



To study the US Local Healthcare Market Dynamics



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Introduction

- IDN's may include : Vertical combinations include primary care physicians (PCPs), strategic alliances with physicians in physician-hospital organizations (PHOs) and management services organizations (MSOs), and the development of health maintenance organizations (HMOs). Horizontal combinations include the formation of multihospital systems, mergers, and strategic alliances with neighbouring hospitals to form local networks.

Introduction

- MSA: In the United States, a **metropolitan statistical area (MSA)** is a geographical region with a relatively high population density at its core and close economic ties throughout the area. Such regions are neither legally incorporated as a city or town would be, nor are they legal administrative divisions like counties and states. As such, the precise definition of any given metropolitan area can vary with the source.

Research Question

Is there any consolidation of the Provider market pertaining to IDN's in metropolitan statistical areas in the US?

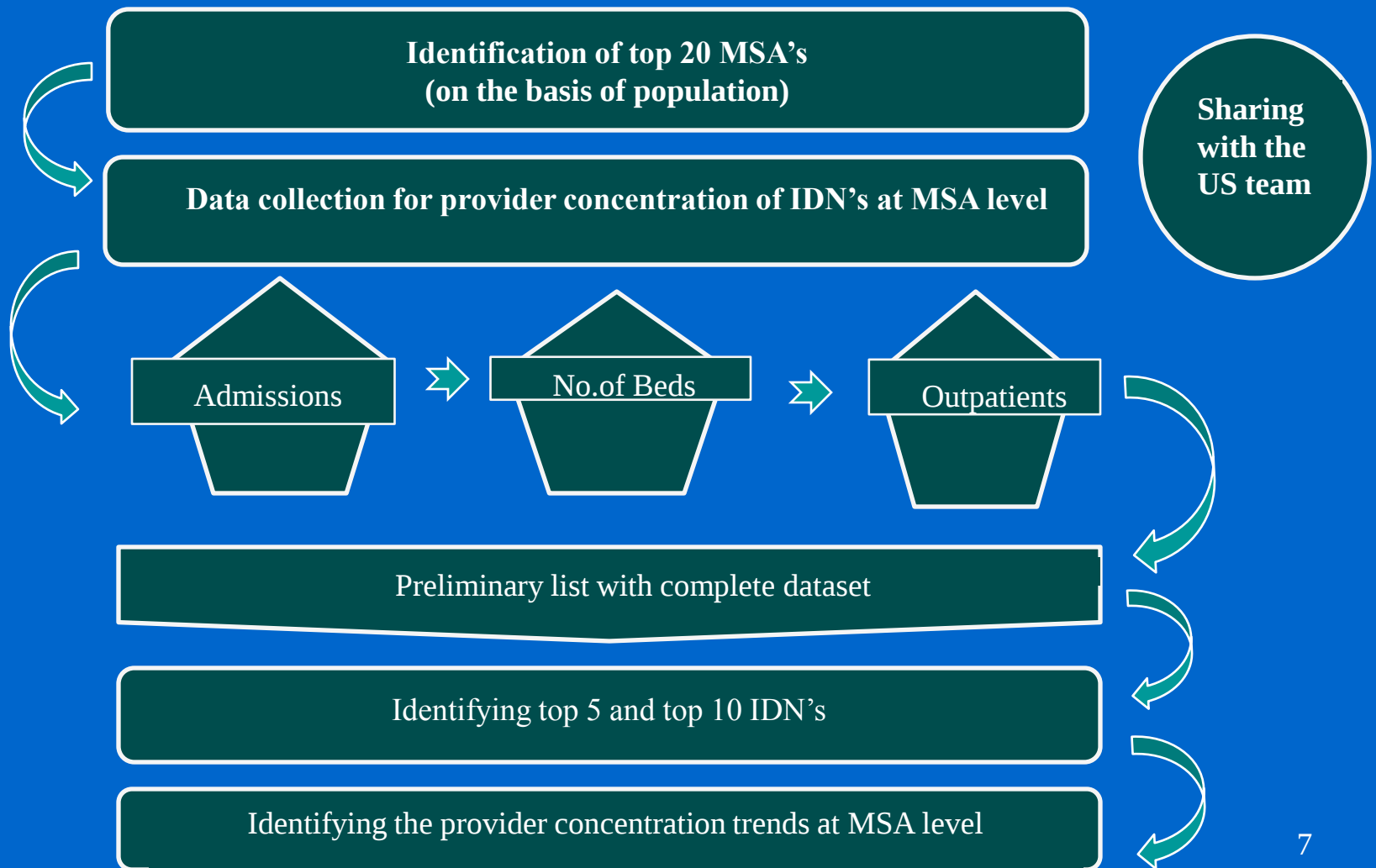
Current Study Objectives

- To Identify Top 20 MSAs based on population
- To identify IDN and Account (Provider type) information along with parameters such as Beds, Admissions, outpatients for each MSA
- To prepare the lists of calculated number of beds, admissions and outpatient for each IDN within a given MSA
- To identify top 5 and top 10 MSA's and the percentage share these IDNs capture in given MSA

Study Design and Methods

- Type of Study: Exploratory Secondary/Desk Research
- Geographies under study: Top 20 MSA's in the US
- Data to be collected: Recording of the various parameters upon which the market concentration of various IDN's would be calculated.
- Data collection tools: ZS Specific data sources and publically available secondary research data sources will be deployed to derive data.

Methodology



• • • Identification of top 20 MSA's

- MSA's identified on the basis of population
- Through secondary desk research
- Through the organization's proprietary Data Sources

Identification of Top 20 MSA's

MSA	Population	# of IDN
New York-Northern New Jersey-Long Island	21,040,719	72
Los Angeles-Riverside-Orange County CA	16,373,626	52
Chicago-Gary-Kenosha IL-IN-WI CMSA	9,152,438	34
Washington-Baltimore DC-MD-VA-WV CMSA	7,543,500	51
San Francisco-Oakland-San Jose CA CMSA	7,053,037	34
Philadelphia-Wilmington-Atlantic City P	6,176,106	35
Dallas-Fort Worth-Arlington, TX	6,003,967	32
Boston-Worcester-Lawrence MA-NH-ME-CT CMSA	5,739,120	42
Houston-Sugar Land-Baytown, TX	5,539,949	25
Miami-Fort Lauderdale-Miami Beach, FL	5,463,857	22
Detroit-Ann Arbor-Flint MI CMSA	5,355,156	19
Atlanta-Sandy Springs-Marietta, GA	5,138,223	16
Phoenix-Mesa-Scottsdale, AZ	4,039,182	13
Seattle-Tacoma-Bremerton WA CMSA	3,496,031	16
Minneapolis-St. Paul-Bloomington, MN-WI	3,175,041	13
San Diego-Carlsbad-San Marcos, CA	2,941,454	8
Cleveland-Akron OH CMSA	2,821,847	13
St. Louis, MO-IL	2,796,368	11
Tampa-St. Petersburg-Clearwater, FL	2,697,731	12
Denver-Boulder-Greeley CO CMSA	2,544,806	12

Data Collection for Provider concentration of IDN's at MSA level

- Name of the IDN's
- MSA ID
- Account Name
- Relationship
- Account type
- City
- State
- Beds
- Admissions
- Outpatients

a) Preliminary List with complete Data Set

MAX Id	IDN's	City	State	Beds	Admissions	Outpatient
13303	Alameda Health System	Oakland	CA	1,426	19,057	230,000
34535	Alta Bates Summit Medical Center	Berkeley	CA	1,342	32,855	176,700
19169	California Pacific Medical Center	San Francisco	CA	1,887	35,668	287,800

b) Capturing the Child Entities

IDN Name	Account Name	Relationship	Account Type	City	State	Beds	Admissions	Outpatient
ArchCare	ArchCare at Ferncliff Nursing Home	Owned	SNF/long-term care (LTC) unit	Rhinebeck	NY	328	0	0
ArchCare	ArchCare at Saint Teresa's Nursing Home	Owned	SNF/long-term care (LTC) unit	Middletown	NY	98	0	0
ArchCare	ArchCare at San Vicente de Paul	Owned	SNF/long-term care (LTC) unit	Bronx	NY	200	0	0
ArchCare	ArchCare at Terrence Cardinal Center	Owned	SNF/long-term care (LTC) unit	New York	NY	726	2	0
ArchCare	ArchCare Mary Manning Walsh	Owned	SNF/long-term care (LTC) unit	New York	NY	362	0	0
ArchCare	ArchCare Senior Life Harlem	Owned	Senior Independent Living or Day Service	New York	NY	0	0	0
ArchCare	Calvary Hospital Bronx Campus	Owned	Hospital (Acute + Specialty Acute)	Bronx	NY	225	2,945	0
ArchCare	Calvary Hospital Brooklyn Campus	Owned	Hospital Within Hospital (Peds, LTAC)	Brooklyn	NY	25	0	0
ArchCare	Calvary Nursing Home Hospice	Owned	Home health (HHA)	Bronx	NY	0	0	0
ArchCare	Carmel Richmond Health Care & Rehab	Owned	SNF/long-term care (LTC) unit	Staten Island	NY	300	0	0

Defining the Flags

Account

MSA ID

MSA

Flags added to worksheets

IDN Name	MAX IDN	Account Name	Account Type	Acc Type	Flag	City	City Flag	Beds	Admissions	Outpatient
ArchCare	36827	ArchCare at Fern	SNF/long-term care (LTC) unit			72 Rhinebeck	#N/A	328	0	0
ArchCare	36827	ArchCare at Saint	SNF/long-term care (LTC) unit			72 Middletown	#N/A	98	0	0
ArchCare	36827	ArchCare at San V	SNF/long-term care (LTC) unit			72 Bronx	#N/A	200	0	0
ArchCare	36827	ArchCare at Terre	SNF/long-term care (LTC) unit			72 New York	A1	726	2	0
ArchCare	36827	ArchCare Mary M	SNF/long-term care (LTC) unit			72 New York	A1	362	0	0
ArchCare	36827	ArchCare Senior L	Senior Independent Living or Day Ser			70 New York	A1	0	0	0
ArchCare	36827	Calvary Hospital E	Hospital (Acute + Specialty Acute)			24 Bronx	#N/A	225	2,945	0
ArchCare	36827	Calvary Hospital E	Hospital Within Hospital (Peds, LTAC,			24 Brooklyn	#N/A	25	0	0
ArchCare	36827	Calvary Nursing H	Home health (HHA)			22 Bronx	#N/A	0	0	0
ArchCare	36827	Carmel Richmond	SNF/long-term care (LTC) unit			72 Staten Islan	#N/A	300	0	0
Atlantic Health S	34614	Atlantic Accounta	ACO (Accountable Care Organization)			1 Florham Par	#N/A	0	0	0
Atlantic Health S	34614	Atlantic Health Sy	ACO (Accountable Care Organization)			1 Florham Par	#N/A	1,481	94,014	479,400
Atlantic Health S	34614	Atlantic Health Sy	ACO (Accountable Care Organization)			1 Florham Par	#N/A	0	0	0
Atlantic Health S	34614	Atlantic Health Sy	ACO (Accountable Care Organization)			1 Florham Par	#N/A	1,481	94,014	479,400
Atlantic Health S	34614	Atlantic Health W	Surgery center/ASC			75 Morristown	#N/A	0	0	0
Atlantic Health S	34614	Atlantic Home He	Home health (HHA)			22 Morristown	#N/A	0	0	0
Atlantic Health S	34614	Atlantic Medical I	Imaging Location			33 Toms River	#N/A	0	0	0
Atlantic Health S	34614	Carol G Simon Ca	Cancer/Radiotherapy			6 Morristown	#N/A	0	0	0
Atlantic Health S	34614	Chilton Memorial	Hospital (Acute + Specialty Acute)			24 Pompton Pl	#N/A	232	10,567	56,500
Atlantic Health S	34614	Department of Su	Surgery center/ASC			75 Newton	#N/A	0	0	0
Atlantic Health S	34614	Gannon Cardiac	Surgery center/ASC			75 Morristown	#N/A	0	0	0

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ACCOUNT ID FLAG

MSA	Account	MAXId
NYMSA	ArchCare	36827
NYMSA	Atlantic Health System Inc	34614
NYMSA	Barnabas Health (formerly Saint Barnabas)	38759
NYMSA	Barnabas Health Behavioral Health Network	59641
NYMSA	Bayshore Community Health Services	148249
NYMSA	Bergen County Improvement Authority	153503

IDN Name	MAX IDN
ArchCare	36827
ArchCare	36827
ArchCare	36827
ArchCare	36827
ArchCare	36827

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ACCOUNT FLAG

Hospital (Acute + Specialty Acute)	H	→	24
Hospital (Correctional)	H	→	24
Hospital (Detox, Substance Abuse)	H	→	24
Hospital (Developmental Disability)	H	→	24
Hospital (LTAC)	H	→	24
Hospital (Psychiatric)	H	→	24
Hospital (Rehab + Subacute)	H	→	24
Hospital (Specialty)	H	→	24
Hospital Within Hospital (Peds, LTAC, Speci	H	→	24

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MSA FLAG

MSA	Cities	Flag
NY MSA	Long Island City	A1
NY MSA	Jersey City	A1
NY MSA	New York	A1

City	City Flag
Rhinebeck	#N/A
Middletown	#N/A
Bronx	#N/A
New York	A1
New York	A1
New York	A1
Bronx	#N/A
Brooklyn	#N/A
Bronx	#N/A
Staten Island	#N/A
Florham Park	#N/A

The cities that did not belong to New York MSA showed error sign, distinguishing them from our desired results

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Segregation and Calculations

MSA	Account	MAXid	Type	Beds	Admissions	Outpatient
NYMSA	ArchCare	36827	System III (vertical integration)	0	0	0
NYMSA	Atlantic Health System Inc	34614	System IV (strategic integration)	0	0	0
NYMSA	Barnabas Health (formerly Saint Barnabas)	38759	System IV (strategic integration)	255	15595	82300
NYMSA	Barnabas Health Behavioral Health Network	59641	System I (network affiliation)	0	0	0
NYMSA	Bayshore Community Health Services	148249	System IIIA: Single-Hospital System	0	0	0
NYMSA	Bergen County Improvement Authority	153503	System IIIA: Single-Hospital System	0	0	0
NYMSA	Beth Israel Medical Center	39570	System III (vertical integration)	1111	49642	430000
NYMSA	Bon Secours Charity Health System	38779	System III (vertical integration)	0	0	0
NYMSA	Bronx-Lebanon Health Care System	19778	System III (vertical integration)	0	0	0
NYMSA	Capital Health	41038	System III (vertical integration)	0	0	0
NYMSA	CarePoint Health (formerly Hudson Holdco)	203013	System II (horizontal integration)	401	8908	42900
NYMSA	Carrier Clinic (System)	155549	System IIIA: Single-Hospital System	0	0	0
NYMSA	Catholic Health Services of Long Island	60605	System III (vertical integration)	0	0	0
NYMSA	CentraState Healthcare System	61735	System IIIA: Single-Hospital System	0	0	0
NYMSA	Children's Specialized Hospital (System)	164142	System III (vertical integration)	0	0	0
NYMSA	Christian Health Care Center	95248	System IIIA: Single-Hospital System	0	0	0
NYMSA	East End Health Alliance	209559	System I (network affiliation)	0	0	0
NYMSA	Englewood Hospital System	140824	System IIIA: Single-Hospital System	0	0	0

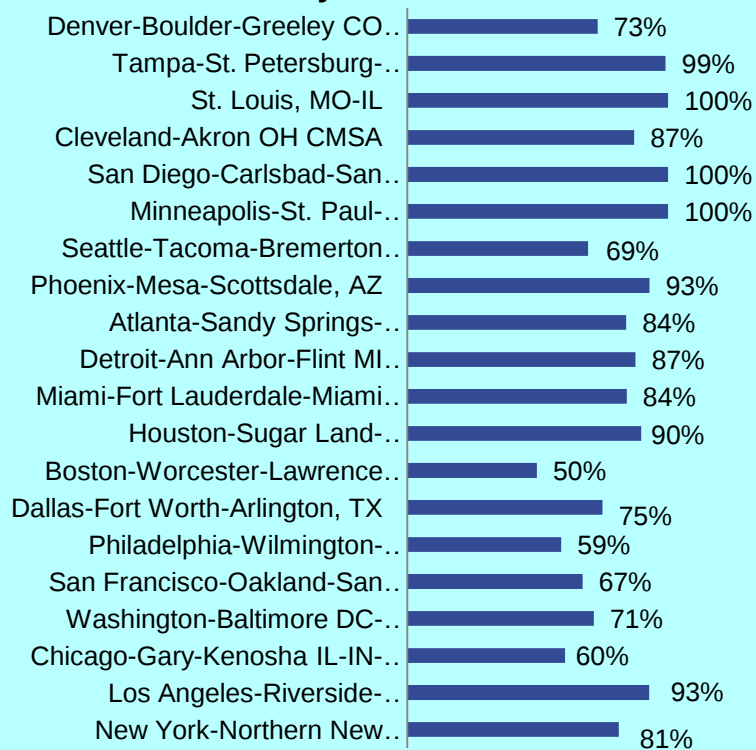
Same Hospital under different IDN's

Hospitals	Beds (Houston)	Beds (Sugar Land)	Beds (Baytown)	Total Beds	Admissions (Houston)	Admissions (Sugar Land)	Admissions (Baytown)	Total Admissions	Outpatients (Houston)	Outpatients (Sugar Land)	Outpatients (Baytown)	Total Outpatients
Memorial Hermann Texas Medical Center	850	0	0	850	25,846	0	0	25,846	132,000	0	0	132,000
Memorial Hermann Texas Medical Center	100	0	0	0	3,027	0	0	0	9,000	0	0	0
Texas Children's Hospital (TCHDS)	106	0	0	106	3,000	0	0	3,000	0	0	0	0
Texas Children's Hospital (TMC)	64	0	0	0	8,160	0	0	0	32,200	0	0	0
University of Texas MD Anderson	578	0	0	0	26,499	0	0	0	137,854	0	0	0
University of Texas MD Anderson	578	0	0	578	177	0	0	177	6,000	0	0	6,000
Memorial Hermann Northwest Hospital	397	0	0	0	12,188	0	0	0	101,100	0	0	0
Memorial Hermann Northwest Hospital	300	0	0	300	15,363	0	0	15,363	61,303	0	0	61,303
Memorial Hermann Southwest Hospital	223	0	0	0	10,890	0	0	0	33,800	0	0	0
Memorial Hermann Southwest Hospital	100	0	0	100	0	0	0	0	0	0	0	0
Houston Methodist Hospital (HM)	46	0	0	46	3,181	0	0	3,181	18,100	0	0	18,100
Houston Methodist Hospital (TMC)	273	0	0	0	9,118	0	0	0	0	0	0	0
Ben Taub General Hospital (TMC)	1299	0	0	0	33,921	0	0	0	193,200	0	0	0
Ben Taub General Hospital (HHS)	15	0	0	15	587	0	0	587	19,700	0	0	19,700
Baylor Saint Luke's Medical Center	22	0	0	22	13,172	0	0	13,172	62,700	0	0	62,700
Baylor Saint Luke's Medical Center	178	0	0	0	10,956	0	0	0	54,200	0	0	0
Woman's Hospital of Texas	251	0	0	251	13,836	0	0	13,836	47,600	0	0	47,600
Memorial Hermann Memorial City	193	0	0	0	0	0	0	0	0	0	0	0
Memorial Hermann Memorial City	191	0	0	191	0	0	0	0	3,525	0	0	3,525
Houston Methodist Sugar Land Hospital	0	0	0	0	0	0	0	0	0	0	0	0
Lyndon B Johnson General Hospital	908	0	0	0	36,510	0	0	0	575,700	0	0	0
Lyndon B Johnson General Hospital	90	0	0	90	2,850	0	0	2,850	2,600	0	0	2,600

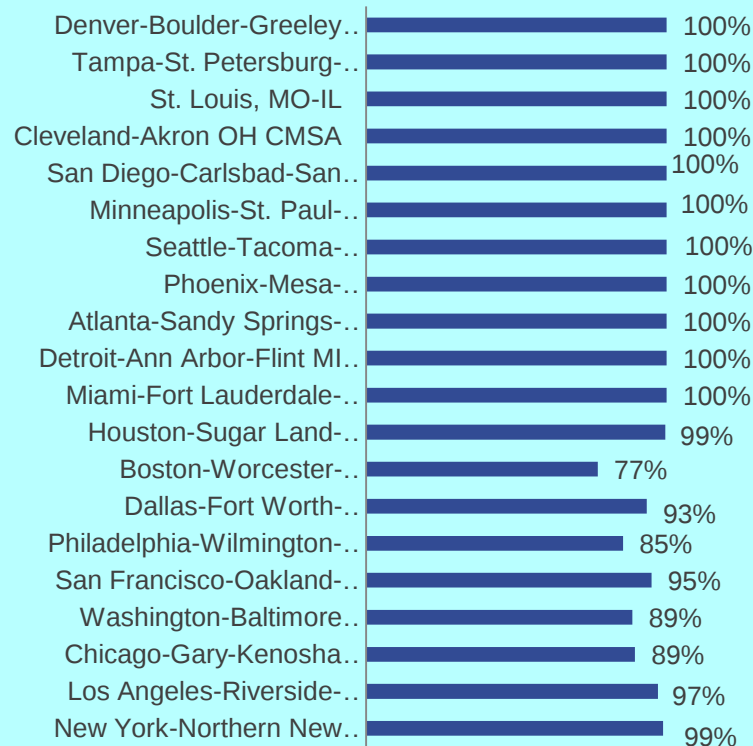
1. Owned
2. Affiliation
3. Shareholder
4. Network
5. Joint venture
6. Managed
7. Collaboration
8. Leased
9. Subsidiary

Findings

Top 20 MSA's with the proportion of top 5 IDNs Concentration by # of Beds

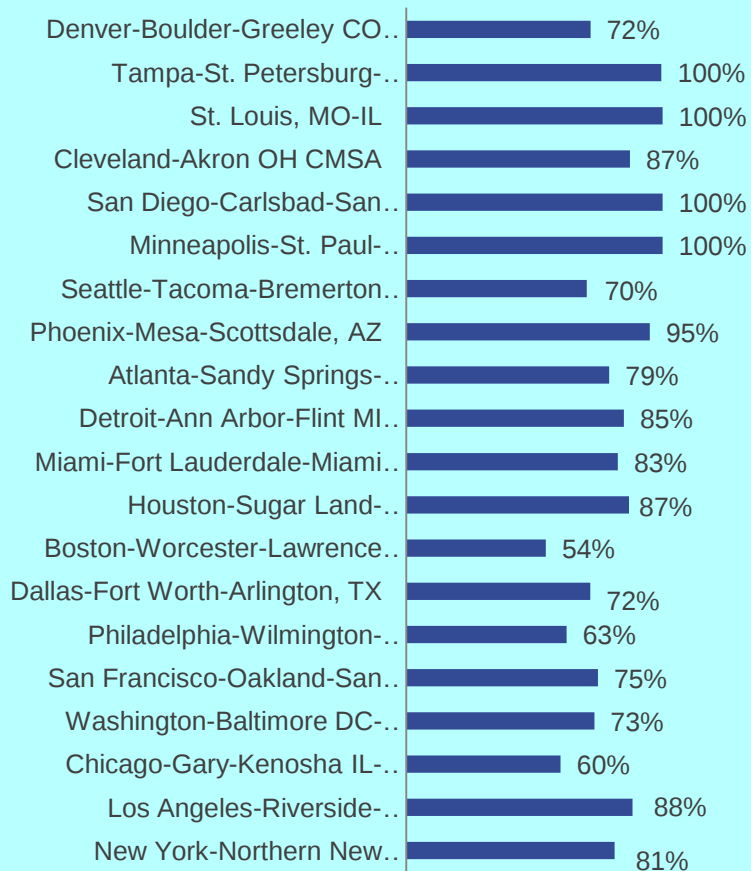


Top 20 MSA's with the proportion of top 10 IDNs Concentration by # of Beds



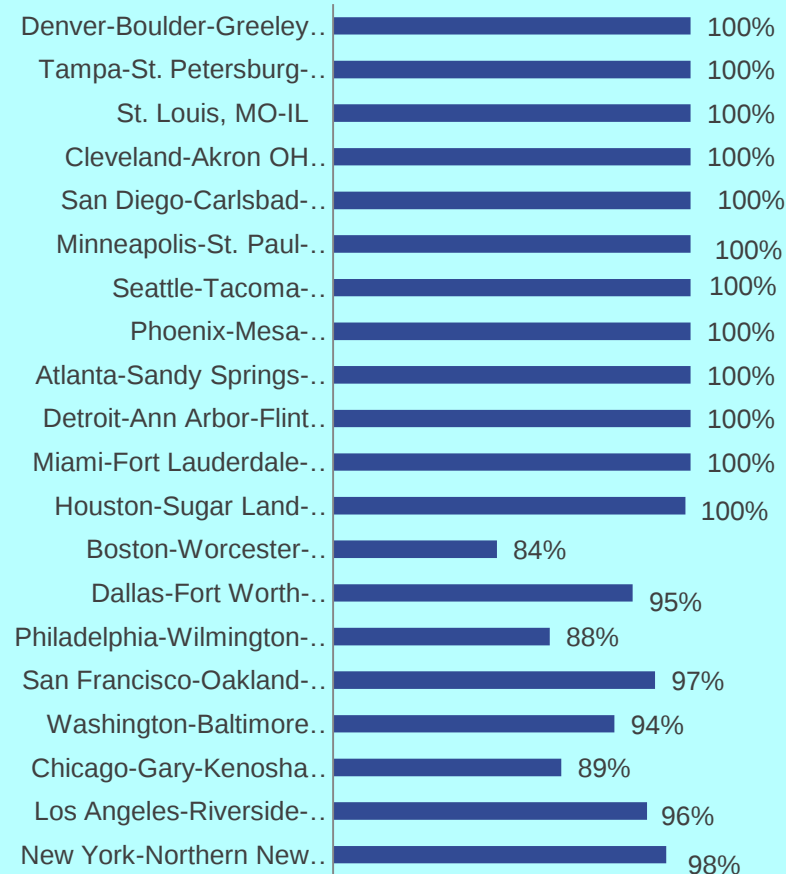
Findings

Top 20 MSA's with the proportion of top 5 IDNs Concentration by # of Admissions



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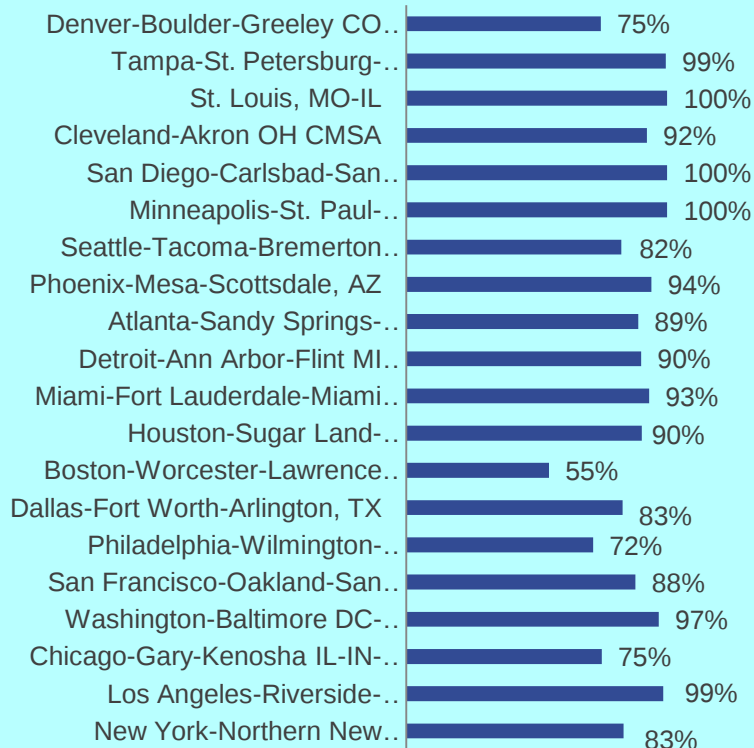
Top 20 MSA's with the proportion of top 10 IDNs Concentration by # of Admissions



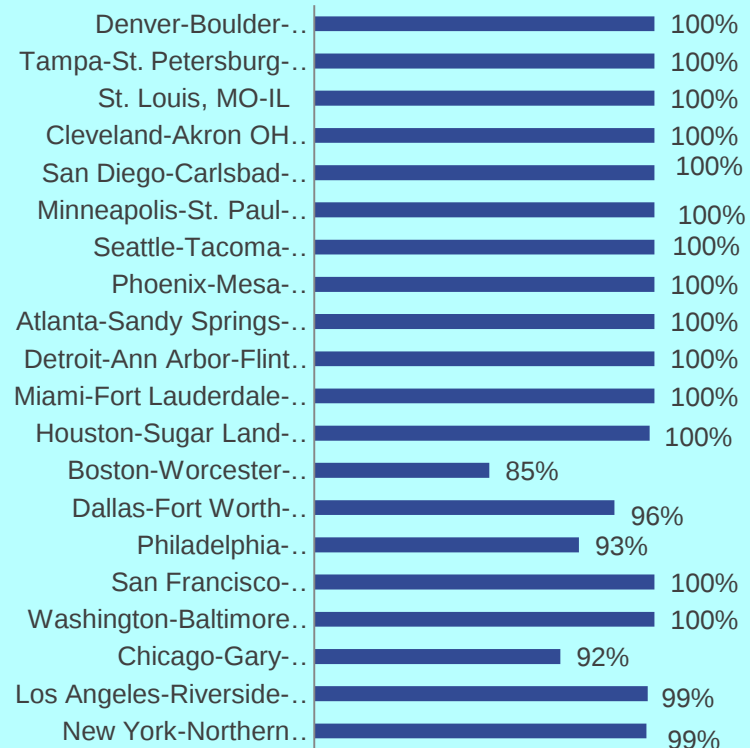
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Findings

Top 20 MSA's with the proportion of top 5 IDNs Concentration by # of Outpatients

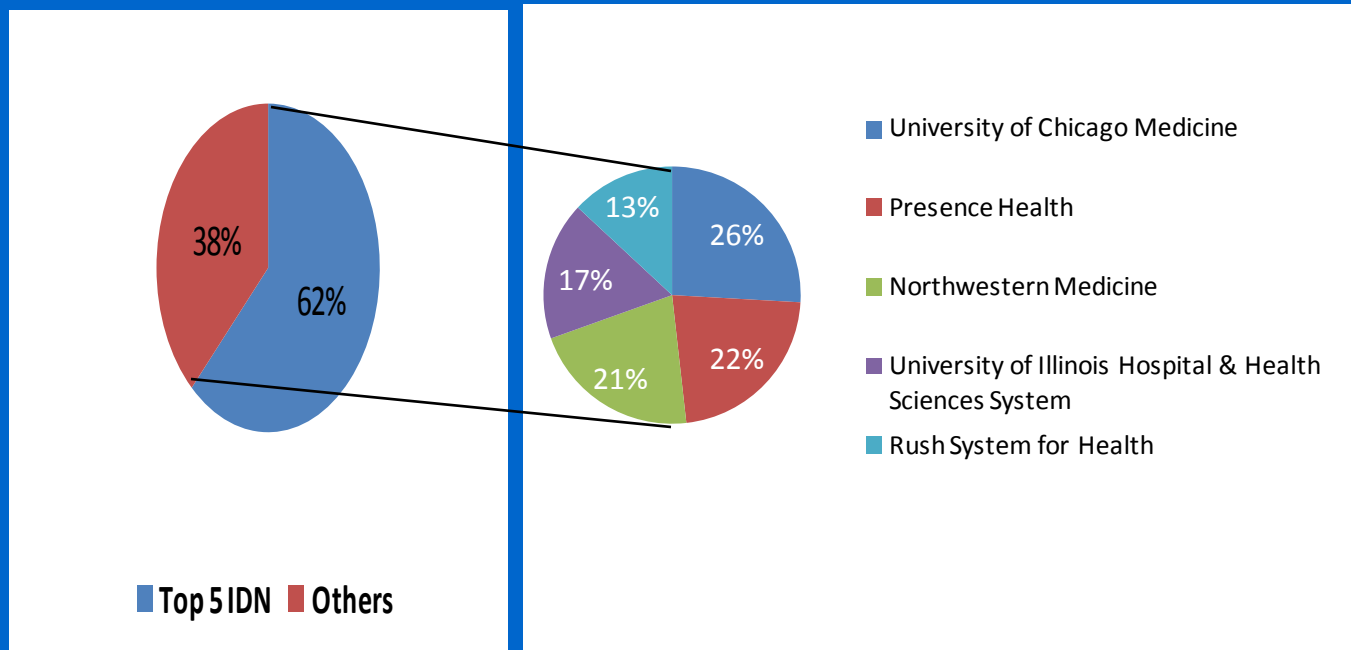


Top 20 MSA's with the proportion of Top 10 IDNs Concentration by # of Outpatients



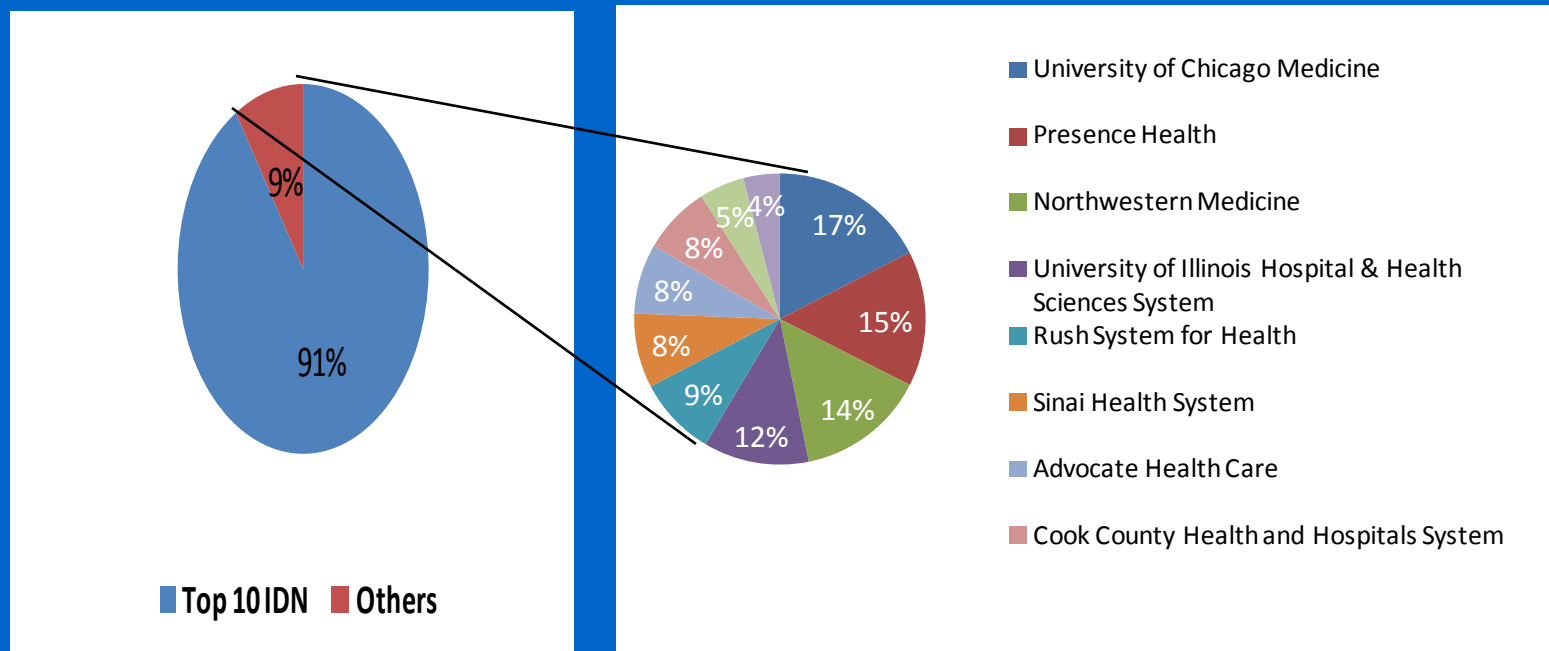
Findings

Market share of IDN's by the proportion of admissions in Chicago MSA:



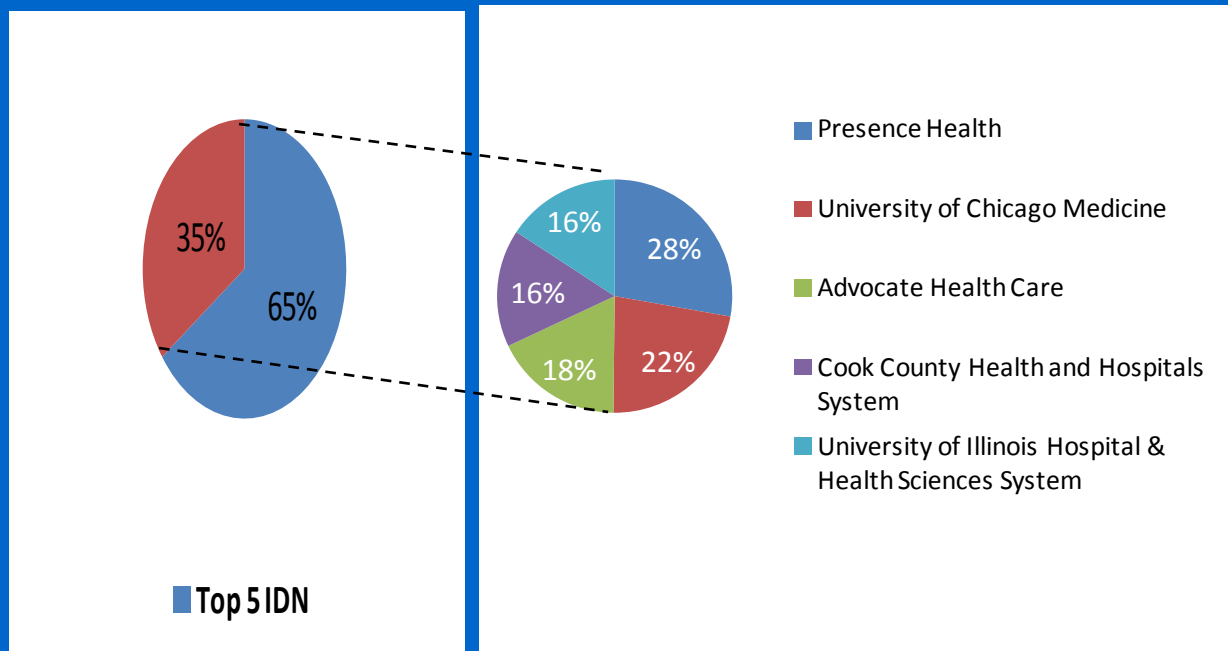
Findings

Market share of IDN's by the proportion of admissions in Chicago MSA:



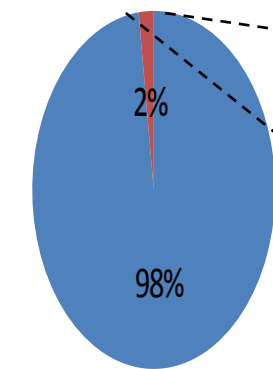
Findings

Market share of IDN's by the proportion of beds in Chicago MSA

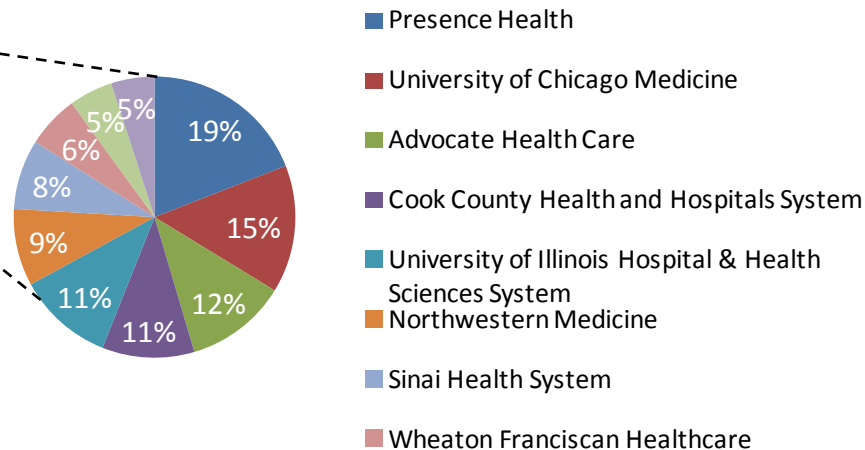


Findings

Market share of IDN's by the proportion of beds in Chicago MSA



■ Top 10 IDN ■ Others



Conclusion

- Changes in the sales models (Transactional to Key Account Management models)
- Achieving Targets
- Business Decisions
- Business Opportunities