



The Vision for the Second Century

The Next Five Years

Heal • Teach • Discover • Serve

GEISINGER

Glenn Steele Jr., MD, PhD
President and CEO
Geisinger Health System

Geisinger Quality – Striving for Perfection

The Legacy



**“Make my hospital right,
make it the best.”**

Abigail Geisinger
1827-1921

“Geisinger Quality – Striving for Perfection”...2006 - 2011

Geisinger Health System

Mission

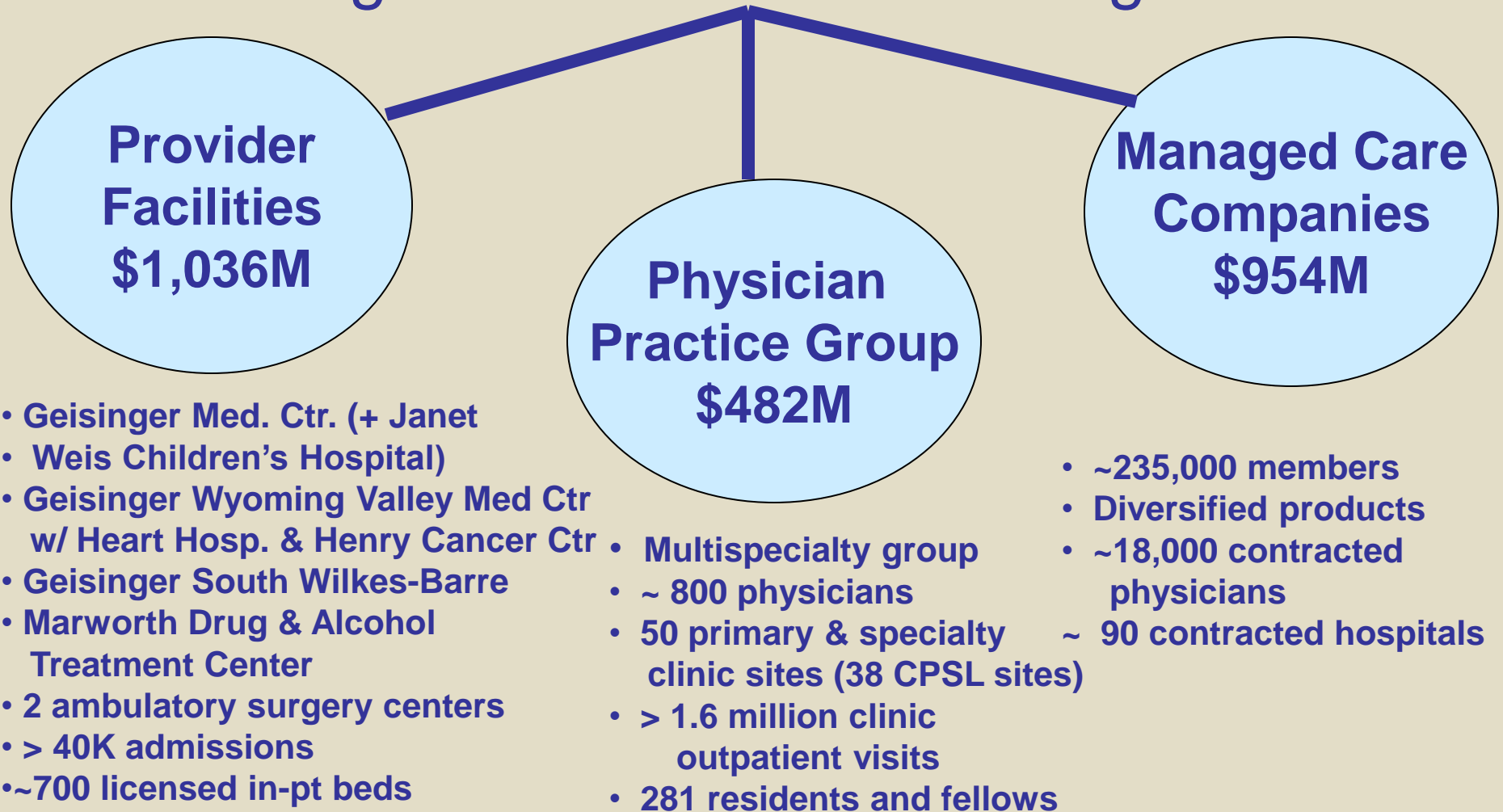
Enhance the quality of life through an integrated health service organization based on a balanced program of patient care, education, research, and community service.

Geisinger Brand

- Quality
- Value
- Partnerships
- Advocacy

Geisinger Health System

An Integrated Health Service Organization



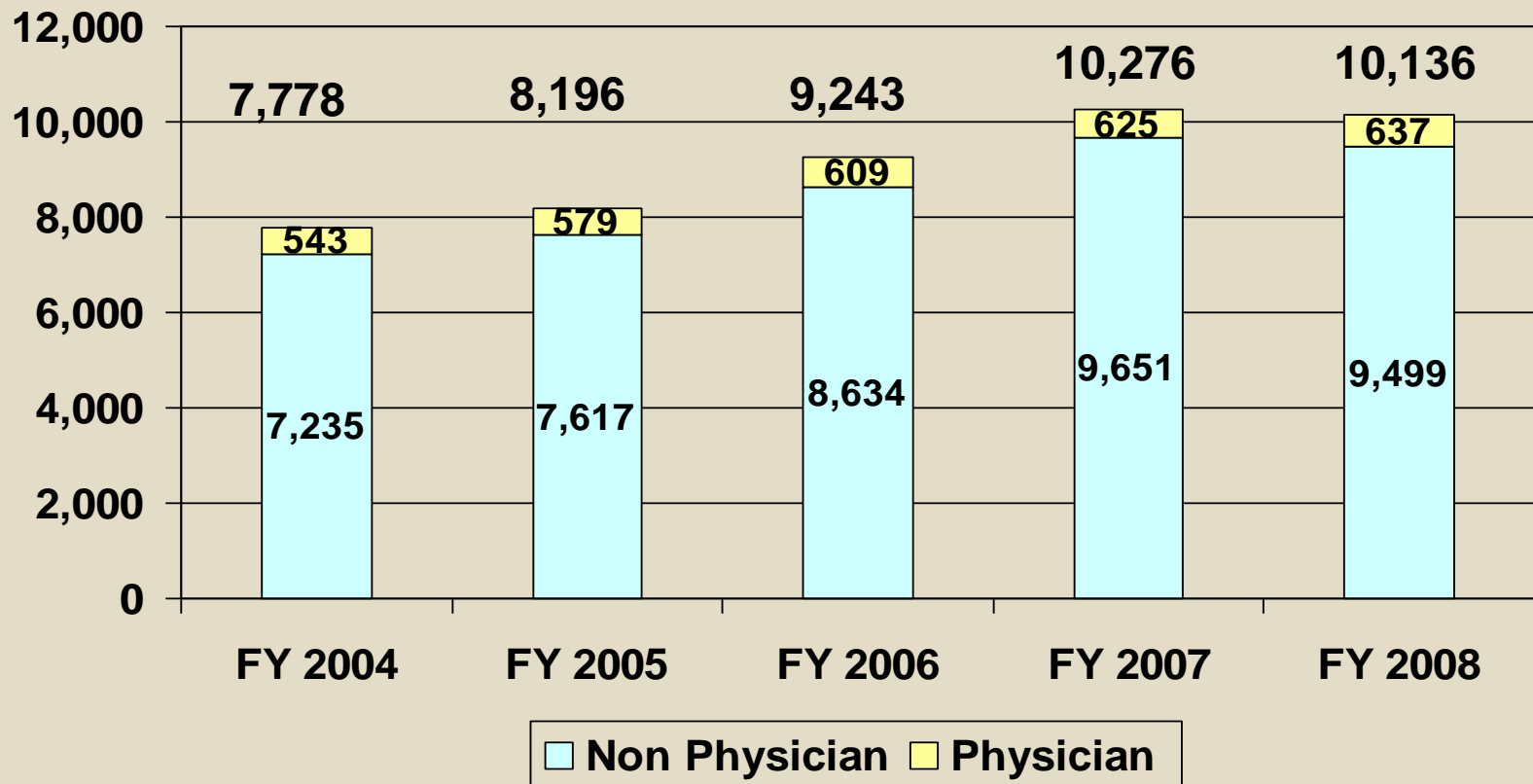
Electronic Health Record (EHR)

- Decision to implement Epic®: 1995
- > \$120M invested (hardware, software, manpower, training)
- Running costs: ~ 4.4% of annual revenue of >\$2.0B
- Fully-integrated EHR, including clinical results, CPOE, clinical documentation, and all medications, allergies and problems
 - Ambulatory for 38 community practice sites
 - In-patient records at GMC, GWV, and GSWB
 - Specialty modules for ED and OR

Electronic Health Record (cont'd)

- > 3 million patient records
 - >124,000 active users of MyGeisinger
 - New goal = 200,000
 - >2,300 non-Geisinger users; confidential access (referring physicians)
 - Real-time registries track clinical metrics by dept/physician
 - PACS and web-based image distribution

Total FTEs*



*Total employee head count: FY08: ~ 13,000

Revenue and Expenses – System Patient Services & Supporting Operations

	FY04	FY05	FY06	FY07	FY08
Revenue	\$1,285,789	\$1,431,354	\$1,591,708	\$1,732,888	\$1,907,280
Expense	<u>1,272,603</u>	<u>1,382,263</u>	<u>1,503,180</u>	<u>1,647,168</u>	<u>1,824,880</u>
NET	\$ 13,186	\$ 49,091	\$ 88,528	\$ 85,720	\$ 82,400

- Geisinger bond rating affirmed AA+ by Standard & Poor's
- Moody's affirmed Aa2 rating – Feb. 2008

Volume Statistics

Discharges^{1,2}

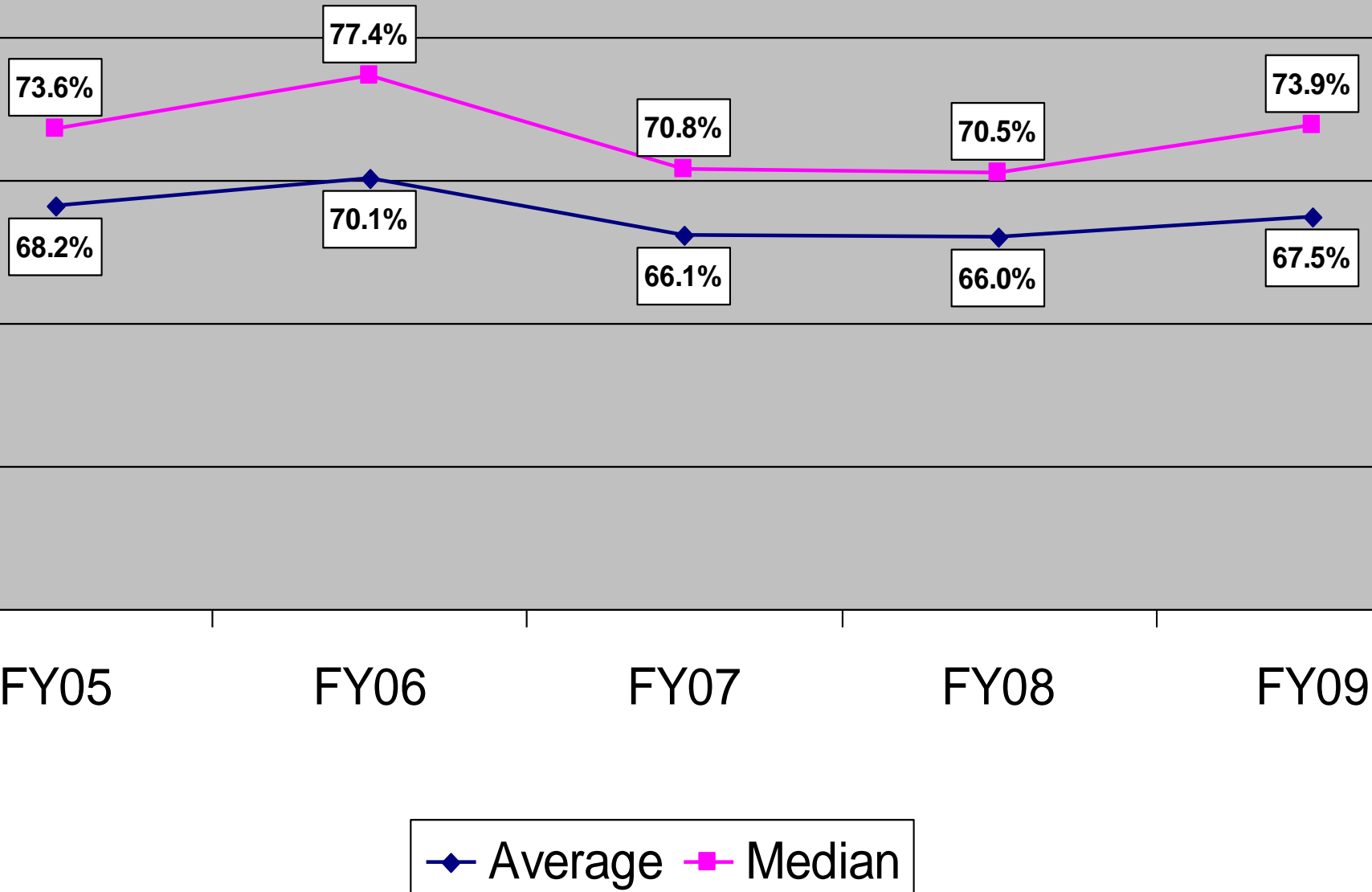
	FY04	FY05	FY06	FY07	FY08
GMC	20,558	21,957	22,704	23,147	22,618
GWV	7,807	8,265	8,975	9,161	9,328
GSWB			4,048 ³	6,582	5,549
Marworth	<u>1,222</u>	<u>1,207</u>	<u>1,230</u>	<u>1,304</u>	<u>1,318</u>
TOTAL	29,587	31,429	36,957	40,194	38,723

1- Excludes nursery

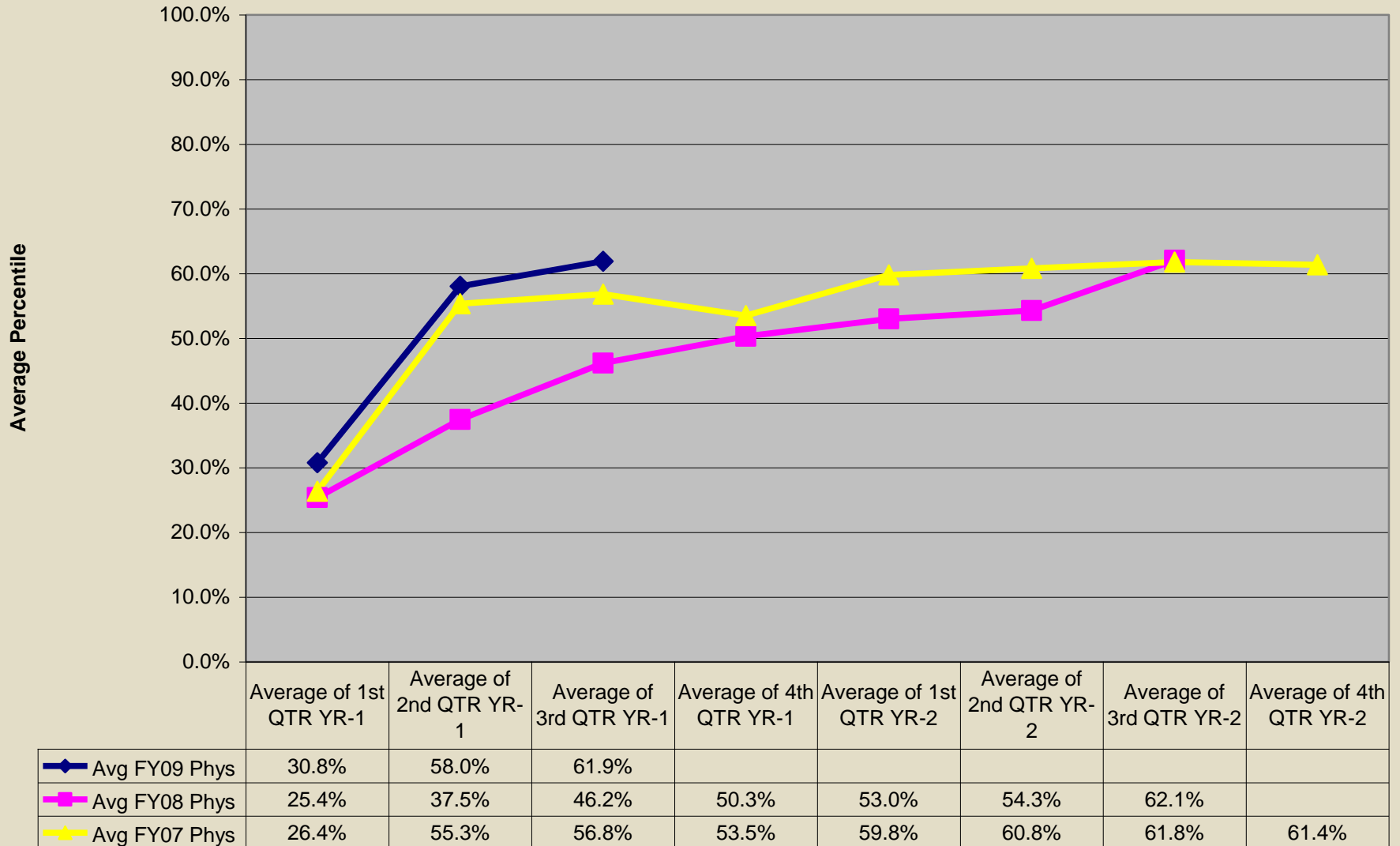
2- **Includes dramatic shift to 23-hour stays, not recorded as discharges**

3- Seven-month period

Average & Median Work Effort Percentiles for Physicians Hired Prior to 7/1/2007



Avg McGladrey %tile for Non-CPSL Physicians Hired FY07, FY08, FY09



FY08 Community Benefit

(in millions)

Uncompensated Care	\$ 21.7
Governmental Underpayments	167.3
General Program Services	32.2
Community Outreach	5.2
Community Assistance Payment	0.4
Volunteer Hours	2.9
Total Geisinger Community Benefit	\$229.7

Capital Investments

- “Best Practice” capital allocation system
- Strong central controls exerted
 - FY02 \$69.8M
 - FY03 \$50.5M
 - FY04 \$50.3M
 - FY05 \$72.5M
 - FY06 \$91.0M
 - FY07 \$157.0M
 - FY08 \$220.0M
 - FY09 \$235.2M*
- Philanthropic capital campaign of \$75M; 80% completed

*Spending to this amount will be driven somewhat by economy

The Vision for the Second Century The Next Five Years*

- Geisinger Quality
- Innovation
- Market Expansion
- Securing the Legacy

****Predicated on maintaining healthy operations***

Targets for the Geisinger Transformation

- Unjustified variation
- Fragmentation of care-giving
- Perverse payment incentives
 - ↑Units of work
 - Outcome irrelevant
- Patient as passive recipient of care, not active participant

Transformation Initiatives*

- ProvenHealth Navigator (Advanced Medical Home)
- Chronic Disease Care Optimization
- ProvenCare® for acute episodic care (the “warranty”)
- Transitions of Care

*Achievable only through innovation

Challenges

- Quality and Value
- Operational success
- ↑ Revenue and ↓ costs
- Capital appetite
- In- and out-patient shifts
- Facility limits
- Maturing staff – Bench strength (Securing the Legacy)
- National commitments vs. regional business success

Economic Down-Turn Effects

On:

- Patients
- Providers
- Hospital platforms
- IT vendors
- Us (Geisinger)

GAPP

The Legacy



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