

Sutter Medical Group

Medical Foundations

State, Regional, and Local

The National Accountable Care Organization Congress

Los Angeles, California

October 27, 2010

Don Wreden MD

President/CEO

Our Premise

The Critical Components
of Accountable Care Organizations
are being built within Sutter Health

Our Premise

Medical Foundations

are a critical component to the
development of Accountable
Care Organizations
within Sutter Health

Sutter Health (Before 1995)

Hospital Company

Sutter Health (After 1995)

Integrating Health Care Delivery System

We're Creating Northern California's Finest Health Care Network



Serving more than 100 cities and towns with:

- 26 acute care hospitals
- 3,400 physicians (7 physician medical foundations)
- Approximately 41,000 employees
- More than 800 community trustees
- \$6.7 billion in revenues (2005)
- \$6.5 billion in assets (2005)
- Home health & hospice, and long-term care services
- Medical research and medical education/training
- 24 Fundraising organizations; \$60-\$80 million raised each year

Sutter Health's Evolving Physician Network

Medical Foundations

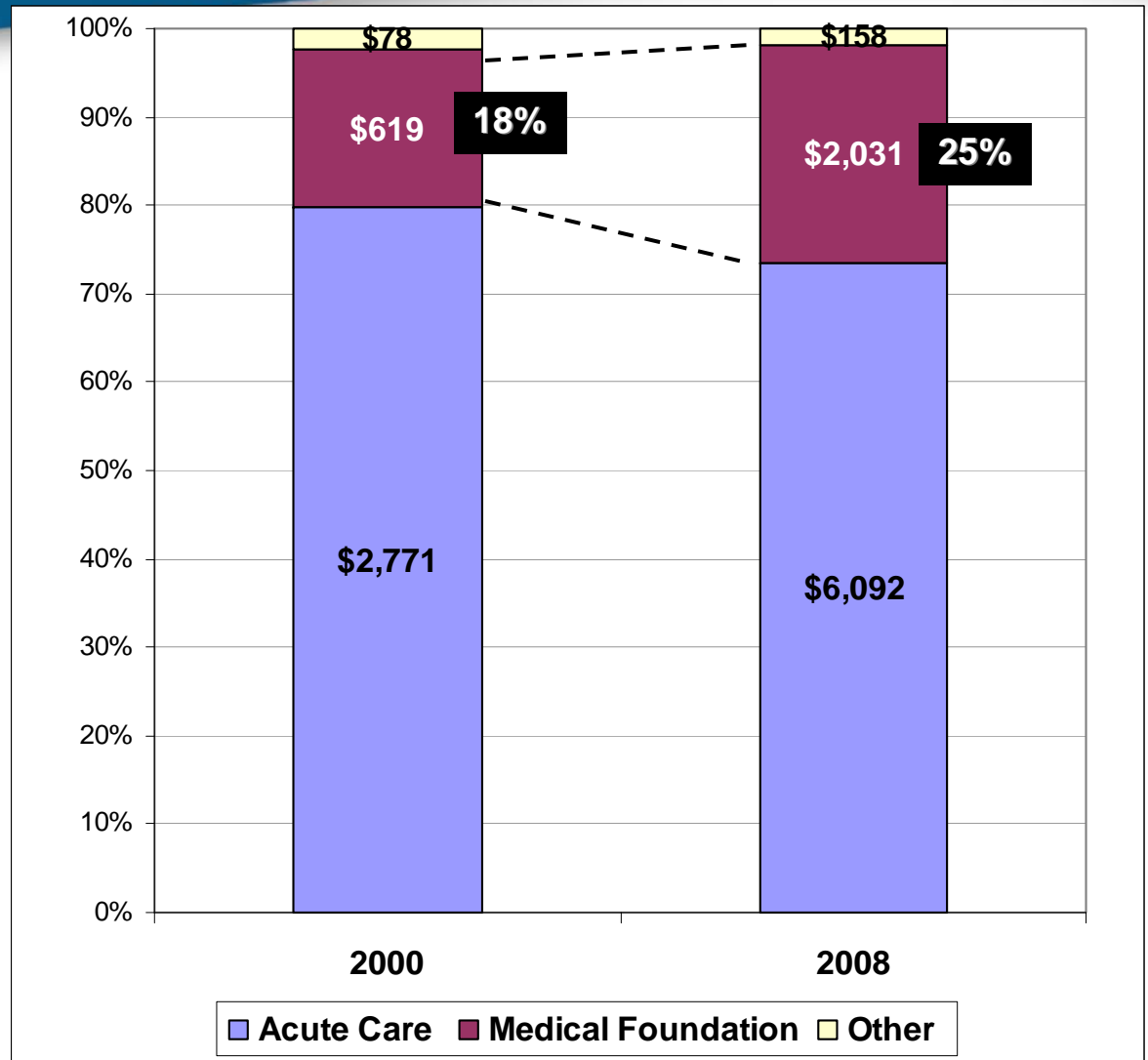
Sutter Medical Foundation
Sutter North Medical Foundation
Sutter Gould Medical Foundation
Palo Alto Medical Foundation
Sutter Medical Foundation North Bay
Sutter Regional Medical Foundation
Sutter East Bay Medical Foundation
Sutter Physician Foundation CPMC

Participating IPAs

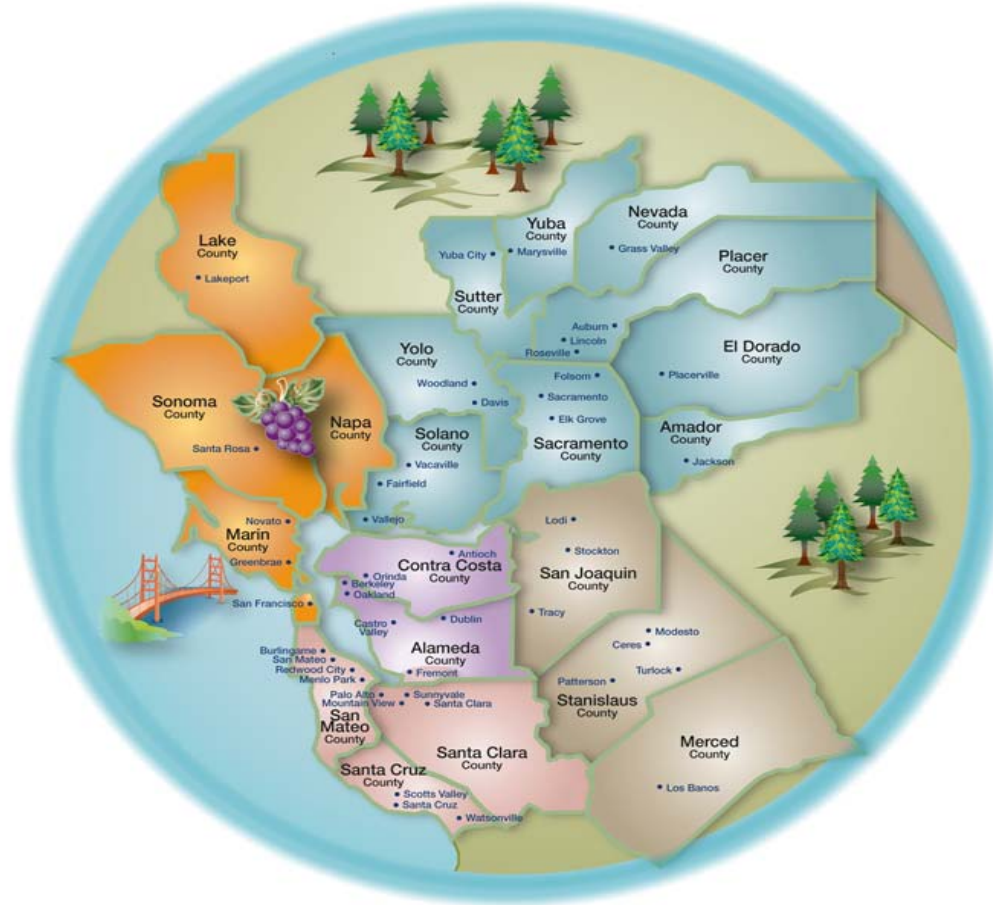
Sutter Independent Physicians
Alta Bates Medical Group
Marin IPA
Mills-Peninsula Medical Group
Central Valley Medical Group

Growing Contribution by Medical Foundations

**Sutter Health
net operating
revenue
(in millions)
2000 - 2008**



Our New Region Structure



Sutter Health Sacramento Sierra Region

Sutter Health Sacramento Sierra Region



Regional Department Evolution

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Palliative Care Program													X
Diagnostic Imaging Systems													X
Clinical Education													X
HR Data Processing													X
Mail Services													X
Sutter Select EPO Case Management												X	
Pension administration											X		
Employee Health											X		
Regional Safety											X		
Ancillary Services from SMC											X		
Expand EICU										X			
IT Reorg/Consolidation										X			
Expanded Case Managment									X				
Sutter Difference									X				
Regional Web									X				
Regional Learning								X					
EICU								X					
Decision-support							X						
Disability Mngmt							X						
CBO							X						
Recruitment						X							
IT/CIO						X							
Quality Management					X								
Case Management					X								
Service Lines					X								
Accounting					X								
Ancillary Services					X								
Support Services				X									
Human Resources				X									
Security				X									
Credentialing			X										
Marketing, Comms., Busness Dev.			X										
Family Practice Res.		X											



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History

Sutter Physicians Alliance

Sutter Medical Foundation

Sutter Physicians Alliance

**Sutter Medical
Group**

**Sutter West
Medical Group**

**Sutter
Independent
Physicians**

**Sutter
Neuroscience
Medical Group**

Clinically Integrated Network

- Common approaches to managing population
- Allows for integrated quality of care programs
- Creates efficiencies similar to financial risk sharing

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Successes

- Service and Quality
- Patient Satisfaction
- Access
- Clinician Satisfaction
- Growth
- Affordability

Value of Medical Foundation (in ACO world)

Or

***"Are Medical Foundations just a
hospital ploy
to preserve control/market?"***

Value of Medical Foundation (in ACO world)

Together with Sutter Health's Medical Foundations, physicians are coordinating care and removing barriers to improve Quality, Affordability, and the Experience of patient care.

Physician perspective on Medical Foundations

Downside

Decreased "autonomy"

- Economic
- Strategic
- Staffing

Physician perspective on Medical Foundations

Value

1. Capital not on backs of physicians (increasingly unpalatable)

Buildings, infrastructure, EMR, etc

-Enables creation of new facilities (patient centric)

-EMR - EPIC® use very high

Common record for all to be informed

Protocols

My Sutter Online

eMessaging

Real-time communication – Doctors Lounge

Physician perspective on Medical Foundations

Value

1. Capital

2. Framework to Integrate Inpatient and Outpatient Care

- essential for patient centered care

Physician perspective on Medical Foundations

Value

1. Capital
2. Integrate IP and OP
3. Aligned goals in Strategic Partnership
Leadership Training and Education

Physician perspective on Medical Foundations

Value

1. Capital
2. Integrate IP and OP
3. Strategic Partnership
4. **Physician Freedom** (relatively) to focus on care, quality, improvement

Physician perspective on Medical Foundations

Value

1. Capital
2. Integrate IP and OP
3. Strategic Partnership
4. Physician Freedom
5. **Multispecialty Medical Group** nurtures clinically rich experience
 - Supports Primary Care
 - Immediate communication
 - Aligned incentives as colleagues

Physician perspective on Medical Foundations

Value

6. Affordability

We have gained experience managing risk

Chronic Care Management Teams

CHF Program

Low back pain

Hospitalists

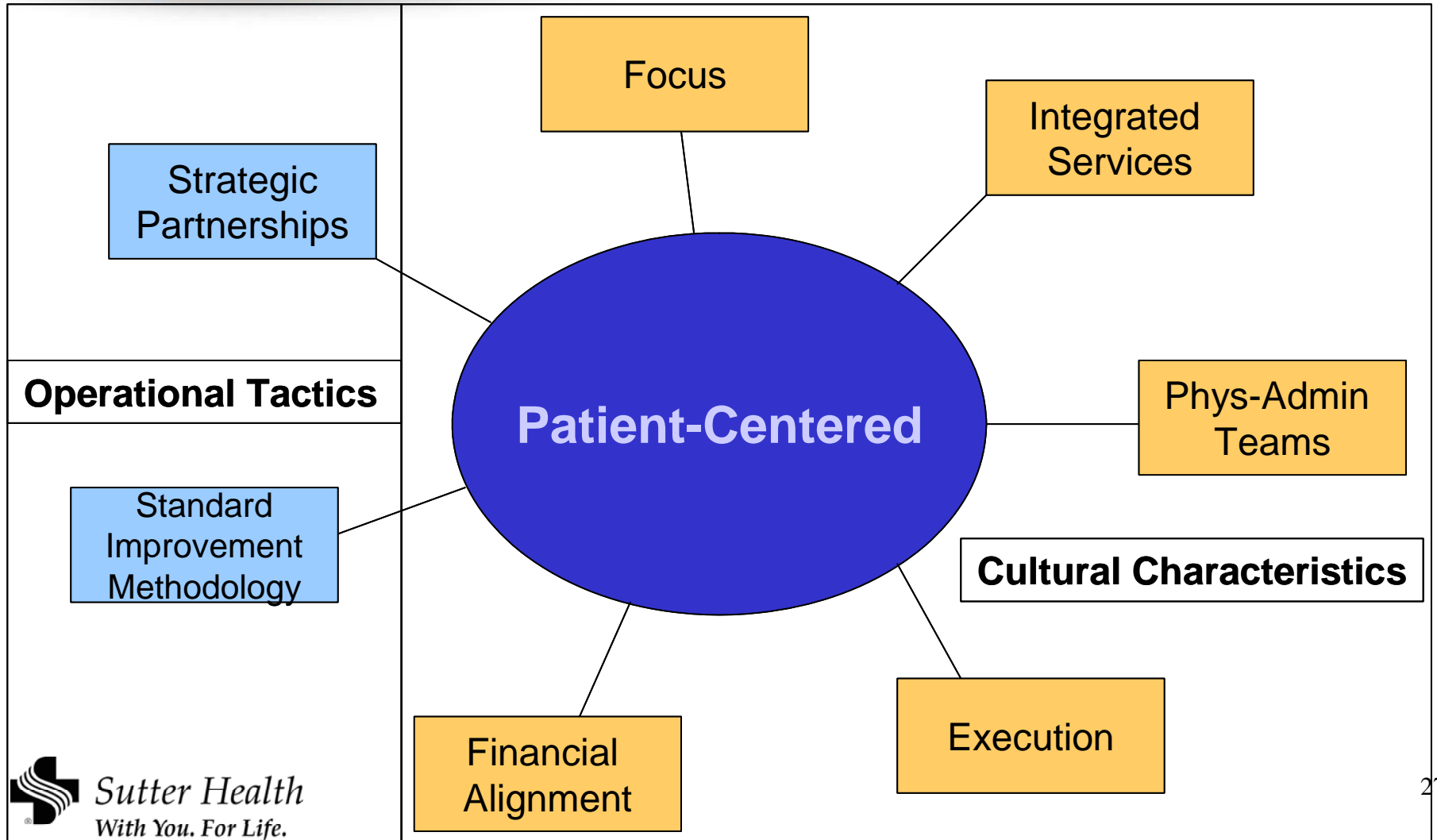
Physician perspective on Medical Foundations

Value

1. Capital
2. Integrate IP and OP
3. Strategic Partnership
4. Physician Freedom
5. Nurtures Multispecialty Medical Group
6. Affordability

Blue Ribbon Team II

Patient Centered Care at the Core of Observed Best Practices



Building a System of Coordinated Care

In Transit



In the Patient

Away from the Patient



Around the Patient



Hospital A



Surgery Center



Practice



Clinic



Hospital B



Clinical Lab



Patient's House

Value of Medical Foundation (in ACO world)

Together with Sutter Health's Medical Foundations, physicians are coordinating care and removing barriers to improve Quality, Affordability, and the Experience of patient care.

Questions?

Comments?