

Issues & Initiatives

Issues & Initiatives is a series of activities providing employees information about current health care issues and Lehigh Valley Hospital / Lehigh Valley Health Network initiatives.

OCTOBER 1995

Issue: The Shift to Outpatient Care

Today's business environment is never static. Customer needs, industry demands and economic realities are always changing, and the successful organizations are those that can identify these changes and respond quickly and accordingly.

This is especially true for health care organizations, which today face spiraling health care costs, patient demands for better value, and the trend toward managed care. To meet the demands of this new environment, health care organizations must shift and adapt their resources. They must reshape their delivery systems in fundamental ways.

One of these fundamental shifts is from inpatient care to outpatient care. Both inpatient admissions and the length of hospital stays have decreased in recent years. Meanwhile, the demand for outpatient services has grown.

Last year's results at Lehigh Valley Hospital and Health Network illustrate this trend. Inpatient surgeries declined 7 percent while outpatient surgeries increased 7 percent. Home Health Care services provided care to nearly 6,500 patients in nine counties in fiscal year 1995. These visits are projected to increase by at least 10 percent in FY'96.

Because we expect patients to continue spending fewer days in the hospital and require more outpatient services, it's important that we look at the broad spectrum of health care services rather than at a narrow focus on inpatient acute care.

This means carefully planning patient care before patients are admitted. This means quality, responsive service for the short time they are in the hospital. This means a greater emphasis on primary care, on physician extenders, on after-care and on prevention. This means expanding our definition of health care to address new factors such as the role families play in at-home care. This means having the

information systems available to track and coordinate this new continuum of outpatient services.

We must continue to adapt our delivery system, as well as our infrastructure, to meet today's economic, industry and patient trends. The shift from inpatient to outpatient care is one of these trends.



Tom Hansen

Initiative: Health Services Division

In a managed care environment, health care providers contract with payers or purchasers to provide services for those covered under a health plan. This coverage is based on a predetermined per-person, per-month payment.

To be a successful managed care company — as we expect PennCARE to be — quality health care must be provided at a reasonable cost, a wide array of services must be available, and all aspects of health care must be linked as part of a continuum.

Our Health Services Division, by providing these services and this continuum, is the linchpin in our success as a managed care company.

By providing a wide array of prevention, physician extension and aftercare services, the Health Services Division, which doubled its sales in the last three years, complements the hospital to make Lehigh Valley Health Network an integrated deliverer of health care services.

(continued on other side)

LEHIGH VALLEY
HOSPITAL

Anchored by long-time services such as Home Care — which has been serving the Lehigh Valley for more than 30 years — the Health Services Division has strategically added services that will help us grow horizontally to provide a broad continuum of services beyond the hospital walls. These are:

- **The Specialty Services Group:** provides durable medical equipment and pharmacy services to patients outside of the hospital, including pain management, chemotherapy, ventilator care, cardio-pulmonary monitoring for infants and custom-designed and built wheelchairs.
- **Home Health Care Services:** through Hospice and Home Care services, provides direct patient care in the home for recovering patients in nine counties who are disabled, chronically or terminally ill. In 1996, Hospice will cover the Milford area and expand services to the New York and New Jersey borders, south to Quakertown and west to Hazelton.
- **The Physician Services Group:** assists physicians, particularly in their relationship with the hospital, through several owned medical practices and telecommunications services.
- **Health Search:** assists physicians through an internal physician recruiting department.
- **The Corporate Health Management Group:** serves as a conduit for the delivery of health care for business and industry. It is responsible for managed care, including contract negotiations, management and strategy. The Group administers Choice Plus, LVH benefit plans

and Valley Preferred, which provides care for 20,000 people.

- **Outpatient Psychiatric Services:** provides a continuum of outpatient programs to meet the needs of both adolescents and adults.
- **Spectrum Health Ventures:** provides state-of-the-art diagnostic and treatment programs through joint ventures with physicians.
- **Community Health:** provides prevention and wellness programs to the Lehigh Valley by creating working partnerships in the community.

All of the services described above could have been provided by networking with other organizations. But we saw distinct advantages to having them under one roof.

First, ownership gives us the ability to negotiate managed care contracts and commit all of the necessary resources with a single signature. This gives us a competitive advantage.

Second, ownership makes it much easier to link all of our services with a common information system. We can use this information system to provide third party payers and purchasers with real outcome data that measures our effectiveness. And we can track data and address occupational and health status problems so we can arrive at wellness and prevention solutions in the workplace.

By providing all of these services under one roof through our Health Services Division, we are positioning ourselves to win managed care contracts. As health care providers move increasingly toward a managed care environment, the ability to compete for these contracts is important for the future of the hospital and for all of our employees.