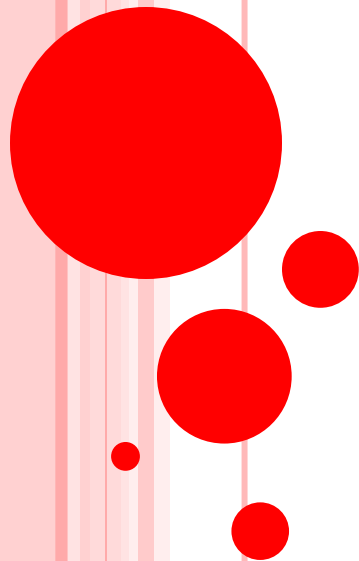


# **PRESENT AND FUTURE TRENDS FOR THE PUERTO RICO HOSPITAL SECTOR**

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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, ACA, 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:

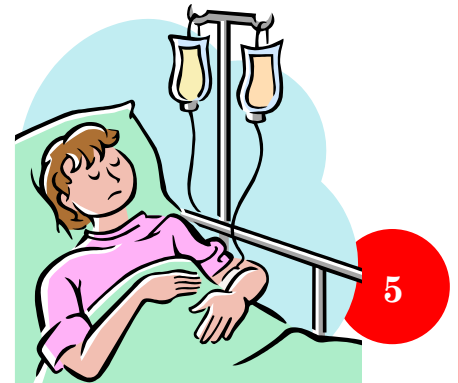
- Clinical Outcomes,
- Accreditations and certifications,
- Health professionals,
- Technological and services development:
  - Organ transplant programs,
  - Minimal invasive procedures,
  - Diagnostic procedures.
- Accountability.



## 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:

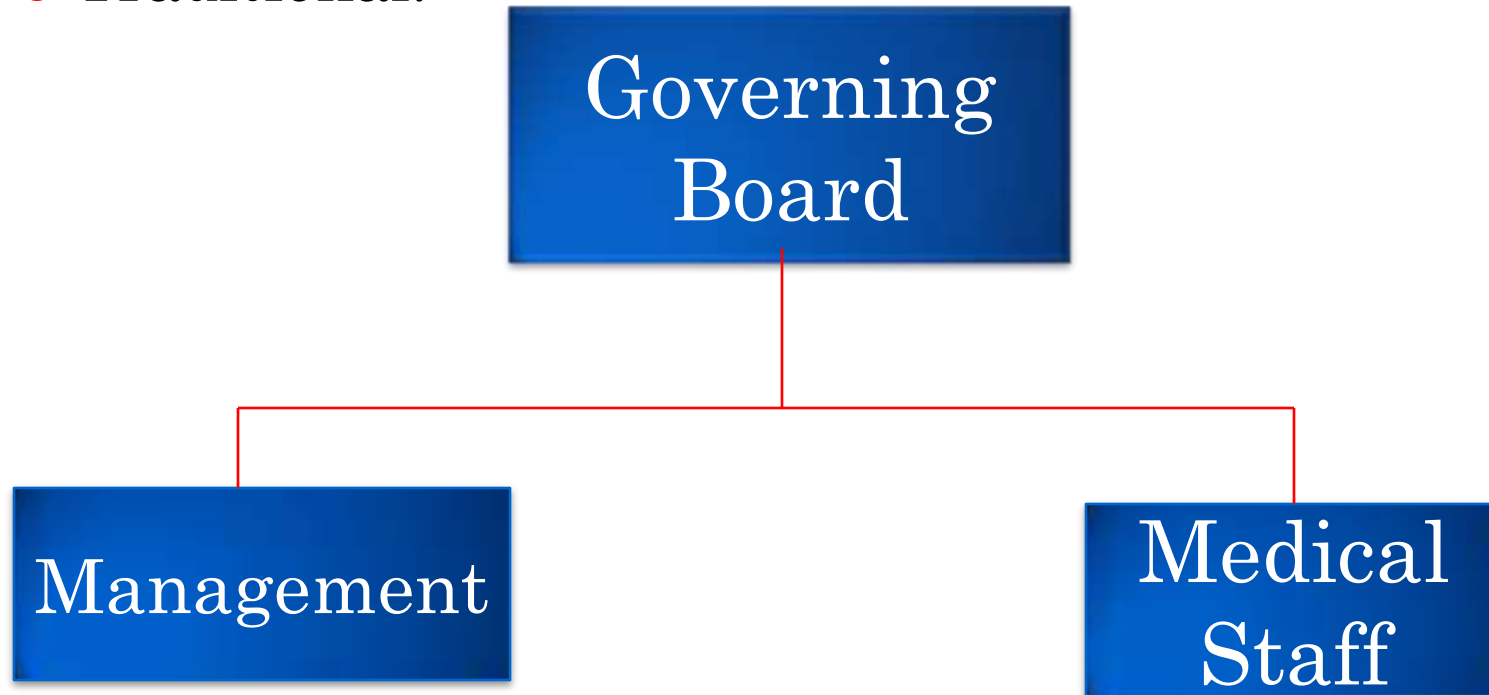
- Shortage,
- Turnover.

## ○ Malpractice claims,

## ○ Market competition.

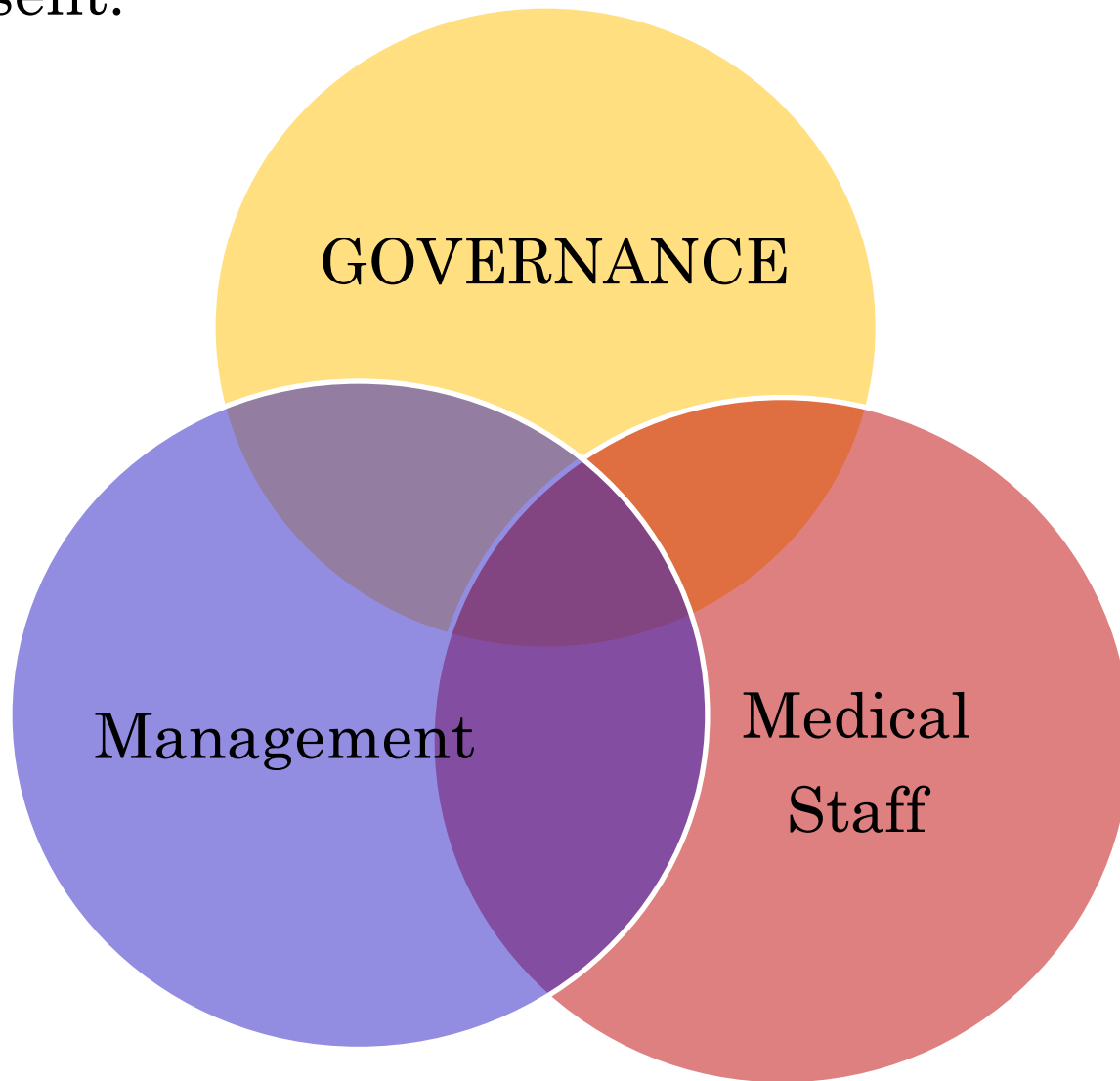
## V. INTERNAL STRUCTURE:

- Traditional:





- At present:



## VI. ORGANIZATIONAL FACTS THAT INFLUENCE HOSPITALS' STRATEGIC PLANS:

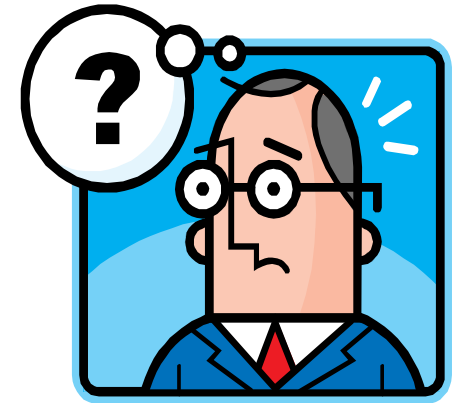
- Service area demographics,
- Competitors,
- Payment rates,
- Service mix,
- Medical Staff characteristics,
- Organizational culture,
- Role in teaching and research,
- Financial strength,
- Physical plant and equipment age,
- State-of-the-art infrastructure,
- Capacity,
- Clinical outcomes,
- Fund-raising.

*Note: Resource Healthcare Trends and Implications 2007-2012*

## VII. SOME IMMEDIATE FACTS:

- Decreasing reimbursement for both, physicians and hospitals:
  - Quality—Patient Safety--Patient Satisfaction—Incentives.
  - 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.

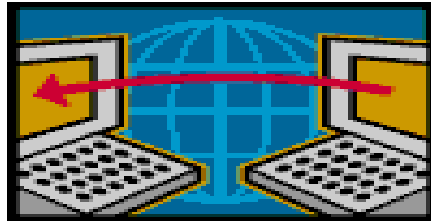
## VIII. COMMENTS ON THE FUTURE HOSPITAL:



- 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:
      - Local Law #196 of December 15, 2010.

- Virtual services.



- Bureaucracy reduction.
- Philanthropy.

# QUESTIONS?



## Thank you!