PRESENT AND FUTURE TRENDS FOR THE PUERTO RICO HOSPITAL SECTOR

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I. THE HOSPITAL SECTOR IN PUERTO RICO:

- Total: 70 hospitals.

- For profit: 36 51%
- Non for profit: 20 29%
- Government: 14 20%
- Specialized: 19 27%
- General acute: 51 73%
II. OTHER FACTS:

- >80% of beds—owned by private organizations.
- Sources of reimbursement:
  - >60% under government programs (Medicare and Medicaid, ACAA, State Insurance Fund),
  - 10% uncovered population.
- Insured population:
  - Employees,
  - Individually.
45,000 direct employments (excluding medical staff),

98% of private hospitals’ revenue comes from reimbursements from health plans (including government programs),

Revenues distribution:

- 70% inpatient care,
- 30% Ambulatory care.
III. Strengths:

- Clinical Outcomes,
- Accreditations and certifications,
- Health professionals,

Technological and services development:
- Organ transplant programs,
- Minimal invasive procedures,
- Diagnostic procedures.

Accountability.
IV. Challenges:

- **Financial:**
  - High operating costs,
  - Cash flow,
  - Access to financial sources for capital expenditure and high technology,
  - Increasing complexity of medical conditions.
Human Resources:

- Shortage,
- Turnover.

Malpractice claims,

Marked competition.
V. **INTERNAL STRUCTURE:**

- **Traditional:**

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  Governing Board
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Management     Medical Staff
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At present:
VI. ORGANIZATIONAL FACTS THAT INFLUENCE HOSPITALS’ STRATEGIC PLANS:

- Service area demographics,
- Competitors,
- Payment rates,
- Service mix,
- Medical Staff characteristics,
- Organizational culture,
- Role in teaching and research,
- Financial strength,
- Physical plant and equipment age,
- State-of-the-art infrastructure,
- Capacity,
- Clinical outcomes,
- Fund-raising.

Note: Resource Healthcare Trends and Implications 2007-2012
VII. SOME IMMEDIATE FACTS:

- Decreasing reimbursement for both, physicians and hospitals:
  - Bundling,
  - ICD-10.

- Increase in long-term care and post acute needs.

- Increase in ambulatory care.

- Prevention vs. Illness.

- Information technology (EMR) (EHR):
  - Puerto Rico excluded from Medicare Incentives,
  - Medicaid Incentives status?

- Increase in life expectancy.

- Health professionals shortage.
VIII. Comments on the future hospital:

- Service integration at different levels:
  - Internal,
  - External.

- Quality, competitiveness and compliance.

- Stakeholders involvement and participation:
  - Community, providers, insurance companies, government and regulatory agencies.

- Change in roles.
  - Medical trends:
    - Preventive care,
    - Post acute care:
      - Skilled Nursing,
      - Rehabilitation.
Government support:
  - Malpractice issues,
  - Medical education,
  - Services exportation:
    - Medical Tourism:

- Virtual services.
- Bureaucracy reduction.
- Philanthropy.
QUESTIONS?

Thank you!