



*Business Planning for Launching
Advanced Practice Provider Teams*

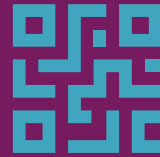
Benjamin R. Reynolds MSPAS, PA-C, DFAAPA
Chief Advanced Practice Officer, UPMC

I have no disclosures

Objectives



Understand the
health care
economic
environment of now

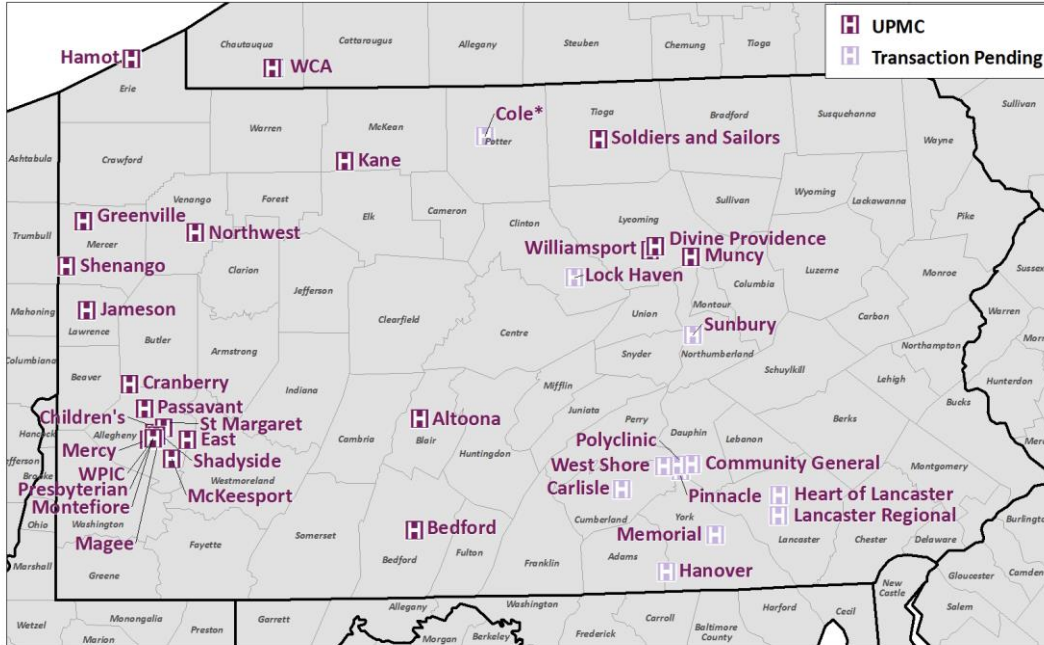


Be able to identify
opportunities best
suited for APP
integration



Be able to develop a
business case for an
APP service line

UPMC



- 42 Hospitals, over 500 sites of care
 - 5,900 Physicians
 - 12,000 Nurses
 - 3,600 APPs
- 3.5 million lives covered by UPMC Health Plan

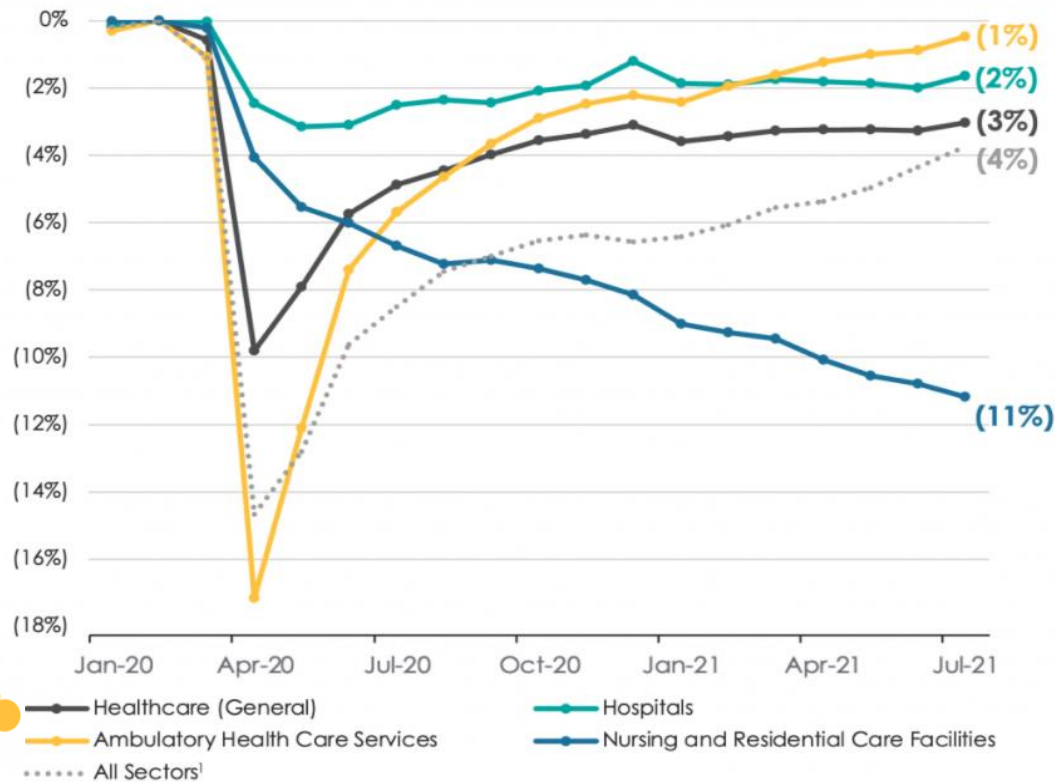
Disclaimer

What I'm about to tell you today,
may not be relevant soon.

The Here and Now...

The Pandemic is changing everything

Percent of Jobs Lost Relative to Feb. 2020 by Sector



- Half of healthcare jobs are unfilled as of Q1 2021
- Employment in nursing is nosediving
- Low employment = low capacity = decreasing revenue

A hospital is giving nurses up to to \$40,000 in sign-on bonuses amid a dire nursing shortage

Heather Schlitz Aug 24, 2021, 11:15 AM

INSIDER

- Hospitals across the country are struggling to fill tens of thousands of vacant nursing positions.
- Some hospitals are offering sign-on bonuses and lucrative hourly rates to entice nurses.
- As nurses struggle with burnout and rising COVID cases, staff shortages can put patients at risk.



<https://www.businessinsider.com/hospital-offers-40000-nurse-hire-bonus-nursing-shortage-covid-surge-2021-8>

Rural hospitals losing hundreds of staff to high-paid traveling nurse jobs

“It hurts my heart to tell my boss she’s going to have to replace me, but this is my opportunity to use those skills and make this level of money,” said one nurse.



While the surge in popularity of travel nursing has deepened the country’s nursing shortage, it has been a boon for staffing agencies. AMN Healthcare Services Inc., a San Diego-based medical staffing agency, reported a 41 percent increase in revenue from the same time last year. Its travel nurse staffing business alone grew by 37 percent, it reported.

- *Dramatically disrupting market comp rates*
- *Agency / locums double edged sword*
 - *Work along side less compensated nurses*
 - *Lures away employed nurses*



HEALTH CARE

Amid Pandemic, Hospitals Lay Off 1.4M Workers In April

May 10, 2020 · 4:55 PM ET

Heard on [All Things Considered](#)



MEG ANDERSON



Thousands of physician assistants furloughed during coronavirus outbreak

BY KATE GIBSON

MAY 20, 2020 / 2:46 PM / MONEYWATCH

“More than one in five PAs, or 22%, have been furloughed due to COVID-19, while nearly 4% said they'd been terminated. Some 59% said their work hours had been cut, and 31% said their base pay had been reduced.”

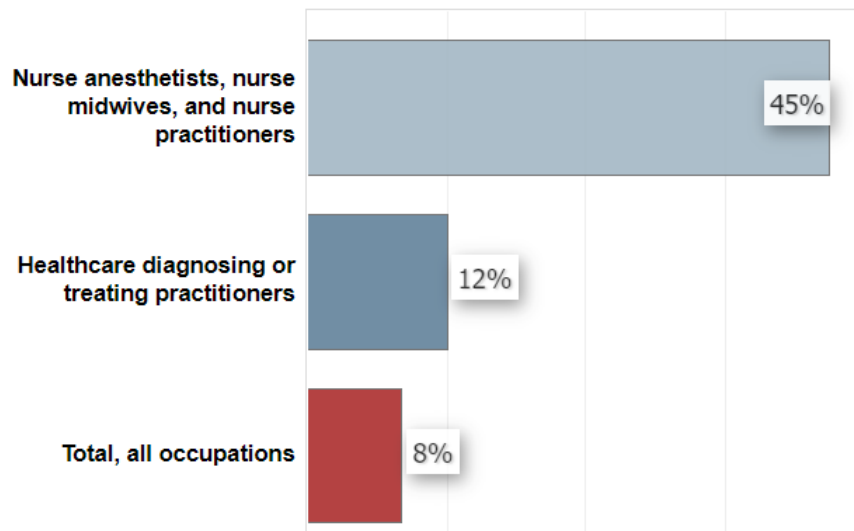


Nurse Anesthetists, Nurse Midwives, and Nurse Practitioners

Job Outlook

Nurse Anesthetists, Nurse Midwives, and Nurse Practitioners

Percent change in employment, projected 2020-30



Note: All Occupations includes all occupations in the U.S. Economy.
Source: U.S. Bureau of Labor Statistics, Employment Projections program



Nurse Anesthetists, Nurse Midwives, and Nurse Practitioners

Job Outlook

Employment projections data for nurse anesthetists, nurse midwives, and nurse practitioners, 2020-30

Occupational Title	SOC Code	Employment, 2020	Projected Employment, 2030	Change, 2020-30	
				Percent	Numeric
Nurse anesthetists, nurse midwives, and nurse practitioners	—	271,900	393,200	45	121,400
Nurse anesthetists	29-1151	44,200	49,800	13	5,600
Nurse midwives	29-1161	7,300	8,200	11	800
Nurse practitioners	29-1171	220,300	335,200	52	114,900

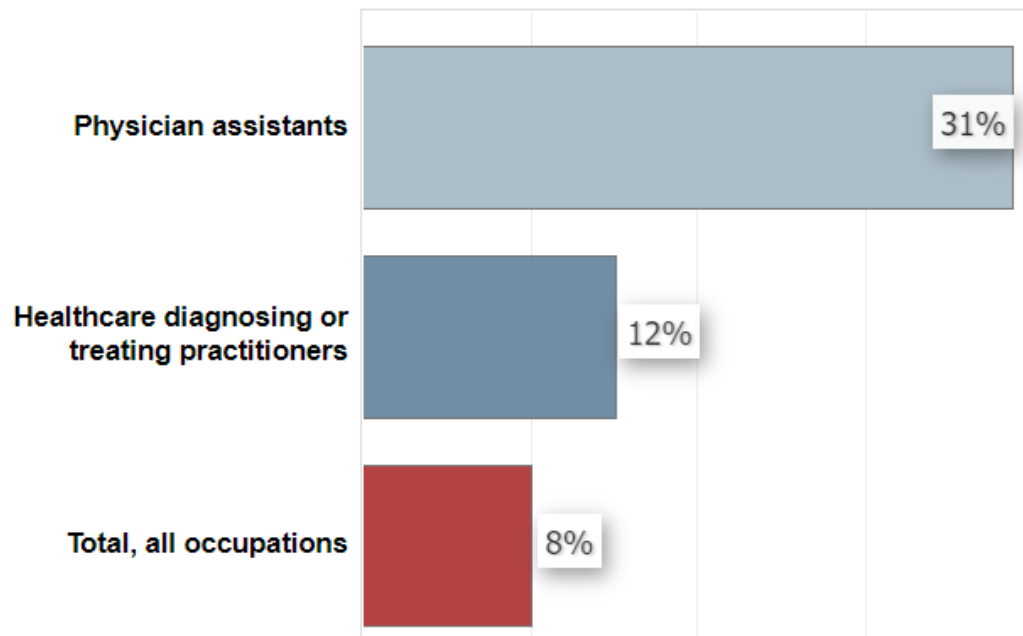
SOURCE: U.S. Bureau of Labor Statistics, Employment Projections program



Physician Assistants

Physician Assistants

Percent change in employment, projected 2020-30



Job Outlook

Note: All Occupations includes all occupations in the U.S. Economy.
Source: U.S. Bureau of Labor Statistics, Employment Projections program



Physician Assistants

Job Outlook

Employment projections data for physician assistants, 2020-30

Occupational Title	SOC Code	Employment, 2020	Projected Employment, 2030	Change, 2020-30	
				Percent	Numeric
Physician assistants	29-1071	129,400	169,500	31	40,100

SOURCE: U.S. Bureau of Labor Statistics, Employment Projections program

New AHA Report Finds Losses Deepen for Hospitals and Health Systems Due to COVID-19

- \$120.5 billion in financial losses, due in large part to lower patient volumes, from July 2020 through December 2020, or an average of \$20.1 billion per month
- **This brings total losses for the nation's hospitals and health systems to at least \$323.1 billion in 2020.**

<https://www.aha.org/issue-brief/2020-06-30-new-aha-report-finds-losses-deepen-hospitals-and-health-systems-due-covid-19>

Research Announcement: Moody's - 2021 outlook for US not-for-profit and public healthcare sector remains negative on constrained revenue, rising costs

11 December 2020

- Median operating cash flow will drop 10%-15% in 2021 from Moody's annualized third-quarter 2020 estimate
- Softer demand for certain services due to coronavirus fears will continue until pandemic ends

The outlook for the US not-for-profit and public healthcare sector in 2021 remains negative, Moody's Investors Service says in research published today. Volume and service mix disruption, reduced commercial insurance revenues from elevated unemployment, and higher expenses will weigh on hospitals amid the coronavirus crisis. The pace and sustainability of recovery from last spring's nationwide mandatory elective shut down will be influenced by containment of the virus and widespread vaccination.

U.S. hospital patient volumes move back toward 2019 levels, McKinsey survey finds

ED and inpatient volumes have returned to 2019 levels, though respondents said they expect it to be roughly 5-6% higher in 2022.

The **BIG** Picture

- HC systems are spending untold amounts on unbudgeted labor costs, especially in nursing to diminishing effect...how will this end???
- Volumes are returning, but COVID is NOT contained...
- Expect resources to be focused on that problem...

Where are the Opportunities?

Where they have always been..

- Expanding access
 - Impaired by labor shortage...
- Decreasing care service costs
 - Systems choosing to maintain physician jobs over APPs during financially tough times...
- Improving outcomes
 - No quality exceptions for the pandemic...





Where they have always been..

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 - Impaired by labor shortage...
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 - Systems choosing to maintain physician jobs over APPs during financially tough times...
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 - No quality exceptions for the pandemic...

Strategies around Expanding Access

- Decreasing wait times...
- Increasing patient volume...
- Expanding the scope of services...

Cardiovascular Business

Daniel Allar | March 22, 2018 | Practice Management


Report: 20% of patients have changed doctors because of long wait times

Thirty percent of surveyed patients reported they've walked out of an appointment due to a long wait, while 20 percent said they've changed doctors because of wait times.



Takeaway:
Wait times are linked to
patient satisfaction

Appointment Adherence and Disparities in Outcomes Among Patients with Diabetes

[Joel M. Schectman MD, MPH](#) , [John B. Schorling MD, MPH](#) & [John D. Voss MD](#)

- For each 10% increment in missed appointments, the odds of good control decreased by a factor of 1.12 and the odds of poor control increased by a factor of 1.24



Takeaway:
Long wait times can be
bad for care quality

Strategies around Patient Access

- Decreasing wait times...
- Increasing patient volume...
- Expanding the scope of services...

Are there more patients?



Health-care dilemma: 10,000
boomers retiring each day



Baby Boomers Will Become
Sicker Seniors Than Earlier
Generations

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COVID-19 and cancer

NORMAN E. SHARPLESS



SCIENCE • 19 Jun 2020 • Vol 368, Issue 6497 • p. 1290 • DOI:10.1126/science.abd3377

“Modeling the effect of COVID-19 on cancer screening and treatment for breast and colorectal cancer (which together account for about one-sixth of all cancer deaths) over the next decade **suggests almost 10,000 excess deaths from breast and colorectal cancer** deaths; that is, a ~1% increase in deaths from these tumor types during a period when we would expect to see almost 1,000,000 deaths from these two diseases types.”

Takeaway:
COVID related delays increase mortality across multiple otherwise controllable disease states

Modeled cumulative excess deaths from colorectal and breast cancers, 2020 to 2030*

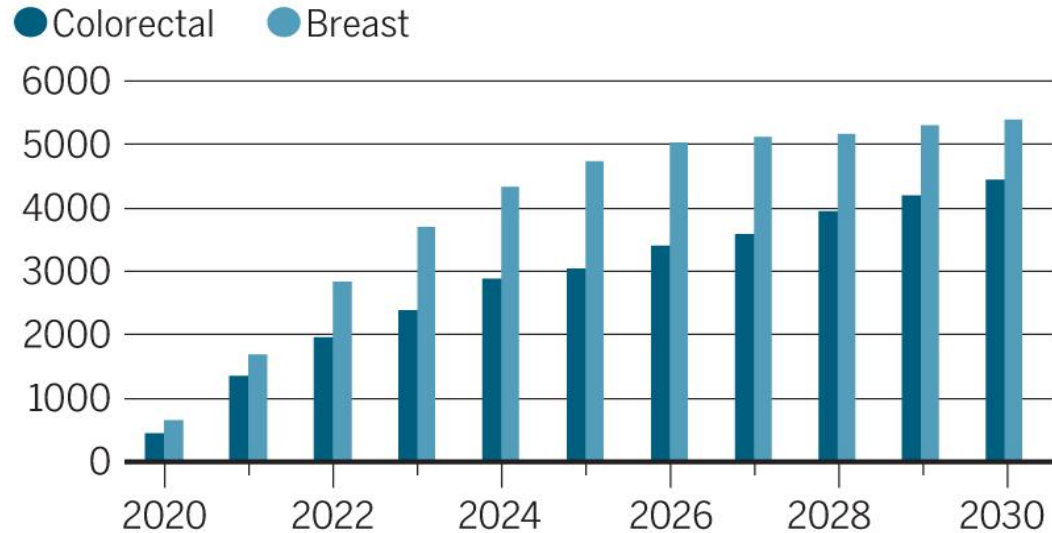
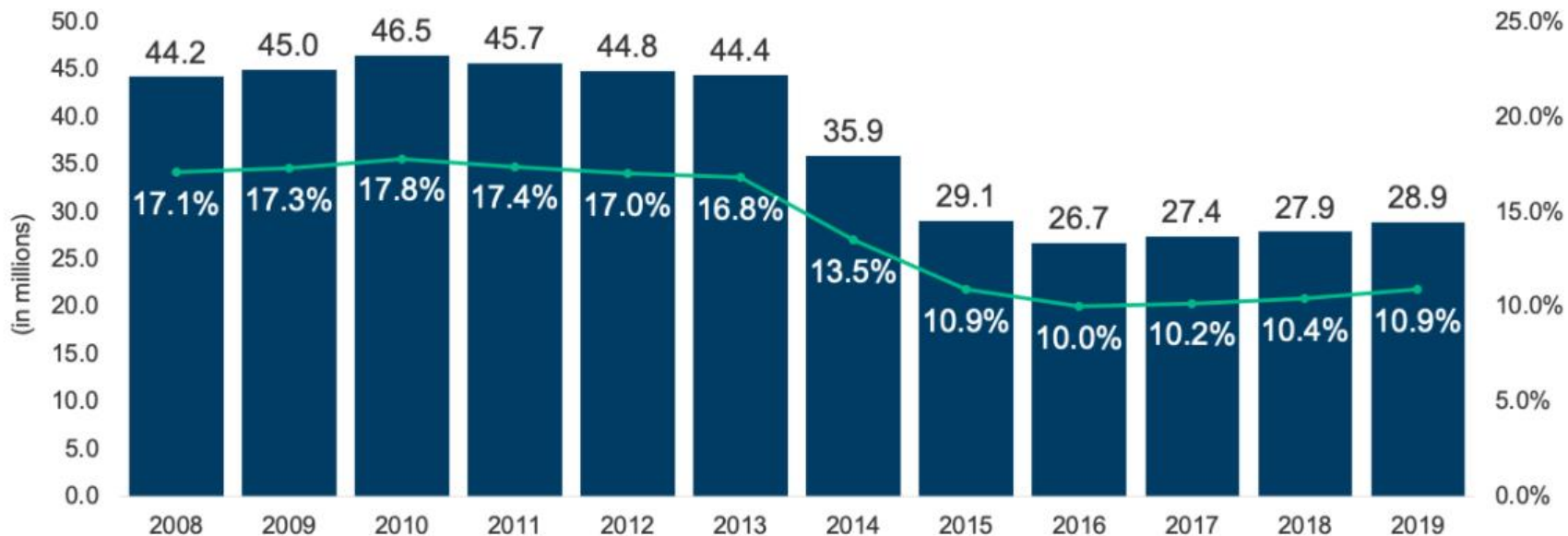


Figure 1

Number of Uninsured and Uninsured Rate among the Nonelderly Population, 2008-2019



NOTE: Includes nonelderly individuals ages 0 to 64.

SOURCE: KFF analysis of 2008-2019 American Community Survey, 1-Year Estimates.

Strategies around Patient Access

- Decreasing wait times...
- Increasing patient volume...
- Expanding the scope of services...

Expanding Services

- Adding an additional clinic
 - Offering a new service to a different region
 - Autonomous satellite clinic
- Creating a niche specialty clinic
 - CHF, nutritional risk clinic, post-surgical follow up, minor procedure, etc.

Center for Perioperative Care

- Four APP staffed clinics for prehabilitation services
- Smoking cessation, diet, cardiac rehab
- “Surgery Coach”



The **UPMC** Post-COVID Recovery Clinic



The **UPMC** Post-COVID Recovery Clinic

Where they have always been..

- Expanding access
- Decreasing care service costs
- Improving outcomes

Strategies around Decreasing Care Service Cost

- Workforce attrition planning
- Addressing medical / specialty “deserts”
- Telemedicine opportunities

Workforce Attrition Planning

- Planning turnover in a way that also accounts for some costs savings in a practice
- Examples:
 - Reevaluating job duties to find efficiencies
 - Look at provider volumes / templates.
 - The role should fit the need...

Strategies around Decreasing Care Service Cost

- Workforce attrition planning
- Addressing medical / specialty “deserts”
- Telemedicine opportunities



Health Care Deserts: Nearly 80 Percent Of Rural U.S. Designated As ‘Medically Underserved’

“Live 60 minutes or more from a hospital”...

HRSA: 19.3% of the population live in rural areas.

Lack Of Access To Specialists Associated With Mortality And Preventable Hospitalizations Of Rural Medicare Beneficiaries

[Kenton J. Johnston](#), [Hefei Wen](#), and [Karen E. Joynt Maddox](#)

“Rural residence was associated with a 40 percent higher preventable hospitalization rate and a 23 percent higher mortality rate, compared to urban residence”

Lack Of Access To Specialists Associated With Mortality And Preventable Hospitalizations Of Rural Medicare Beneficiaries

[Kenton J. Johnston](#), [Hefei Wen](#), and [Karen E. Joynt Maddox](#)

“Having one or more specialist visits during the previous year was associated with a 15.9 percent lower preventable hospitalization rate and a 16.6 percent lower mortality rate for people with chronic conditions...”

Lack Of Access To Specialists Associated With Mortality And Preventable Hospitalizations Of Rural Medicare Beneficiaries

[Kenton J. Johnston](#), [Hefei Wen](#), and [Karen E. Joynt Maddox](#)

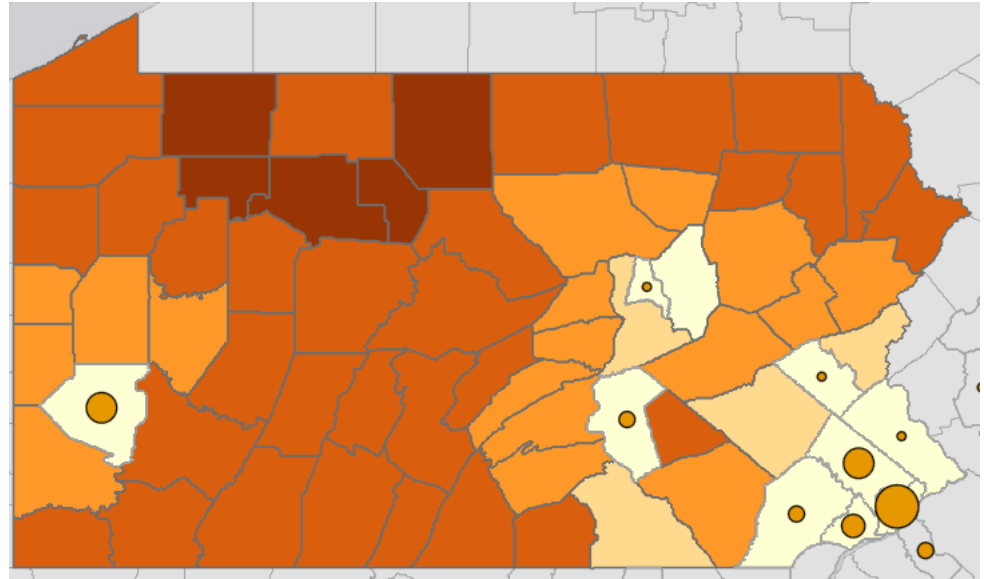
“Access to specialists accounted for 55 percent and 40 percent of the rural-urban difference in preventable hospitalizations and mortality, respectively...”

APP Specialty Clinics

- Pediatric specialties

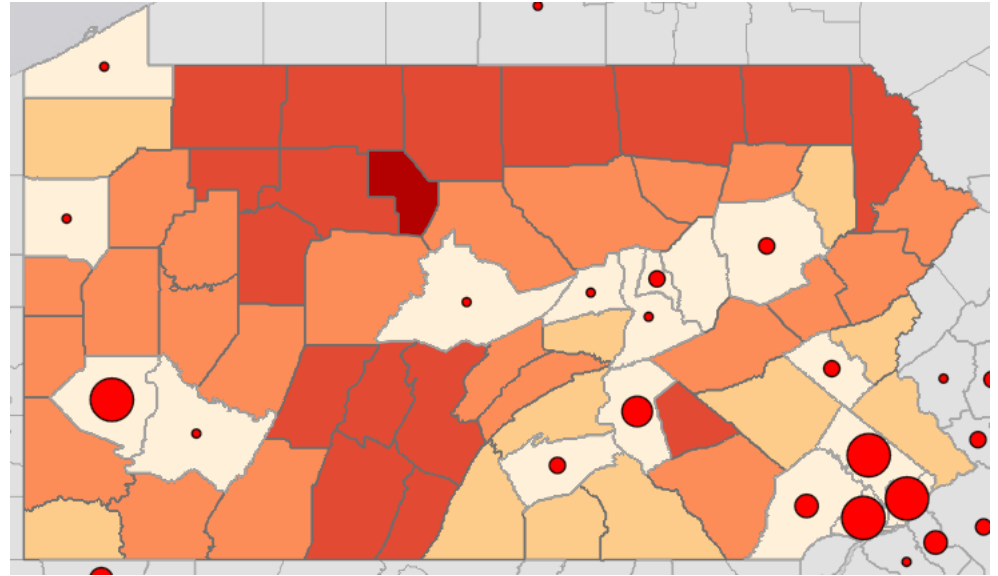
Adolescent Medicine

There are 38 adolescent medicine physicians in Pennsylvania. This represents one provider for every 78,356 children. Pennsylvania children will travel a mean 33.4 minutes to reach the nearest adolescent medicine physician.



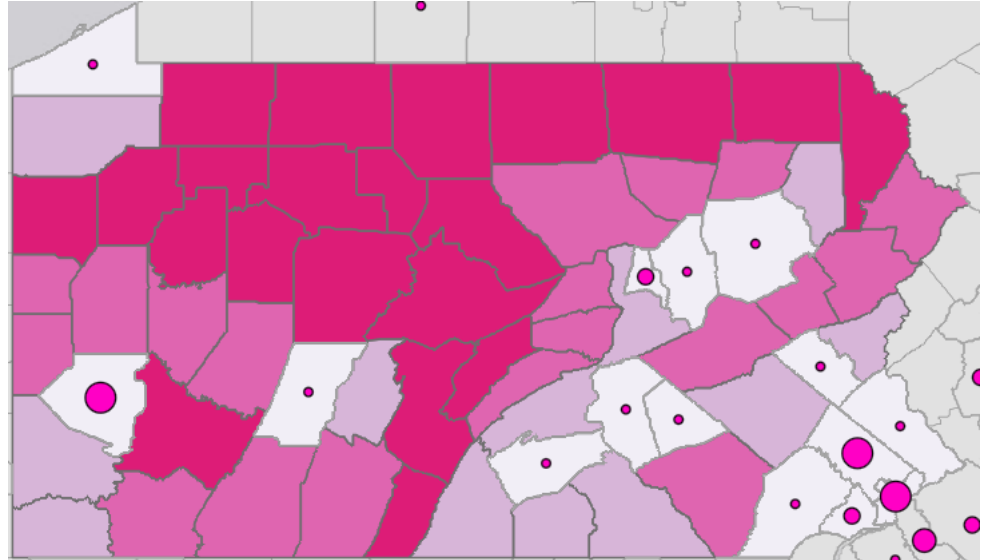
Pediatric cardiologists

There are 141 pediatric cardiologists in Pennsylvania. This represents one provider for every 21,117 children. Pennsylvania children will travel a mean 21.5 minutes to reach the nearest pediatric cardiologist.



Pediatric endocrinologists

There are 71 pediatric endocrinologists in Pennsylvania. This represents one provider for every 41,937 children. Pennsylvania children will travel a mean 21.6 minutes to reach the nearest pediatric endocrinologist.



Strategies around Decreasing Care Service Cost

- Workforce attrition planning
- Addressing medical / specialty “deserts”
- Telemedicine opportunities

Think about scale

GlobeSt.com™

Telehealth Patient Volume Skyrocketed 4,000% in Pandemic

"As we got into March and April, we saw growth like nobody could have ever predicted or planned for."

By **P.J. D'Annunzio** | June 23, 2020 at 07:01 AM

How UPMC plans to sustain 50% of telemedicine growth post pandemic: Q&A with CMIO Dr. Robert Bart

Jackie Drees - Tuesday, June 9th, 2020 [Print](#) | [Email](#)

- Goal is to maintain a 50 percent growth of telemedicine
- Shift 30-35% of total ambulatory care to telemedicine
- Biggest opportunities: post surgical care, acute care.

Time to Make Your Case

ROIs for Dummies

1. Always make the clinical case support the business case

- How are patients not getting the best care?
- How does providing better care benefit the system?



ROIs for Dummies

QAC!

- **QAC like a duck**

- **Q**UALITY: How can we improve care
- **A**CCCESS: Think wait times, patient volume, service addition
- **C**OST: Stay within budget



ROIs for Dummies

2. Master your Math

- Analytics: Get quality / outcome numbers
- Finance: Get volume / cost numbers
- Revenue Cycle: Get reimbursement numbers
- HR: Get personnel numbers / salary data
- Operations: Get overhead numbers

ROIs for Dummies

3. Hustle

- *Check your math.* Do the numbers work?
- *Find champions.* Start with Physicians.
- *Don't leave out voices.* Include more groups than what you think.
 - Hurt feelings will hurt your work.
- *Know that you will have blind spots.*

Key Takeaways

Keep your current COVID / economic situation in mind when planning new APP driven business models.

Key Takeaways

***Where the opportunities exist haven't changed.
Finding them is the key.***

Key Takeaways

QAC like a duck.

Soon you'll have a raft.





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