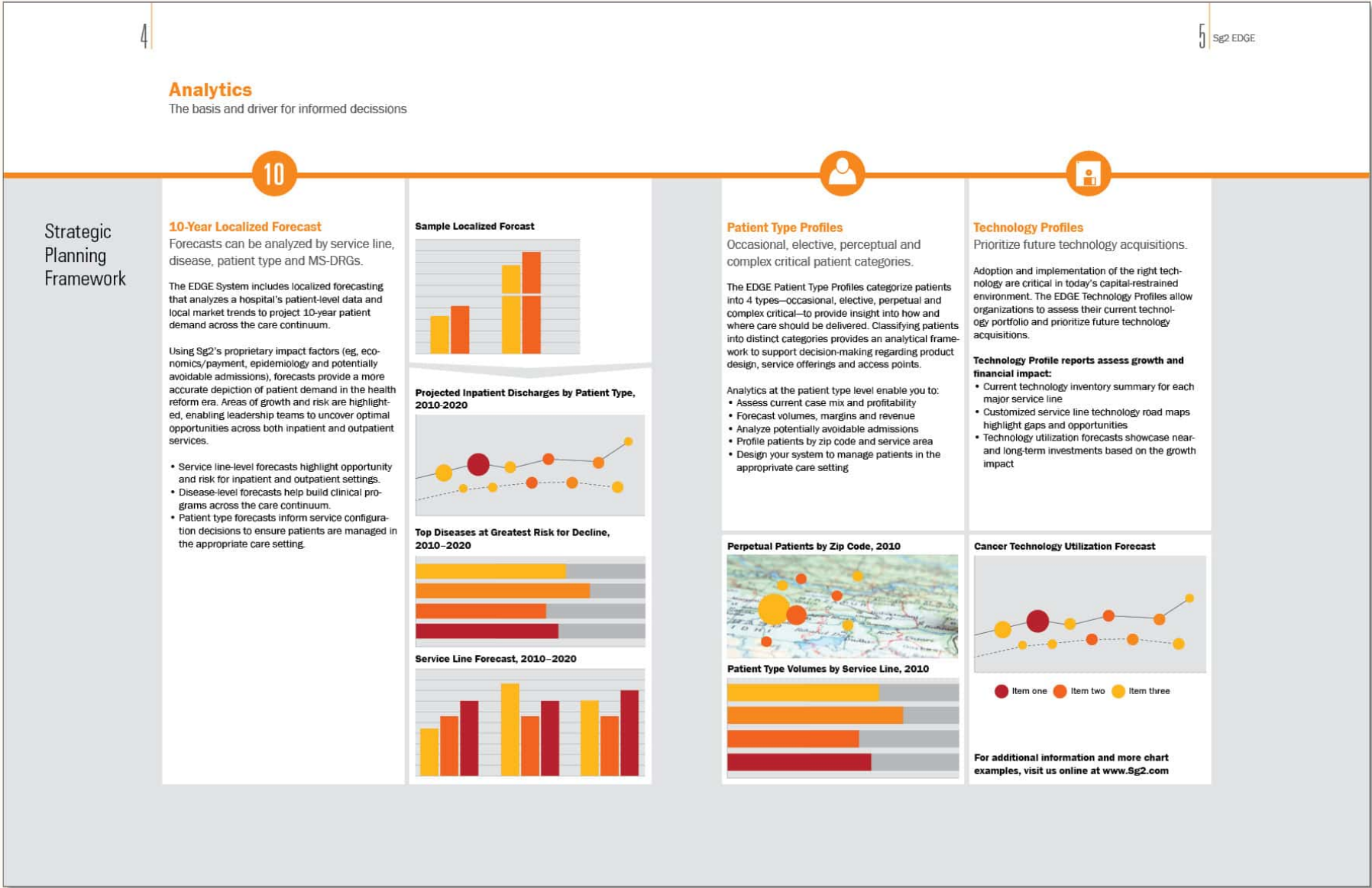


ONLINE DATA

ONLINE DATA

With Sg2's online data platform, EDGE System users can view their data anytime, anywhere.

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## Sg2 WEB SEMINAR

**Presented by:**



**Joan Moss** RN, MSN  
Senior Vice President, Sg2



**Steve Milf** PhD  
Vice President, Sg2

### Reducing Potentially Avoidable Admissions and Readmissions

Strategies to Improve Care Across the Continuum

**Tuesday, December 7, 2010**  
**Noon–1:00 pm CT**  
(10:00 am PT; 11:00 am MT; 1:00 pm ET)

[Register Now](#)

#### Overview

To ensure a strong clinical and financial position in the reform era, organizations must take responsibility for managing care beyond the acute care setting. During this Web seminar, Sg2 experts will provide actionable strategies to address 2 key performance improvement metrics: potentially avoidable admissions and readmissions.

These patients may fill beds today, but in the near future, reimbursement for these cases will be significantly reduced or eliminated. Organizations that prioritize these admissions by diagnosis, volume and percentage can hone in on prevention and care strategies.

#### What You Will Learn:

- The impact of health reform and impending payment penalties
- Lessons learned from statewide projects to reduce readmissions
- How patient-centered medical home models can improve post-acute care
- Strategies for improving access and communication across sites of care
- Key metrics to assess care effectiveness across the full continuum



Sg2 Health Reform Strategies for Success

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|             |                  |                            |
|-------------|------------------|----------------------------|
| The Prelude | Market Expansion | Regulation & Restructuring |
| 2010-2013   | 2014-2017        | 2018-2020                  |

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Sg2 Health Reform Strategies for Success: Accountable Care Organizations

#### Sg2 Systems of CARE™: The Platform for ACO Development

Becoming an ACO requires an integrated, disease-based care delivery platform that ensures effective use of resources, superior clinical outcomes and a better patient experience across all care settings. Sg2 refers to this as your System of CARE (Clinical Alignment and Resource Effectiveness). For organizations developing an ACO strategy, building a System of CARE provides the platform to succeed, clinically and financially.

**Sg2 InSight**  
The Sg2 InSight™ Clinical Performance Management System delivers analytics and expert-led resources for measuring and improving performance across the System of CARE. By tracking key metrics and benchmarking performance against peer hospitals, INSIGHT provides a clear assessment of ACO readiness.

Core to InSight is the Sg2 Value Index™, a scoring system that evaluates an organization's level of clinical integration and performance for all care sites at the enterprise, service line and disease levels. This allows hospital leaders to identify performance gaps inside and outside the acute care facility and work with physicians and care teams to more effectively manage patients.

**Sg2 Custom Solutions**  
Sg2's strategic and clinical experts have a deep understanding of the changes facing the health care industry and are uniquely qualified to help organizations address the challenges that accompany developing a System of CARE and becoming an ACO. Areas of focus include:

- Gap analysis to assess your current state
- Financial analysis to help align incentives and
- Development of physician integration models

#### Where Do You Start?

Below are 3 recommendations for organizations beginning to develop an ACO strategy.

- Educate your medical staff. This can include both employed and independent physicians collaborating on a set of clinical quality improvement objectives, with financial incentives for physicians and the hospital.
- Talk with payers and/or large self-insured employers. Many organizations that have already begun actively moving through the ACO process are working closely with a single payer or employers to develop a pilot project.
- Run partnership scenarios. Most systems will pursue an ACO strategy with at least 1 partner. This may mean a large multispecialty group, an academic medical center or a confederation of community health systems in adjacent markets.

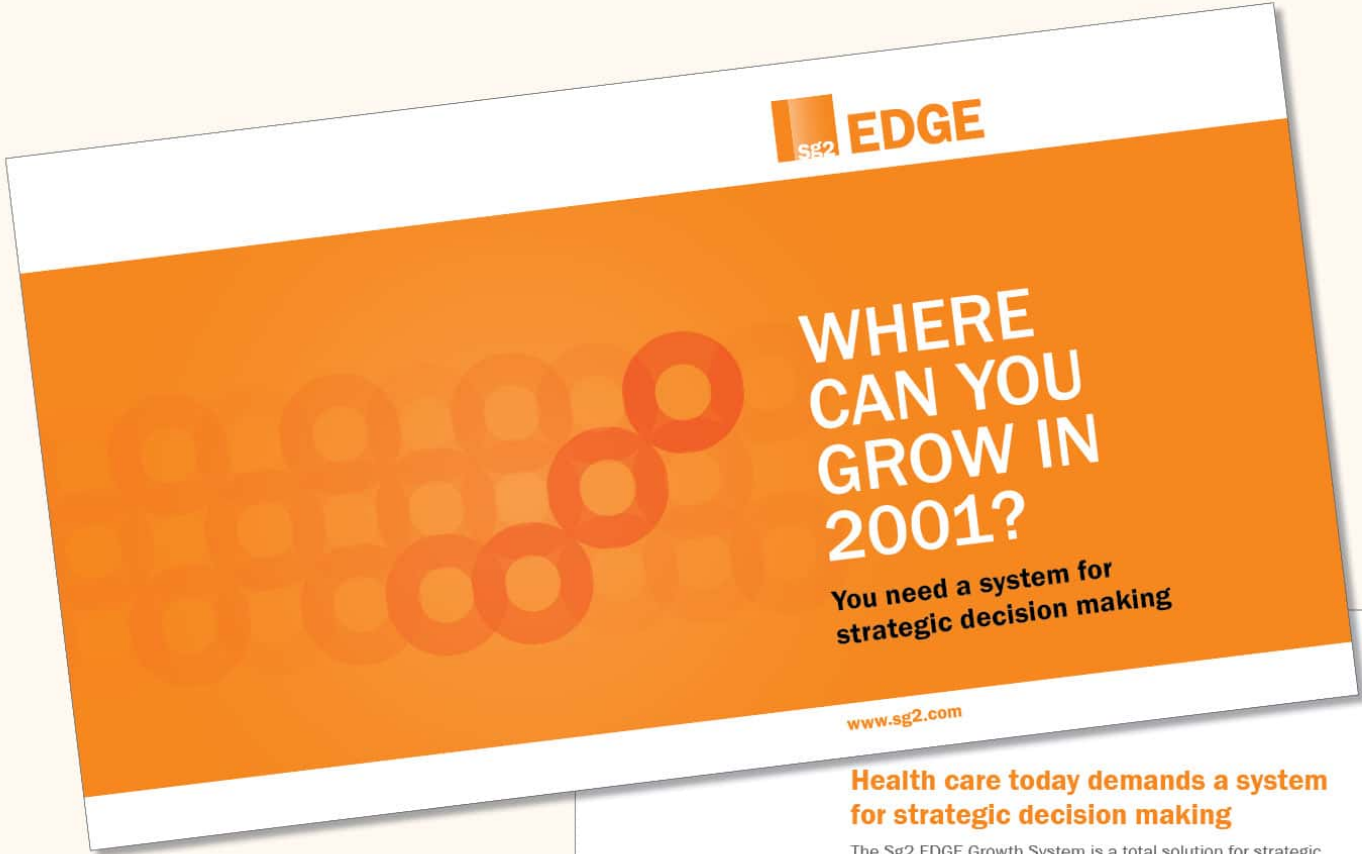
#### Systems of CARE: Coordination Across 3 Settings

|                                                                                                                                                                                              |                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| <b>Community-Based Care</b><br>Home<br>Wellness and Fitness Center<br>Retail Pharmacy<br>Physician Clinics<br>Diagnostic/Imaging Center<br>Urgent Care Center<br>Ambulatory Procedure Center | <b>Acute Care</b><br>Hospital<br><br><b>Recovery &amp; Rehab</b><br>Care<br>IP Rehab<br>SNF<br>OP Rehab<br>Home Care |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|

#### Access Your ACO Readiness Today

To learn more about how Sg2 can prepare your organization for ACO success, call **+1 847 779 5600** or email [learnmore@sg2.com](mailto:learnmore@sg2.com).

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+ Analytics  
+ Intelligence  
+ Engagement  
Sg2 EDGE®

**Health care today demands a system for strategic decision making**

The Sg2 EDGE Growth System is a total solution for strategic decision-making across all care sites.

Through a combination of local market forecasts, patient profiles, monthly reports, intelligence and expert guidance, Sg2 EDGE® helps leadership teams identify and achieve smart growth—growth that is profitable, clinically appropriate and sustainable.

**Analytics, Intelligence and Engagement**

- EDGE System Analytics are the basis and driver for informed decisions. Complex algorithms and measurements against benchmarks are easily interpreted through reports available online for 24/7 access.
- Complimenting the system analytics is information from experts and engagement with peers and industry leaders.

To learn more, contact Sg2 at 1-847-779-5600 or email us, "learnmore@sg2.com".  
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