



Leveraging Our Combined Strength

*Planning for an Uncertain
and Challenging Future*

Minnesota Hospital Association



In the midst of the most significant national health care reform discussion in decades, the infancy of a much-hoped-for economic recovery following one of the largest economic collapses in almost 90 years, rising rates of unemployment and uninsured residents in Minnesota, the Minnesota Hospital Association Board of Directors began the process of planning for an uncertain and challenging future. The overarching aim was to position MHA and its members to successfully address and adapt to the dramatic challenges and changes on the horizon.

The result is an intentionally dynamic and malleable plan that sets a course for continuing and amplifying MHA's bold leadership; for leveraging the strengths of and delivering even greater value to the broad scope of members MHA represents; and for forging new initiatives designed to make significant contributions to the most challenging health care policy issues.

Our Mission

To enhance the ability of the members to achieve their missions and goals.

Our Vision

To be the state's most influential, trusted and respected leader in health care policy and advocacy, and a valued resource for information and knowledge.

Our Values

- Commitment to affordable access to quality health care for all Minnesotans
- Trust and integrity
- Leadership through knowledge-based solutions
- Collaborative solutions
- Organizational accountability
- Community of interests



MHA's role of providing powerful leadership and effective advocacy on behalf of its members remains paramount. This fundamental principle builds on MHA's history and, ultimately, permeates and underlies every element of the strategic plan for the future. Members regard this to be the single most valuable and essential service MHA provides. Thus, each component of the strategic plan is designed to directly or indirectly improve MHA's ability to effectively represent, advocate for and advance its members' interests.

This overarching principle of effective advocacy is supported by several on-going and mutually reinforcing core

endeavors that members expect from an effective hospital association. These characteristic activities are aimed at enhancing the financial strength and sustainability of hospitals and health systems, improving public trust in and awareness of MHA and its members, and building members' capacity to meet the health care needs of their patients and communities.

In addition, in order to be an influential and effective advocate on behalf of its members, MHA must continue to provide high-value, well-run association services, such as member outreach and communication, education programming, and a robust political action committee. Finally, as with any organization, MHA must fulfill its obligations of prudent stewardship of its financial resources.

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The Planning Process



In the months prior to the Board's planning retreat, MHA used several tools and approaches to gather broad input from members as well as accumulate research, trend data and other information to compile an environmental assessment of health care. The following efforts provided the input from members that helped inform the strategic planning process:

- Pre-retreat board member surveys and interviews
- Member satisfaction survey
- Member focus groups
- Open discussions with members during MHA region meetings
- Environmental assessment survey
- Environmental assessment research
- State and national data analysis

During the retreat, board members reviewed presentations regarding the association's accomplishments under the previous strategic plan, assessment of members' current challenges or needs, the status of state and federal health care reform efforts, and the market trends shaping the future of the health care sector. With this background, members reached the following conclusions that framed the context of the planning process:

- Historically, health care's projected revenue growth and business model assumptions resemble those of other industries that experienced dramatic and at times devastating "bubble bursting" market shifts.

- MHA's members have tremendous confidence in the association as well as an expectation that they will increasingly rely upon the association to help meet their current and future challenges.
- MHA's strategic plan should account for the uncertainty of the times, especially with respect to the outcome of federal reform efforts, and diligently build in the flexibility that will be necessary to adapt between and across federal and state reform agendas as appropriate.

In addition to discussions among the entire board, board members met in four small groups to deliberate potential strategies for the association to pursue over the next three years. Each group selected three to five strategies for consideration by the board as a whole. In total, 22 ideas and strategies were put forth and then narrowed down by eliminating duplicative suggestions, synthesizing and refining similar suggestions, and assessing potential impact for MHA's membership.

Board members selected the most important or highest priority strategic success targets for further discussion and refinement. Again, through small group meetings, full board discussions and ranking, the Board generated suggested steps MHA could begin taking in pursuit of the success targets. Thus, through this dynamic and iterative process, the Board developed, synthesized and unified their support behind key positions and priorities that form the foundation of the strategic plan.



Impact health care reform by developing, advocating for and supporting new care delivery models and payment methodologies

Health care reform remains a fluctuating process that moves in fits and starts, and shifts between federal and state initiatives. In 2007, MHA led a successful effort to pass administrative simplification legislation to streamline and simplify billing and coding processes for our members while reducing overall health care spending. The next year, the legislature passed health care reform legislation laying the groundwork for applying the underlying administrative simplification goals to develop standardized statewide quality measures, creating certified “health care homes,” beginning to explore episode-of-care payments for “baskets of care,” and pursuing new a new “provider peer grouping” transparency initiative.

In 2009, when the state began the process of developing and implementing these new statutory requirements and structures, a new President and Congress ventured into the most significant national discussion of health care reform in decades. The outcome of federal health reform remains unknown, but inevitably it will dramatically shift the strategies

and approaches necessary for MHA to further the interests of its members.

As health care reform moves between state and federal arenas, and from legislative to regulatory processes, MHA’s advocacy and policy development will be critical. In particular, the Board considered health care delivery system and payment methodology reforms as the highest priorities for focusing MHA’s efforts and resources. The Board suggested that MHA pursue the following initiatives to further members’ interests in health care reform:

- Continue the work of the Value Coalition and other collaborations to encourage more equitable payment methodologies that better align providers’ financial interests, patients’ interests in quality and outcomes, and payers’ interests in fostering greater value for health care spending.
- Define a mechanism to establish payment for new patterns of care so that providers can unleash and leverage innovative ways to deliver better care more efficiently.

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Improve the cost curve to reduce the rate of growth of health care costs

Recognizing that increasing reimbursement rates are unlikely in the near future, the Board considered it a high priority for MHA to develop cost reduction strategies to slow the rate of growth of health care spending. Because many other important issues for MHA members have financial implications and economic uncertainties create pressure for greater efficiencies, cost-saving initiatives serve multiple goals for hospitals and health systems, as well as the patients, employers and communities desperate for gaining control of health care spending. Moreover, impacting the cost curve is difficult for any single hospital or health system to accomplish. Instead, it is a goal that requires the unified, committed effort that is best undertaken under the association's banner.

Specifying cost reduction as a target in MHA's strategic plan is a new direction for the association and demonstrates the expanding role members need it to play. The Board offered the following steps for MHA to take to begin the daunting and essential task of changing the trajectory of health care costs:

- Become a catalyst and supporter of comparative effectiveness research, analysis and dissemination so providers are able to implement evidence-based best practices, and employ treatments and care models that are most clinically effective and cost effective.
- Build upon successful models to ensure that care is provided in the most cost-effective and clinically effective settings across delivery systems so that scarce health care resources are deployed in a manner that leverages the most value.
- Reaffirm MHA's position in opposition to physician-owned facilities.
- Advocate for new care delivery and payment models, such as Accountable Care Organizations, to promote better collaboration and care coordination among providers while creating financial incentives that better align providers' and patients' interests.
- Explore ways to combine and leverage MHA members' investments in high-cost infrastructure, such as data centers or call centers, so that savings can be gained through cooperation and collaboration in areas where members don't compete.

Impacting the cost curve requires the unified, committed effort that is best undertaken under the association's banner.



Coverage for All



Continue the pursuit of affordable health insurance coverage for all Minnesota residents

Over the past several years, Minnesota's nation-leading low rate of uninsured residents increased incrementally. However, financial pressures on employers have led to a new nation-leading status for Minnesota: the highest percentage of residents with high-deductible insurance plans. Then, during the recent economic collapse, the number of residents without insurance and the number seeking enrollment in state public health programs rose dramatically. And, at the end of the 2009 legislative session, gubernatorial vetoes and unallotments have placed another 35,000 of Minnesota's poorest, most vulnerable residents at risk of joining the ranks of the uninsured.

As a result, while MHA has long supported universal coverage, the urgency of addressing the growing number of un- and under-insured residents has never been higher. In addition to including this issue as a strategic target along with its long-standing position in MHA's values, the Board set forth the following priority action steps:

- Prevent total elimination of the GAMC program and mitigate the impact of recent spending cuts that jeopardize coverage for Minnesota's low-income, childless adults. The Board clearly and strongly proclaimed this to be the highest priority for MHA in the 2010 legislative session.
- Aggressively and broadly communicate the social and economic imperative for universal coverage.
- Develop a better understanding of which Minnesotans are currently insured, which are un- and under-insured, and the financial and social costs of these gaps in coverage.
- Advance legislative and regulatory reforms designed to ensure affordable health insurance coverage for all residents and decrease the number of un- or under-insured Minnesota residents.

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Find common ground and develop a common voice with physicians and other provider groups

Between financial pressures to reign in costs, demands for more quality improvement and control, and payment reforms that create incentives for further integration and collaboration between providers, trends indicate that physician-hospital relationships will play an increasingly important role in hospitals' and health systems' future success. Furthermore, policy makers often seek physician input and perspective on issues that have significant impact on MHA's members. These factors prompted the Board to place a high strategic priority on exploring ways for MHA to engage physicians, especially those already employed by members.

Many physician leaders have held prominent positions on MHA's board and committees over the years. However, it

has become more apparent that physicians working in and for hospitals and health systems often have different perspectives and priorities than independent physicians. Thus, it is in members' interests to ensure that these employed physicians' ideas, views and needs are intentionally and deliberately part of MHA's, as well as policy makers', decision making process.

The Board also recognized that our members' policy issues often align with those of other providers, and decided to explicitly include the need for MHA to reach out to and collaborate with other provider groups to build more support and political momentum for MHA's advocacy agenda. To these ends, the Board set the first step toward this new initiative as engaging physicians employed by MHA members and bringing their voice and concerns more directly into MHA's work.

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Expand and amplify Minnesota's national leadership in improving quality and patient safety

Minnesota's hospitals and health systems are understandably proud of their consistent high performance on quality and patient safety. Trusted third party authorities, such as the Agency for Healthcare Research & Quality and The Commonwealth Fund, repeatedly rank Minnesota's health care delivery system at the top for overall quality and safety, as well as for key individual measures.

Over the past decade, MHA's Board has exercised bold, first-of-its-kind actions to reach for even higher levels of performance within the state's health care community. A nation-leading adverse health events reporting system, multiple patient safety calls to action, development of new methods of measuring quality by combining administrative and clinical lab data all demonstrate MHA's commitment to quality and patient safety.

To remain in the forefront, the MHA Board committed to expand the breadth and amplify the depth of the state's national leadership in improving quality and safety. Over the next three years, MHA will continue to develop nation-leading calls to action, help members hardwire best practices into their patient care, and share key learnings through the adverse health event patient safety registry. MHA will take a lead role to collaboratively set higher patient safety standards with health care stakeholders, including the Minnesota Alliance for Patient Safety.

An initial short-term action the Board suggested is to develop a dashboard of metrics for quality and safety to measure and track Minnesota hospitals' and health systems' performance over time, and to identify areas where the next significant leap in improvement might occur with appropriate employment of best practices.

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Develop and advocate for national metrics for defining “value” and delineating “accountability” in health care

Conceptually, all of the strategic targets discussed above derive from MHA members’ commitment to increase value in health care. The elusive elixir that could revolutionize both the manner in which health care is paid for as well as how it is delivered is the “value equation.” Essentially, the challenge is to define what value means in health care, to develop the metrics necessary to measure the various components and arrive at a calculation of value, and then to create an analytical framework for accurately and fairly comparing health care providers’ value. If successful and reliable, developing an agreed upon, common definition of “value” in health care would help guide consumer choice, and better align providers’ reimbursements with patients’ interests in quality and payers’ interests in efficiency.

While many advocates of a value equation have generally agreed that the core elements must include the cost of care and the quality of care with a strong preference for measuring quality based

on outcomes rather than compliance with processes. In 2008, the state enacted legislation to develop a provider peer grouping system in hopes of accomplishing this task.

While the MHA Board agreed with this basic structure, its discussion pushed the envelope even further to set a course for a more sophisticated understanding of value. The Board’s vision is an equation that measures value longitudinally over a period of time to capture downstream costs or savings, and one that includes factors for “appropriateness” of care delivered so that the value equation contains the notion of accountability for withholding needed care and over utilization.

This “moon shot” strategic challenge lays out an ambitious commitment to MHA’s role in creating and advancing the building blocks for exponential leaps in delivery system changes, payment reform, public transparency, quality and safety improvement and dissemination of best practices, and cost containment strategies.

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