



Transforming Safety-Net Hospitals:

**GO MICRO FOR
MACRO IMPACT**

SAVE THE DATE:

ADVIS HEALTHCARE
SEMINAR & GOLF OUTING
SEPT 26-27

IN THE NEWS:

DIVERSIFYING REVENUE
STREAMS THROUGH
COMMERCIAL VENTURES



A NOTE FROM LYNDEAN

We are excited to share our first newsletter with you. I hope you find it informative. Our goal is for you to get to know Advis a little better plus highlight some of our most important healthcare advice and information.

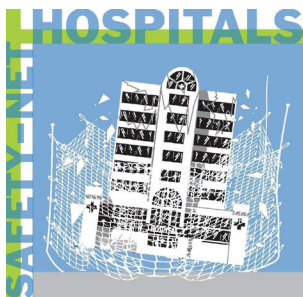
At Advis, we work hard every day to provide innovative solutions and ideas to help your organization operate more efficiently. But we also like to have some fun. We want you to be in the know about upcoming events with Advis and also continue to educate on the most pressing issues in healthcare.

We look forward to sharing this information with you.

Lyndean



TRANSFORMING SAFETY-NET HOSPITALS: Go Micro for Macro Impact.



Safety-net hospitals, hospitals that depend on Medicaid payments for the majority of their revenues, have been squeezed from both sides for too long. Capital costs are too high. Operating costs are too high. Infrastructure requirements are too burdensome. Big hospitals are simply too expensive to function as Safety-Net Hospitals in underserved communities. Now, finally, new

ways to fight back are coming on line. Advis, a nationally recognized, premier developer of market-based solutions for the most pressing problems facing providers today, is looking to help our nation's safety-net hospitals, now, today, before it's too late. Conceptualizing a business strategy that revolves around Micro-Hospitals just might prove a ticket to a brighter future.

Safety-net providers have fewer resources than their counterparts; they provide care to patients regardless of their income status or ability to pay; they now have new options. Going forward, the micro-hospital must be considered an extremely affordable option for meeting the needs of these otherwise resource challenged providers and their communities. The Feds are cutting reimbursement rates while the State's expand enrollment. Along with decreased funding came heightened competition. Care coordination problems and workforce shortages remain endemic. And with all the politics surrounding the ACA, the numbers of uninsured are rising. The goal is downsizing safety-net hospitals to make them sustainable.

Micro-hospitals can focus on the community. Why should safety-net hospitals try to keep up with large-scale infrastructure maintenance needs and a myriad of costly challenges related to upkeep and compliance that come with them. Micro-hospitals are small but punch above their weight. They have much smaller capital needs and expenditures. They benefit from much lower expenses across the board. As a leading developer of micro-hospitals nationwide, Advis knows that Micro-hospitals can deliver macro community impact.

For struggling urban communities with limited resources, micro-hospitals are part of the solution. States slowing their development

need to wake up and adapt to the future of American healthcare. Moreover, state supported medical plans should consider developing specific demonstration programs coupled with targeted reimbursement to support this type of transformative healthcare. Healthcare will no longer be focused on centralized care and the large urban hospitals of the 19th and 20th centuries. In the 21st century, a 300 plus-bed hospital will likely represent more burden than blessing. Technological advancements, more outpatient procedures than you can count, and greatly reduced lengths of stay--even for surgical procedures--are dictating the future of modern American healthcare. Providers need to wake up. Big hospitals don't always make sense. Micro-hospitals deliver more bang for the buck.

Quality care isn't about inpatient volume. It's about meeting community needs in a timely and cost-efficient manner. Advis believes that one of the most promising of the called-for solutions

for safety-net hospitals is the development of needs-focused, community-based micro-hospitals. A micro-hospital must meet all the same federal and state requirements just like a large, traditional hospital. The community gets everything required from its hospital, just in a smaller, more economical, and more economically sustainable package. If needed, micro-hospitals can continually expand their outpatient reach as the community grows and changes.

Greater flexibility also means enhanced sustainability. A micro-hospital's smaller scale makes for a smaller footprint. A smaller footprint helps place quality care in areas

previously considered landlocked. Micro-hospitals yield lower community healthcare costs. They present a sharpened focus on needed services, like emergency room services, within high-risk, underserved neighborhoods. Better infrastructure. Better service. Better care. That's why Advis works so hard to produce market-based solutions for a clients' most pressing problems.

The micro-hospital model is perhaps the most effective vehicle available to providers today for providing much needed comprehensive emergency services in an urban environment. Let a full-scale, efficient, profitable, modern hospital back up this important new venue of care while the safety-net becomes more sustainable where it's most needed. Micro-hospitals do, indeed, bestow macro benefits upon their host communities.

Top 3 Micro Hospital Characteristics

1. Licensed as a short term acute care hospital with a smaller foot print and price tag
2. Reduced overhead costs
3. Ability to provide specialized scope of care

HOSPITALS LOOKING TO DIVERSIFY THROUGH COMMERCIAL VENTURES

Modern Healthcare, March 4, 2019



The March 4, 2019 issue of Modern Healthcare took a closer look at providers diversifying revenue streams through commercial ventures. Advis has been promoting this trend for years. Simply put, more healthcare systems operate in less profitable environments than ever before. As margins decline revenue related to hospital operations shrink. Thus building out ancillary businesses is a smart and

growing trend among health systems struggling to adapt to less profitable operating environments. Advis works with hospital boards and strategic planners to help providers find their way in these uncertain times.

Advis is looking to help providers expand beyond community hospitals and physician groups into new, profitable, ancillary ventures. Health systems today are beginning to consider populating their land/space options with retail opportunities, and your system should, too. Developing and sustaining new attitudes toward developing ancillary commercial revenue streams is critical. But change presents both opportunity and risk. Nonetheless, today's

healthcare providers are building sports complexes, supporting medical marijuana dispensaries, investing in food delivery services, and even financing housing projects, without much investment experience in these areas.

Our own President and CEO, Lyndean Brick, has weighed in on how boards and providers should think about leveraging their assets beyond the traditional plays. "Board members need to understand that healthcare today is much more than healthcare. They have to go beyond what is traditional and embrace what is possible. There are real commercial ventures to be exploited in the name of the healthcare mission."

Yet hospitals struggle internally over how far to extend themselves beyond the familiar. If the business opportunity doesn't have some tie to health and wellness, boards are hesitant, experts have said. But that type of thinking may only serve to pigeonhole providers into a declining market. This is where Advis comes in.

"Providers must be willing to embrace new sources of revenue if they are going to maintain their role in the community as a social hub, large employer, and community safety net," Brick concluded. The most successful systems going forward will be the one's deemed most creative.

MAXIMIZE YOUR COMMUNITY HEALTH NEEDS ASSESSMENT

The passage of the Patient Protection and Affordable Care Act (ACA) in March 2010 brought along Internal Revenue Code (IRC) Section 501(r), adding more tasks to achieve and maintain 501(c)(3) tax exempt status. Chief among those requirements is the need for non-profit, charitable hospitals to do the following as part of 501(r)(3):

- Every three years, conduct a Community Health Needs Assessment (CHNA);
- Pursue feedback from a variety of community stakeholders as part of the CHNA;
- Implement a strategy to address those needs identified from the CHNA; and
- Make the final CHNA report widely available to the public.

This particular requirement was put in place to confirm that non-profit hospitals are considering and responding to the unique health needs of its community – as opposed to merely operating a care center where people go to be healed and sent home without consideration for the larger healthcare environment.

These IRS rules require non-profit hospitals to truly act as

community resources where the impoverished and medically underserved can receive quality care. In addition to the CHNA requirements, there are three other main sections of IRC 501(r) that are in place to protect the medically underserved and indigent population:

- Financial Assistance Policy and Emergency Medical Care Policy – Section 501(r)(4);
- Limitations on Charges – Section 501(r)(5); and
- Billing and Collections – Section 501(r)(6).

Hospitals often consider the CHNA and other 501(r) compliance processes solely as part of a regulatory compliance plan, yet do not benefit from the information obtained. Advis works with your organization to develop a CHNA where real strategic planning decisions are based to drive actual results for your community and help grow your organization.

Advis has extensive experience working with non-profit organizations. Contact Advis today for assistance with IRC 501(r) compliance for your organization.

Inside Advis

NOTES ABOUT ADVIS STAFF AND ACTIVITIES

ADVIS PROMOTES EXPERTS TO SENIOR CONSULTANTS

Advis is proud to announce the promotion of two of its healthcare consultants, Michael French and Amanda Bogle to Senior Consultants. Congratulations Michael and Amanda!



Michael's practice focuses on the 340B Drug Pricing Program. He assists clients with maintaining compliance with Program regulations while optimizing Program performance and generating creative approaches to complex problems. Michael has spoken on the 340B Program to national audiences at various industry conferences. He has shared his expertise with a wide variety of 340B Program stakeholders at some of the largest health systems in the country.

Aside from the 340B Program, Michael has expertise in addressing complex hospital reimbursement issues, provider restructuring strategies, community needs assessments, and hospital compliance plan reviews. Michael utilizes his broad base of knowledge to provide comprehensive recommendations accounting for the complexities inherent to health care.

Prior to joining Advis, Mr. French received his Juris Doctor degree from the Loyola University Chicago School of Law. He graduated magna cum laude. While at Loyola, he also received a Health Law Certificate from the Beazley Institute for Health Law and Policy.

He also served as a Lead Articles Editor for the Loyola University Chicago Law Journal. Prior to attending law school, Mr. French received a B.A. in both Political Science and English from the University of Notre Dame.



Amanda has been with Advis just under two years, advancing rapidly. Amanda spearheaded the development of 340B Inform, Advis' new 340B optimization and compliance tool. Her additional areas of expertise include fraud and abuse, managed care and risk contracting, telemedicine, pharmacy, reimbursement and payer issues, operational strategy and alignment, as well as strategic development.

Prior to joining Advis, Amanda received her JD from Loyola University Chicago School of Law, where she graduated cum laude and obtained two certificates in Health Law and Advocacy, with a concentration in compliance. While at Loyola, Amanda was a Beazley Health Law Fellow, Health Justice Project Fellow, and a recipient of the Public Interest and Leadership Award. Amanda also served as Executive Editor of the Loyola University Chicago Journal of Regulatory Compliance. Amanda earned her Bachelor's degree from the University of Missouri, where she graduated with honors in Biology, minoring in Chemistry and Philosophy.

ADVIS HEALTHCARE SEMINAR & GOLF OUTING NEWS

Make plans now to join Advis at our annual Healthcare Seminar and Golf Outing on Sept. 26 and 27 at Olympia Fields Country Club. At Advis, we keep up with the latest changes in healthcare so that you can too. Connect with our experts for an engaging seminar focused on industry innovation and transformation. We will be covering a variety of significant topics centering industry improvements and the key movements reshaping today's healthcare marketplace. The Advis team will discuss current trends in healthcare: IDTFs, Geriatric Diagnostic Centers, Micro-hospitals, and Residential Psychiatric Programs remain solid considerations. Recent payor trends involve managed Medicare and the changes upcoming from CMS and Medpac. The future of 340B remains critical. Enjoy opening and closing night receptions, plus the opportunity to network with other industry professionals. Join us for complimentary golf, leisure, accommodations, food & drink and more. To reserve your spot, email abalek@advis.com. As always, slots are filling up fast.



A NIGHT AT SHINOLA

Advis recently took over the Shinola store in Chicago to host attendees of the ACHE Congress. This innovative store and brand was a perfect event space for Advis, which is at the forefront of innovation in healthcare. Attendees had a chance to meet the Advis experts, check out the Shinola offerings, and even win Shinola merchandise. Thanks to all who were able to join us.



WINE TASTING

Our staff took part in a wine experience and were put to the test to select and recommend bottles of wine. With help from our local wine master, Myron Brick, they sampled 12 affordable wines (ranging from \$9 - \$28), 11 of which were great! Myron helped find the best deals by shopping through the cheap aisles at Binny's, then showed the crème de la crème in the Binny's cellar (none of which were bought). Here are their recommendations:

Cotes de Rhone Reserve from Familie Perrin for \$8.99 is a great value. As is the Rioja from Lopez and Haro for \$9.99. The surprise of the night was a Bordeaux from Chateau Colon for \$16.99. We almost went back and bought out the bin!

From the category, "You get what you pay for," the Colene Clenen and the David Bruce Pinot Noirs. Both presented well but were fully valued at their \$25-28 price point.

DANCING WITH THE LOCAL STARS

Lyndean Brick, President and CEO of Advis, not only showed off her dancing skills as part of the Guardian Angel Community Service Dancing with Our Local Stars on April 6, she won the competition!

The annual event raises money for Guardian Angel Community Services, the oldest nonprofit social services organization in Will County, serving the Chicagoland area for over 121 years. Guardian Angel serves thousands of survivors of domestic violence and sexual assault every year as well as youth in foster care and vulnerable adults with disabilities. "This is just a great opportunity to combine my love of dancing with advocating for vulnerable females in our community," Brick said. "I'm the real winner here because I get to do that. No matter who wins, this has been such a phenomenal experience and it's such an amazing lifesaving organization, that I'm thrilled I get to have this fun experience." Way to go, Lyndean!



ADVIS ADDS HEALTHCARE ANALYTICS & DATA SCIENCE DIVISION

Advis is excited to announce our newly formed Healthcare Analytics and Data Science Division. Big data is here to stay. Whether your issue involves billing and coding, internal auditing, medical record documentation, credentialing, scope of practice, or even population health, Advis data scientists can create live monitoring systems to provide you with real time, actionable intelligence. Predictive analytics and trend analysis can mitigate readmission rates or even claims denials and protect revenue flows. Multiple data feeds previously unconnected are now interwoven to tell the whole story. Data visualization through easy-to-use dashboards convert previously inscrutable data into layman's terms.

Today's healthcare environment requires smart decision making. Your organization needs to understand the challenges and opportunities that lie ahead, from improving patient outcomes to managing costs. Advis' new Healthcare Analytics and Data Science team assists providers in understanding the comprehensive, data-driven analytics behind today's market.

The team at Advis combines advanced analytics with unsurpassed knowledge of industry regulations. The new group consists of three full-time Data Scientists, all with Master's degrees in Analytics, ready to assist providers in predicting volumes, determining market feasibility, or creating value-based pricing models. Advis delivers insightful analysis that powers strategy and drives results. We work alongside your team to provide essential supplemental support. We

fill the gaps between scarce resources to release hidden synergies and new vantage points. Our data scientists are uniquely qualified, with real-world experience, expert training in analytics, modeling, and data visualization.

Please contact Advis today at 708-478-7030 to learn more about how our Analytics and Data Science Division can help your organization.



GET THE MOST OUT OF YOUR 340B PROGRAM

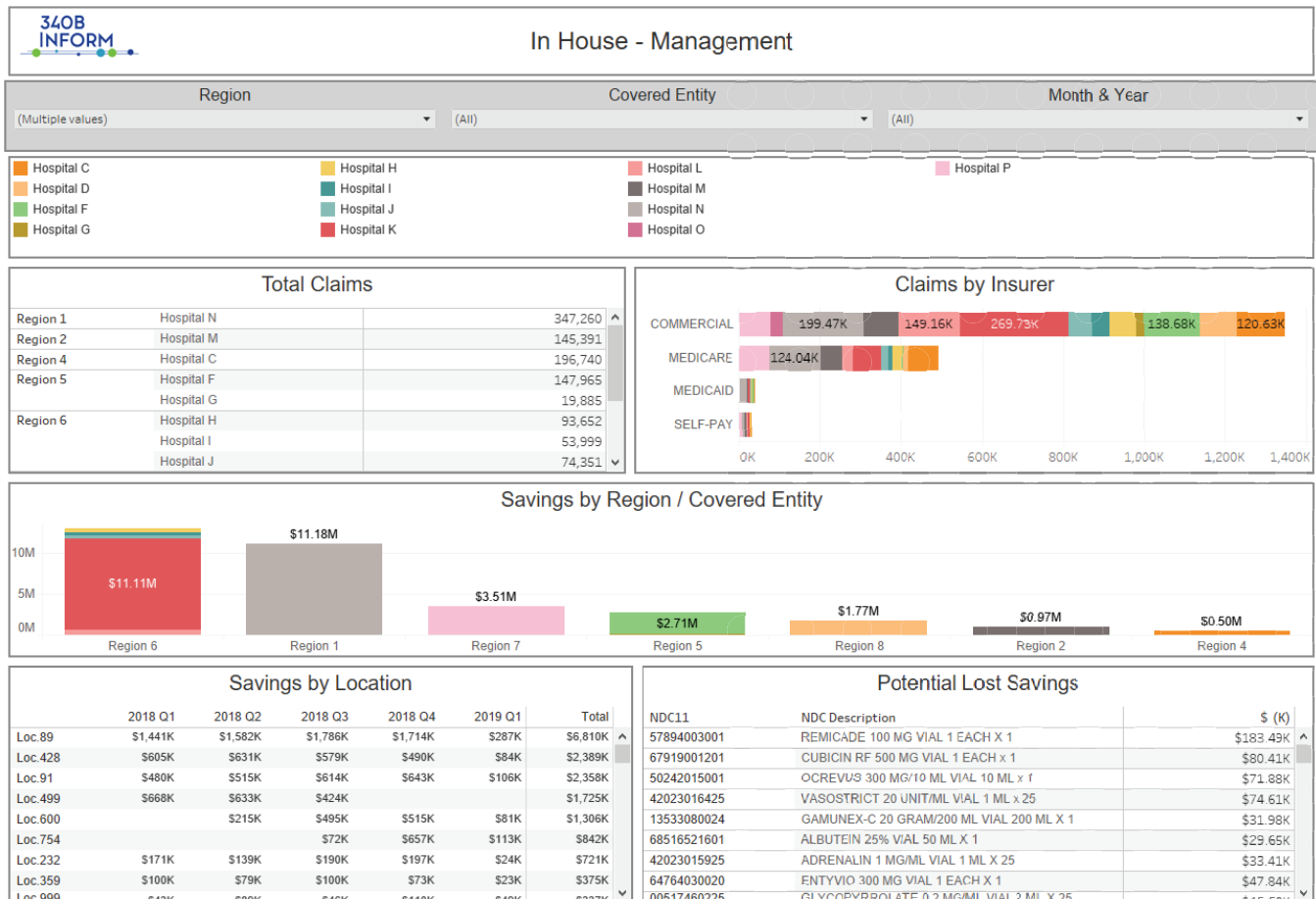
Simple & Affordable 340B Program Management: A New 340B Data Analytics Tool from Advis



Navigating your 340B program is highly complex and time consuming. Structuring your 340B program for optimal performance and compliance is even more taxing. Any complex healthcare program drains the time and resources of valuable employees. 340B Inform, on the other hand, a new data analytics tool from Advis, represents a great leap forward. 340B Inform is a comprehensive, interactive data analytics tool that saves you untold time and an enormous amount of money. With 340B Inform, hospitals/health systems can be confident they are getting the most out of their in-house and contract pharmacy 340B programs. All your vital 340B information is easily accessed right on your computer screen. 340B Inform delivers providers new savings opportunities, opportunities critical to the bottom line. By efficiently and compliantly identifying potential compliance issues, 340B Inform delivers actionable savings opportunities—right now, right down to the hospital department or provider—with just one click. 340B Inform is an affordable, easy-to-use and understand, management tool that summarizes all your 340B data into one, visually intuitive, interactive dashboard.

The 340B Inform dashboards are designed to benefit employees across all levels of an organization, from chief executives to day-to-day pharmacy staff. 340B Inform analyzes existing hospital data and transforms it into clear, completely customizable, digestible dashboards. The dashboards identify areas for improvement, flag potential errors that reduce 340B savings, project future performance, and better inform decision-making in general across your hospital or health system. And it's all in one user-friendly, manageable platform that identifies new areas of savings. Sometimes these findings result in millions of dollars of additional savings. Our dashboards report those savings in an easy-to-understand snapshot with drill-down capabilities in real-time. 340B Inform provides a comprehensive evaluation of providers' 340B programs; it optimizes the opportunity your 340B Program represents.

For more information on this dynamic tool, please visit www.340Binform.com or call 708-478-7030.



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