

Oktibbeha County
Board of Supervisors
Proposal to Provide Assessment of
Oktibbeha County Medical Center

JULY 15, 2016

HORNELLP.COM





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HORNELLP.COM

July 15, 2016

Mr. Orlando Trainer
President, Oktibbeha County Board of Supervisors
108 West Main
Starkville, MS 39759

Dear Orlando:

Bottom line performance for health systems is on life support. Margins have never been tighter with increased costs of regulations and compliance, and hospitals that maintain a status quo strategy risk being left behind.

As a supervisor of a county-owned community hospital, it is your responsibility to challenge the status quo.

Hospitals that are proactively seeking to improve the culture, advance physician/hospital collaboration, embrace technology, and plan for a change in demographics are the ones that will thrive.

Your interest to ensure that you keep the hospital's doors open, offer the residents in your county access to quality healthcare and preserve jobs in the county match perfectly with our experience in providing hospital assessments right here in the State of Mississippi.

We've helped County Boards of Supervisors across Mississippi and Parish Commissioners in Louisiana make informed decisions on healthcare in their communities by providing them with national trends, local data and community perceptions.

As a commitment to our partnership with you, for your consideration, we have included recent relevant hard trends on page 9. In our opinion, these insights present strategic opportunities for your community hospital that go beyond the completion of an assessment that follows a Mississippi Code. The bottom line here: we don't complete a report to comply with regulatory codes; we collaborate with you to identify opportunities that will make a huge impact to the community you serve.

We sincerely thank you for the opportunity to share HORNE's collaborative, client-based approach.

Best regards,

HORNE LLP

A handwritten signature in black ink that reads "David Williams". The signature is written in a cursive, flowing style.

David Williams, CPA, MPH, FHFMA
Partner, Healthcare Services

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ABOUT HORNE

HORNE is an accounting and advisory firm known for its foresight, straight talk and collaboration. Clients come to us for proactive guidance to create opportunities and produce extraordinary results.

TEAM MEMBERS WORKING IN 9 STATES

Alabama, Colorado, Florida, Louisiana, Mississippi, New York, Tennessee, Texas, Washington D.C.

INSIDE Public Accounting
2015 TOP 50 FIRMS

accountingTODAY

2015 TOP 100 FIRMS

OFFICE LOCATIONS

39 PARTNERS

ALABAMA: Mobile

LOUISIANA: Baton Rouge

MISSISSIPPI: Grenada, Gulfport, Hattiesburg, Lucedale, Ridgeland, Starkville

TENNESSEE: Jackson, Memphis, Nashville

TEXAS: Austin, Houston
Washington D.C.

125 CPAs

540+ TEAM MEMBERS

FOCUS AREAS



BANKING



CONSTRUCTION



FRANCHISE



GOVERNMENT SERVICES



HEALTHCARE



PUBLIC & MIDDLE MARKET



HORNE WEALTH ADVISORS

HEALTHCARE IS IN OUR DNA

The HORNE Healthcare team is composed of financial professionals, former healthcare executives, engineers and IT experts, working together to help you find opportunities in the changing culture of healthcare. With an eye on the future, we assist with financial integrity and compliance measures, and engage your entire organization in the call to create the best possible patient experience while reducing cost.



- INNOVATIVE SOLUTIONS TO NAVIGATE DISRUPTIVE CHANGE**
- Business Model Transformation
 - Outcomes Improvement
 - Risk Mitigation & Security
 - Hospital/Physician Alignment
 - Financial & Regulatory Reporting



PRICING

ASSESSMENT OF OKTIBBEHA COUNTY MEDICAL CENTER	
STANDARD REPORTING	<ul style="list-style-type: none"> Discover your community hospital advantage
COLLABORATIVE COMMUNICATION	<ul style="list-style-type: none"> Produce advanced knowledge from key county and city stakeholders to energize strengths to create a sustainable and equitable healthcare delivery system
PRICE	\$35,000

VALUE-ADDED OPTION*	
ANTICIPATORY OPPORTUNITIES	<ul style="list-style-type: none"> Explore strategic partnerships to discover superior value to the market
PRICE	\$17,500

**This option is in addition to the standard reporting and collaborative communication.*

DESCRIPTION OF SERVICES

ASSESSMENT OF OKTIBBEHA COUNTY MEDICAL CENTER

Standard Reporting

We will complete the following legally required activities in accordance with Public Health Law 41-13-15(8):

After careful review of the competitive market, an evaluation of the capabilities of OCH Medical Center, and identification of current and future healthcare needs of the county; the County Board of Supervisors will better understand how to best address the healthcare needs of those you serve.

Collaborative Communication

In addition to understanding how to better address the healthcare needs of those you serve, you will also have a grasp of the true perception from the stakeholders in your county of the quality and value of care that OCH Medical Center provides.

This stakeholder information will provide advanced knowledge for all involved and will help the leadership create a more sustainable and equitable healthcare delivery system.

VALUE-ADDED OPTION

Anticipatory Opportunities

This option includes a valuable investigational report based on in depth discussions with Mississippi University for Women and Mississippi State University.

This study will address potential strategic partnerships among the three entities based on medical research and treatment (especially orthopedics and sports injury; and healthcare delivery centered around nursing and nurse practitioner professionals).

This integration of disciplines, education, and professionals would result in a community-focused health education and prevention model, as well as an exceptional health delivery system for targeted diagnoses.

REFERENCES

- **GRENADA COUNTY BOARD OF SUPERVISORS**
 - **Jay Gore, III**
Gore Kilpatrick and Dambrino
2000 Gateway
Grenada, MS 38901
662-226-1891

- **HANCOCK COUNTY BOARD OF SUPERVISORS**
 - **John J. Healy, III**
Butler Snow
1020 Highland Colony Parkway, Suite 1400
Ridgeland, MS 39157
601-985-4577

- **CHOCTAW COUNTY BOARD OF SUPERVISORS**
 - **Chris McIntire**
County Board of Supervisors
P.O. Box 737
Ackerman, MS 39735
662-285-3778

- **TIPPAH COUNTY BOARD OF SUPERVISORS**
 - **Sean Akins, Attorney**
Adkins and Adams
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Ripley, MS 38663
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- **LEFLORE COUNTY BOARD OF SUPERVISORS**
 - **Margaret Williams**
Wise Carter Child and Caraway
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Jackson, MS 39201
601-968-5500
 - **Jim Jackson, CEO**
Greenwood Leflore Hospital
1401 River Road
Greenwood, MS 38930-4030
662-459-7000

- **MOREHOUSE PARISH COMMISSIONERS**
 - **Nick Gachassin, III**
Gachassin Law Firm
200 Corporate Blvd., Suite 103
Lafayette, LA 70508
337-235-4576
 - **Jim Allbritton, CEO**
Morehouse Community Hospital
323 West Walnut Street
Bastrop, LA 71220
318-283-3600

KEY PERSONNEL

YOUR HEALTHCARE LEADERSHIP TEAM

Our team is 100% focused on healthcare and is fully staffed from HORNE's headquarters located in Ridgeland, Mississippi.

DAVID A. WILLIAMS, CPA, MPH, FHFMA



DAVID WILLIAMS, CPA,
MPH, FHFMA
*Partner, Director of
Reimbursement & Advisory*
david.williams@hornellp.com
601.326.1320

- 30+ years collaborating with community hospitals and health systems on regulatory and reimbursement opportunities
- Focused on the implementation of new healthcare delivery models
- Expertise in assessing and repositioning healthcare organizations
- Mississippi health policy knowledge leader
- Known for healthcare non-profit expertise

PROFESSIONAL AFFILIATIONS

- Healthcare Financial Management Association
 - National Board of Examiners, Reviewer
 - Editorial Review Board for HFM Journal
 - Region 9 Conference Committee, Co-Chair
- American Institute of Certified Public Accountants
- Mississippi Society of Certified Public Accountants, Health Care Services Committee

BARRY K. PLUNKETT



BARRY K. PLUNKETT
Consultant
barry.plunkett@hornellp.com
601.955.7214

- 30+ years of healthcare senior management experience
- Serves as facilitator for strategic and long range planning
- Focused on current trends in healthcare product development and marketing
- Known for being instrumental by developing processes that integrate operations, quality management and initiatives that ensure healthcare excellence
- Completed 10+ hospital regulatory compliance assessments

PROFESSIONAL AFFILIATIONS

- Mississippi Hospital Association
 - Quarter Century Club

LAURA GILLENWATER, CPA



LAURA GILLENWATER, CPA
Manager
laura.gillenwater@hornellp.com
601.326.1378

- 6+ years of experience focused on healthcare reimbursement and advisory
- Experience in medical education reimbursement
- Prepares cost reports
- Serves as a data resource for hospital regulatory compliance assessments

PROFESSIONAL AFFILIATIONS

- American Institute of Certified Public Accountants
- Accounting and Financial Women's Alliance
- Healthcare Financial Management Association
- Mississippi Society of Certified Public Accountants

HARD TRENDS IN HEALTHCARE

Hard trends are projections based on measurable, tangible and fully predictable facts and events. A hard trend is something that will happen – a future fact.

Hard trends give us insights to find certainty and anticipate the future. And when we anticipate the future with certainty, it shifts how we think about change. Most think of change as disruptive, and this is generally true when it comes from the outside in.

But when we clearly see the future and solve problems before they occur, we create change from the inside out. Inside out change is typically purposeful and constructive. It allows you to direct your future and take charge of your destiny.

We see at least five hard trends impacting almost every client we serve.

VALUE NOT VOLUME

Volume-based delivery models will soon be history. Pay-for-performance or value-based systems are the future – ready or not. The financial reality is that reimbursement models are trending downward on a per beneficiary basis.

Healthcare systems and healthcare organizations on the leading edge are discovering that they can thrive – not just survive. Their strategy involves pulling together clinical care teams that share data and establish best practices to treat an episode of care for better patient outcomes - at reduced and sustainable costs in an appropriate care setting.

Since reimbursement will be based on quality metrics or clinical outcomes, successful systems are:

- Streamlining processes to eliminate waste and inefficiencies
- Replicating procedures that demonstrate higher quality and/or lower cost
- Employing evidence-based clinical support
- Eliminating unnecessary tests or procedures and “overtreatment”
- Involving patients in decision-making to improve satisfaction

This is a transformative process that needs to change more than behaviors. It needs to change attitudes. Evidence-driven care is not just about data. It incorporates patient values and expectations in addition to provider clinical expertise.

Administrators must provide incentives and motivate clinicians to work collaboratively sharing knowledge and skills for a better patient experience, thus achieving the highest performance with the least expense.

COLLABORATION & INTEGRATION

Let's face it – hospitals and physicians both have skin in the game and the degree with which they work together will determine if they prosper, persevere or perish.

There isn't one single solution regarding integration of doctors and hospital systems.

Many factors will drive the industry towards integration. Lower physician incomes will stimulate an increase of practice acquisitions and physician employment by hospitals. Bundled payments, or

reimbursement for multiple providers bundled into a single payment that covers all services included in an episode of care, will necessitate collaboration.

Focus on quality clinical outcomes and cost effectiveness will promote integrated delivery networks.

Regardless of which factor is the strongest at the moment, hospitals and doctors need to come together like never before and work toward the same goals. Whether it involves hospitals directly employing physicians or integrating clinically through a network, it is critical doctors and hospitals trust one another in order to be successful in the new environment.

FINANCIAL INTEGRITY

Lenders and other stakeholders will place increased value and reliance on timely and accurate financial reporting as well as increased demand for more frequent reporting.

Capital access is essential to meeting the demands of a transformative delivery model. Organizations will need to forge durable relationships with its key lenders and stakeholders by transparent and convenient access.

These users will also be less forgiving for violations in this area, which could significantly impact financing capacity and cash flow.

Management and board of directors will also have increased needs for more timely and accurate reporting for strategic decisions. You must be able to trust the information provided.

Best-in-class organizations will seek a service-based asset strategy by defining its future business model based on value.

We understand your needs to deploy assets in the most effective areas to enhance services and cover disparities of care in the populations. You must seek partnerships with financial advisors to navigate the complex regulatory and health policy issues.

BIG DATA

Those that succeed in the changing healthcare landscape will have at least one thing in common – they will embrace technology. Methods may vary, but the degree to which technology is successfully integrated into the processes will largely determine the winners and losers.

The emergence of electronic medical records (EMR) created opportunities for improved care that were not possible in the past. Predictive modeling integrated with EMR systems will lead to better diagnoses and treatment plans. Clinical decision support embedded in the workflow within EMR systems will offer support and stronger standards for evidence-based medicine.

Patient portals linked to EMR systems give consumers quick and easy access to their individual health information – and consumers want this level of control. The ability to share electronic information securely has also advanced collaboration between providers.

Integrating data from all sources provides a depth of knowledge not known to the industry in the past. Data analytics uncovers variations in care that, when reduced, can improve quality and cost effectiveness. Data mining can provide insight into patient demographics, lifestyles, and health attitudes – all of which can assist in better research and development.

We have just begun to experience the benefits that the enormous amount of data, which is now at our fingertips, can provide to the healthcare community. Failure to capitalize on this information will leave you “in the dark” as you undertake more risk-based service offerings.

DEMOGRAPHIC SHIFT

Changes to the patient population will impact the way that care is delivered – primarily who will be delivering care and where it will be found. Healthcare reform is providing access to care for millions of previously uninsured, and most likely untreated, individuals.

Providers should plan for the number of patients to increase. In addition, millions of baby boomers are reaching retirement age. As the boomers are aging, they are experiencing more chronic medical conditions, thus increasing their need for care.

The ability, or inability, to provide adequate care for these two groups is intensified by a shortage of primary care physicians.

One trend expected to accommodate the new population is stronger team-based care to emerge in which non-physician providers play a larger role in patient care. Physician assistants, nurse practitioners and pharmacists will be ‘repurposed’ to alleviate the shortage.

A second trend surfacing is an increase in retail clinics, urgent care facilities and online physician consultations or other telemedicine options. Hospitals and traditional physician clinics won’t be the only players in the market.



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