

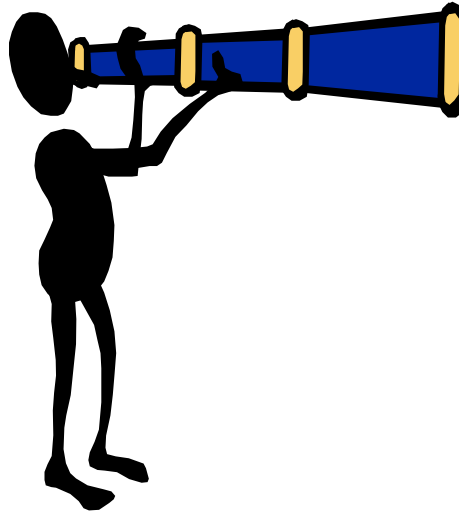
The Future of the Rural Health Network Movement

Where do we go from here?

Hicks Armor

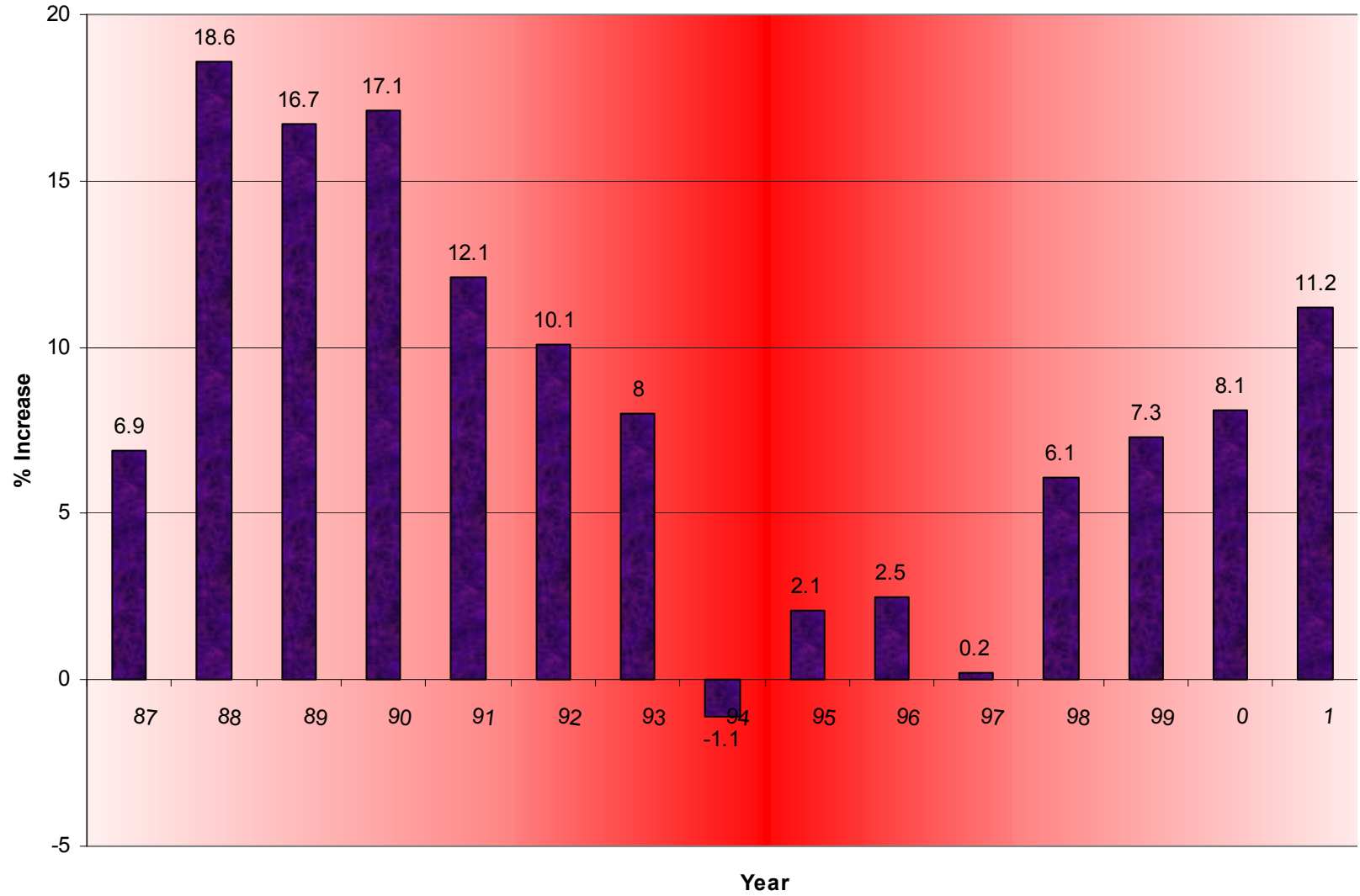
Galaxy Health Alliance

April 25, 2002



To know where we want to go...
It is helpful to know where we are...
to determine how to get there from here.

Rising Cost of Health Insurance



1990's

- High healthcare cost trends
- Pressure from employers & insurers on hospitals and other providers.
- Growth of for-profit hospital chains by acquisition
- Risk to community hospitals ... acquisition

Initial Result:

Formation of Networks, Alliances & IDN's

Initiative:

Joint Managed Care Contracting

Obstacle:

Federal Regulation

Actual Result:

Operational / Clinical and Community Initiatives

Today we have networks that are:

- **Community Partnerships (Hospitals, Physicians, Health Departments, Clinics, etc.)**
- **Operational Partnerships (Hospitals & Physicians)**
- **Business focus (Hospitals)**
- **Vertical Delivery Systems (IDN's)**

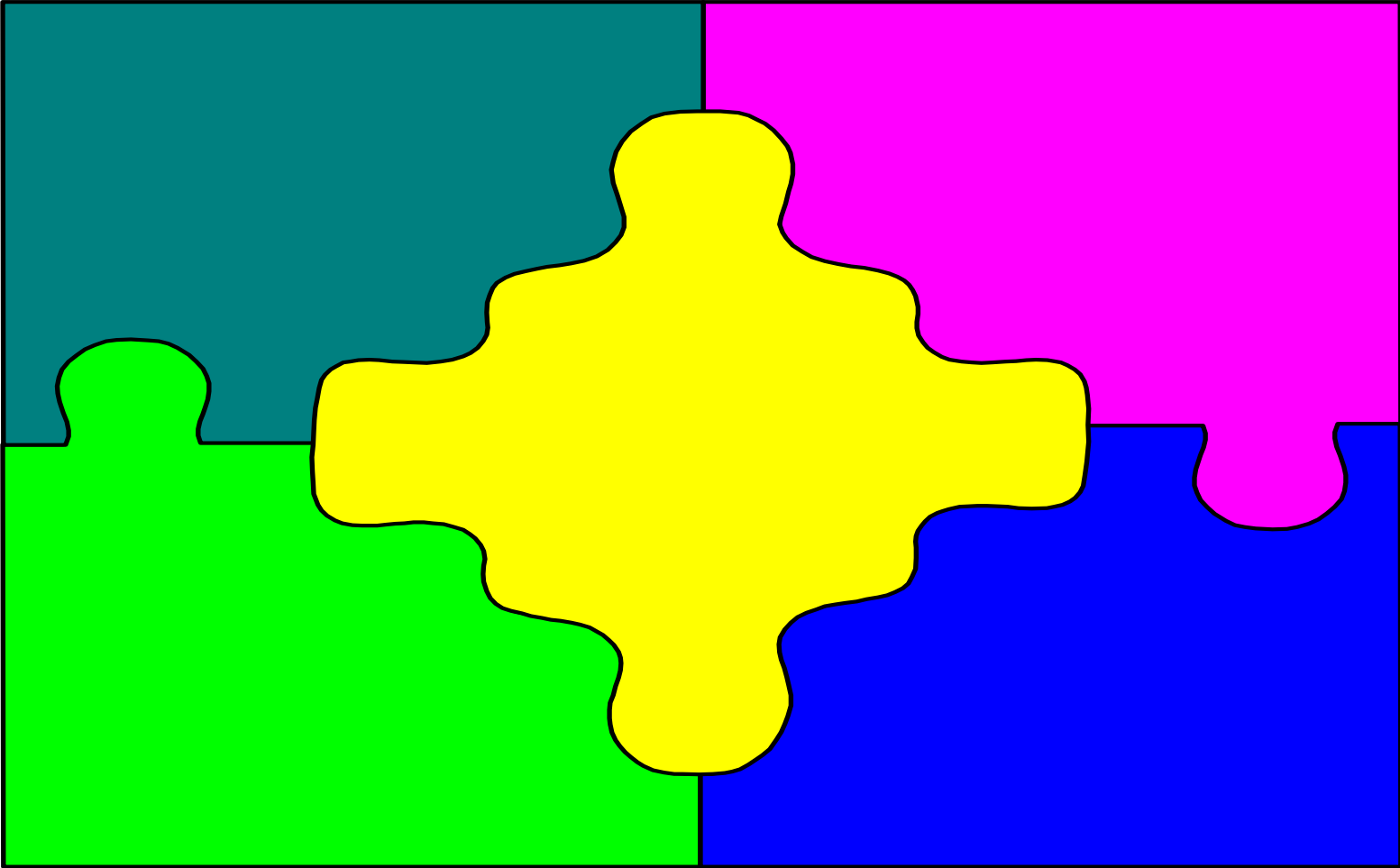
Today's Environment

- **High Healthcare Cost Trends**
- **Pressure from Employers & Insurers on Hospitals and other providers**
- **Pressure from Business Coalitions on quality and outcome measures**
- **Risk to Community hospitals ... extinction**

The Opportunity:

- Community Health
- Continuum of Care
- Referral Enhancement
- Peer Mentoring
- Disease Management
- Operational Ventures
- Managed Care Education
- Operational Programs
- Cost Savings
- Access to Specialty Care
- Joint Ventures
- Rural Clinical Services
- Sustainability
- Physician Coverage
- Grants

The Model



The Reality (The Future)

- **Communities need networks**
- **Providers need each other**
- **Networks are sustainable**
- **The model varies from community to community**
- **Leadership is a key component**

The opportunity is Great.

The need is Greater.

Predicting the Future is Important

Understanding the Present is Imperative

Not being able to predict the future is acceptable

Not being able to understand the present is unacceptable

Author Unknkown 2000