

NAVIGANT

SOLVING
HEALTHCARE'S
MOST PRESSING
CHALLENGES





TAKE CONTROL OF YOUR FUTURE

The path to success in healthcare has become complex and challenging. Key elements include:

- The financial squeeze affecting every player in the industry, with changing demands and shrinking reimbursements.
- The drive from volume to value, tying your success to the health of the patient populations you serve.
- Revenue models requiring new delivery models.
- New delivery models, triggering clinical transformation and reorganization of clinical programs.
- Consolidation across all sectors, with partnerships and mergers creating new relationships and more integrated businesses.
- Patient empowerment and consumerism, with retail and digital health technologies spurring innovation.

On their own, any of these shifts could alter the shape of healthcare.

Taken together, they're changing the face of the industry.

AT NAVIGANT, WE COLLABORATE WITH HOSPITALS AND HEALTH SYSTEMS, PHYSICIANS, PAYERS, GOVERNMENT ENTITIES, AND LIFE SCIENCES COMPANIES TO HELP THEM THRIVE IN THE RAPIDLY CHANGING HEALTHCARE ENVIRONMENT.

Navigant healthcare clients include more than 300 health systems, including 8 of the 20 “Honor Roll Hospitals” as rated by *U.S. News & World Report*, 36 of the 50 top pharmaceutical companies, based on 2017 data from PharmExec, and 50 percent of the largest health systems in the United States listed by Definitive Healthcare.

Our seasoned professionals and highly skilled specialists form exceptional teams that formulate and implement the right strategies for each client’s unique challenges and opportunities.

We help clients build, manage, and protect their future by:

- Building the optimal scale and scope of programs, products, and services that anticipate change.
- Managing clinical, operational, and financial objectives to achieve peak efficiency.
- Protecting the future by reducing performance risk and proactively accepting risk in new business strategies.

Navigant Healthcare Solutions

Strategic Solutions

Performance Excellence Solutions

Physician Enterprise Solutions

Revenue Cycle Solutions

Government Healthcare Solutions

Specialized Solutions



STRATEGIC SOLUTIONS

Now more than ever, healthcare providers are seeking excellence by improving quality and outcomes, enhancing patient experience, sharing risk, and driving down cost.

Navigant helps providers create sustainable business strategies that meet these demands, anticipate the future, and align their organizations for success. We work collaboratively with our clients to deliver high performance, consistently, over time and across all key metrics.

Navigant Strategic Solutions

- Health systems growth and design
 - Mergers and acquisitions
 - Post-transaction optimization
 - Financial planning and forecasting
- Enterprise strategic planning
 - System strategy
 - Physician organizational strategy
 - Facility planning
 - Clinical integration
 - Network development and post-acute strategies
 - Service line strategy and planning
- Care delivery and payment solutions
 - Total medical expense
 - Provider-sponsored risk
 - ACO/CIN governance and organization design
 - Payer-provider partnerships and provider-sponsored health plans
 - Finance and payment models
 - Bundled payments
 - Integrated care management and care delivery models
 - Value analytics

UNPARALLELED EXPERIENCE

Navigant's 500+ healthcare advisors include physicians, nurses, former hospital administrators, and experts with decades of hands-on industry experience.

As leader of the Value Transformation segment of Navigant's Strategy Practice, **Richard Bajner** works alongside leading payers and providers in building capabilities to manage their transition to performance- and risk-based financial and delivery models. His work includes consumer segmentation, network strategy, product and pricing techniques, and the design and implementation of ACOs and bundled payments.

David Burik brings more than 30 years of consulting experience within all segments of the healthcare industry. He is a key architect for health system redesign engagements, including the successful formation, operation, and divestiture of integrated networks, managed care organizations, physician groups, and hospital systems.

Katherine Ziegler, RN, excels in bridging strategic, clinical, and operational perspectives and aligning key stakeholders. She has successfully helped a wide variety of organizations succeed as they transition from traditional healthcare delivery and operations models to new, value-driven, continuum of care-focused approaches. She has deep provider and payer experience, as well as extensive national experience helping organizations develop and execute strategies that strengthen payer/provider partnerships, drive innovative solutions to problems, and integrate systems of health, resulting in sustainable cultural, clinical, and operational improvement.

POWERFUL RESULTS

BAPTIST HEALTH SYSTEM

Baptist (San Antonio) partnered with Navigant to develop and implement its Medicare Bundled Payments for Care Improvement Initiative (BPCI) implementation strategy. A comprehensive gap analysis was conducted and a corrective action plan was developed. Navigant's efforts yielded strategies to achieve savings and performance targets,

while advising care redesign teams and improving clinical information sharing.

The results: \$2.3 million saved in the first year, 10 percent reduction in readmissions, 20 percent reduction in skilled nursing utilization, and 22 percent reduction in inpatient rehab utilization.

FIRST COAST HEALTH ALLIANCE

Working with Navigant, St. Augustine, Fla.-based Flagler Hospital partnered with more than 80 local physician practices to form First Coast Health Alliance (FCHA), the area's first jointly owned physician-hospital organization.

Through the partnership, the CIN formed work groups leveraging data to identify and prioritize performance

improvement targets, and develop protocols for addressing them. The data-driven approach was combined with a transparent physician compensation model developed by FCHA's Finance Committee, which engages physicians in the success of the program. The result: a 65 percent decrease in excess length-of-stay and a \$3 million decrease in associated costs.

PERFORMANCE EXCELLENCE SOLUTIONS



Achieving and sustaining success in the healthcare industry requires robust clinical, operational, and financial results.

To help drive improved clinical outcomes, Navigant consultants evaluate data, apply analytical models, study systems, and dissect workflows to unlock insights that can improve patient care. To improve financial performance, our consultants apply proven processes and a disciplined approach while working collaboratively with clients. To drive efficiency across the enterprise, we apply analytical skills to identify opportunities to reduce time, streamline processes, and simplify operations.

Regardless of the challenge, Navigant tailors solutions and assembles skilled teams to collaborate with client departments on implementing processes and creating efficiencies that withstand changes in the industry.

Navigant Performance Excellence Solutions

- Clinical process improvement
- Labor and non-labor expense reduction
- Corporate expense assessment

UNPARALLELED EXPERIENCE

With their broad range of experience, Navigant's consultants know the industry from every dimension.

Danielle Dyer brings more than 20 years of experience working with large academic medical centers, multi-hospital systems, and teaching and community hospitals. She leads Navigant's Accountable Care Organization segment and is dedicated to serving the needs of healthcare leaders as they strive to create strategic advantage, and maximize operational performance to achieve superior results.

Kate Goonan, M.D. has more than 25 years for consulting experience and is a nationally recognized advisor in all aspects of performance excellence and transformational change. She has experience in large-scale operational and performance excellence strategy with health systems, integrated delivery networks, and health plans. She has coached several national and state Baldrige Award recipients and specializes in the integration of robust process improvement with strategy, operations, culture, workforce engagement, patient experience, and high-reliability sciences.

John Klare specializes in large-scale operations improvement, post-merger integration, and business transformation work for academic medical centers and large community hospitals and systems. His solutions drive improvement in organizational structure, patient care services, revenue cycle, supply chain management, pharmaceutical services, clinical documentation services, payer contracting, human resource management, surgical services, and hospital information services and systems.

With experience in strategic consulting solutions, **Roger Weems** specializes in strategy and operations improvement in the healthcare industry. He has held several leadership roles in both consulting and provider organizations, with a focus on performance improvement and the development of sustainable transformation strategies that position provider organizations for long-term success.

POWERFUL RESULTS

PREFERREDHEALTH

In the Twin Cities of Minneapolis and St. Paul, Minn., three independent health systems were grappling with an inability to sufficiently provide coverage to meet consumer access needs and escalating costs required to build a population health infrastructure.

The systems partnered with Navigant to create the state's largest accountable care

organization, PreferredHealth. Since its launch in 2013, PreferredHealth successes include an 11 percent lower risk-adjusted total cost of care index compared to a large open access network, 10-15 percent differential in premiums paid by employers and employees, and a 470 percent increase in covered lives — from 7,000 to 40,000 members.

ATHENS REGIONAL HEALTH SYSTEM

Athens Regional Health System (ARHS) was in the midst of evaluating performance improvement initiatives in 2014, when a challenging implementation of the electronic medical record launch created an internal crisis. ARHS partnered with Navigant to assess and implement performance improvement initiatives.

With Navigant's assistance, ARHS achieved \$30 million in annualized improvements, reached a cumulative balance sheet benefit of \$6.6 million within one year, and was able to achieve a \$33 million annualized income statement improvement.

EDWARD-ELMHURST HEALTH

Navigant was engaged to provide data, perspective, and strategic options as the organization combined three hospitals to create the non-profit system, Edward-Elmhurst Health. Following the formation of the new system, net income was increased by 52.8 percent, revenue increased by 9.7 percent, and the new system saw a \$22 million improvement in operating income from the previous year.

Also, our revenue cycle team helped Edward-Elmhurst prepare for a new Electronic Health Record (EHR) system with a pre-go-live audit of the hospital billing system, conversion testing, and a plan to mitigate financial risk. As a result, Edward-Elmhurst achieved 101 percent of baseline revenue within 60 days of go-live.

PHYSICIAN ENTERPRISE SOLUTIONS

Running a medical practice is more complicated today than ever. In the era of population health, physician practices of all types — spanning from large, integrated, well-capitalized independent groups to traditional sole practitioners — must work effectively with health systems and managed care organizations. ICD-10 requires unprecedented levels of detail, accuracy, and completeness from physicians and clinicians. And market pressures demand quality and efficiency in every aspect of business operations, from the front desk to the back office.

We've built our physician enterprise practice to address the range of clinical, operational, and financial challenges faced by providers — in short, for any business challenge that a physician encounters, we have expertise that can help. With a collaborative approach and proven methodologies, our team partners with physicians to identify the macro opportunities and the most precise details to help drive improvement to the bottom line.

Navigator Physician Enterprise Solutions

- Reducing integrated medical group subsidy
- Increasing physician strategic impact
- Innovative primary care models
- Compensation
- Partnership models

ADVANCED TOOLS, PROVEN METHODOLOGIES

Navigator's approach to client engagements features proven yet flexible methodologies coupled with advanced tools and processes.

Navigator's VitalStats™ is a proprietary solution that converts critical business intelligence into an easy-to-read report of a practice's productivity, profitability, and efficiency— all in one automated, concise, graphical application. From benchmarking to data mining, VitalStats™ helps monitor and manage physician operations efficiently. This web-based tool enables practice leaders to track, discover, report, and investigate the key performance indicators needed to scorecard complex revenue cycle and physician productivity metrics.

UNPARALLELED EXPERIENCE

Navigator's healthcare professionals bring deep experience supporting medical practices.

Alex Hunter focuses on design, development, and implementation of physician-hospital enterprise solutions at the strategic, financial, and operational levels. He has led the integration and alignment of a large multi-specialty physician practice and the creation of specialty and primary care physician-hospital institutes. Alex has developed and implemented large-scale performance improvement plans for hospital-affiliated physician organizations, including operational restructuring, overhead reduction, revenue cycle improvement, and improvement in organizational productivity.

With more than 25 years of experience, **Michael Romano** advises some of the nation's leading community healthcare systems, large public hospitals and their related physician groups. He is responsible for helping clients to achieve excellence in physician operations, profoundly improve their patient's experience, and enhance their strategic position in the markets they serve.

POWERFUL RESULTS

THE STEADMAN CLINIC

In Colorado, this world-renowned orthopedic clinic specializes in the diagnosis and treatment of sports-related injuries for recreational and professional athletes. The 11-physician practice is supported by a 100-person clinical and administrative team.

The Steadman Clinic partnered with Navigant's physician revenue cycle outsourcing team to improve operational efficiency, reduce administrative costs, and improve revenues. Navigant analyzed Steadman's key revenue cycle performance metrics, implementing an end-to-end revenue cycle management

solution encompassing claims submission, payment processing, denials and appeals management, patient-interfacing support, A/R, and bad-debt management with powerful results:

- 21 percent increase in monthly cash collected
- 35 percent decrease in average days in accounts receivable
- 28.5 percent decrease in total accounts receivable
- 16 percent increase in payments per work relative value units (wRVUs)

DIGNITY HEALTH

In January 2017, Dignity Health Medical Foundation (DHMF) found its performance trending downward in such major leading performance indicators as days in accounts receivable (AR); cash; and earnings before interest, tax depreciation, and amortization (EBITDA). This resulted in an immediate imperative for DHMF to improve financial performance in these key areas, as well as provider documentation.

DHMF engaged Navigant to help improve revenue cycle operations, to include accelerating cash flow and EBITDA growth. The Navigant onsite staff collaborated well with DHMF staff, partnering to mine the data and develop a plan of attack, which Navigant quickly implemented, seeing wins almost immediately in AR management, charge integrity, vendor management, and coding audit/physician documentation.

REVENUE CYCLE SOLUTIONS¹

Value-based reimbursement, shared risk, and evolving healthcare payment models create a complex reimbursement environment. For the unprepared, this may mean diminished cash flow and escalating write-offs. In today's healthcare economy, changing payment paradigms require additional skill sets, nimble strategies, and infrastructure built to meet these challenges.

Our team collaborates with clients with end-to-end solutions and initiatives that have financial impact. Our consultants provide deep insights that reveal opportunities, define strategies, guide your decision-making and implement meaningful change. Our solutions address people, process, and technology, including optimizing your EHR for the most effective management of your revenue cycle.

And for clients seeking a turnkey outsourced solution, Navigant offers business process management solutions. Our customized approach integrates revenue cycle expertise and best-practice processes with a proprietary technology platform to streamline operations to help you achieve the full potential of your entire revenue cycle.

Navigant Revenue Cycle Solutions

- Improve collections through improved efficiencies, reduce cost to collect
- Improve clinical documentation, case management, and management
- Optimize and leverage IT infrastructure and data
- Evaluate, design, and implement innovative revenue cycle solutions
- Charge description master file management



UNPARALLELED EXPERIENCE

Navigant's healthcare professionals bring deep experience and best practices to revenue cycle enhancement assignments.

As the Navigant revenue cycle services leader, **James McHugh, FACHE** has led numerous engagements focused on improving net revenue, patient experience, and leveraging next-generation EHR technology to support best-practice revenue cycle operations at academic medical centers, multi-facility health systems, and community hospitals. His experience includes leadership of more than 25 system implementations and serving as an interim revenue cycle leader for a multi-facility health system. He is a designated Fellow of the American College of Healthcare Executives.

John Boland is a managing director, specializing in business process management (BPM) solutions in Navigant's healthcare practice. He has more than 27 years serving the revenue cycle needs of health systems, hospitals, and physician organizations across the country. Located in the Chicago corporate office, John has been a senior leader within Navigant since 2011, charged with developing and growing this business model, while simultaneously providing BPM solutions in collaboration with Navigant consultants.

Timothy Kinney, a managing director in the Navigant healthcare practice, has led numerous large-scale revenue cycle engagements at academic medical centers, multi-facility health systems, community hospitals, and physician groups. He is a recognized revenue cycle expert and has deep EHR knowledge. He has assisted clients with system selection, pre-live risk mitigation, and post-live system optimization.

¹ The services described herein are provided by Navigant Consulting, Inc.'s wholly-owned subsidiary, Navigant Cymatrix Corporation.

POWERFUL RESULTS

ADVENTIST HEALTHCARE

Adventist Healthcare, of Gaithersburg, Md., joined forces with Navigant¹ in March 2013, to assist the organization in improving its revenue cycle performance through a best-practice consulting engagement.

Initially, Navigant performed an assessment of the organization's revenue cycle by each area, identifying net revenue opportunities, cash acceleration

opportunities, and cost reduction opportunities. Navigant began immediate work with Adventist on several of the opportunities identified. After a year of driving ongoing improvements, Adventist decided to move into a more permanent ongoing improvement relationship by outsourcing their comprehensive revenue cycle management to Cymetrix in April 2014.

ST. LUKE'S UNIVERSITY HEALTH NETWORK

In 2014, Bethlehem, Pa.-based St. Luke's University Health Network (SLUHN) was operating on a pair of disparate EHR systems across each of its six hospitals. In an effort to enhance operational and revenue cycle efficiencies and better connect care across the continuum, SLUHN decided to move forward with system-wide implementation of the Epic EHR.

SLUHN engaged Navigant to assess its organizational structure and provide insights on Epic implementation strategies and best practices. Navigant

collaborated with SLUHN's IT and billing analysts to provide implementation support, operational direction, and general insights on maximizing Epic revenue cycle functionality. This included partnering with system leadership to develop strategic goals based on such key performance areas as billing timeliness and claims acceptance, denial management, and charge capture. The results: An increase in claims acceptance rate to 98 percent, cash neutrality within 12 weeks of go-live, and an achievement of 104 percent of pre-conversion baseline gross revenue.

1. The services described herein are provided by Navigant Consulting, Inc.'s wholly-owned subsidiary, Navigant Cymetrix Corporation.

GOVERNMENT HEALTHCARE SOLUTIONS

Navigant's government healthcare solutions advisors work with healthcare decision-makers in key state and federal agencies, supporting government clients with advice on service delivery, financing, and operations. Federally, we support the Department of Health and Human Services, including the Centers for Medicare & Medicaid Services, the Veterans Administration, and other federal agencies on the forefront of national healthcare issues. At the state level, we support Medicaid, mental health, developmental disabilities, public health, and other social services agencies, as well as workers' compensation and state employees groups.

Navigant's consultants collaborate with experts from all areas of our healthcare practice, giving our government clients access to thought leaders in the healthcare industry, and providing valuable insight into the challenges facing payers and providers.

As a result, Navigant designs solutions to improve and transform government activities that are actionable, workable, and effective within the broader day-to-day healthcare and regulatory environment.

Navigant Government Healthcare Solutions

- State and federal health solutions
- Medicaid, managed care, government payment transformation
- Medicaid reform
 - State innovation models (SIMs) and delivery system reform incentive payment (DSRIP) programs
 - Long-term care/behavioral health
 - Prescription drug utilization and cost control initiatives
- Medicaid performance management

UNPARALLELED EXPERIENCE

Navigant's government healthcare professionals bring deep hands-on government healthcare expertise.

Dave Mosley brings extensive experience in government healthcare, having served two governors, been employed as a city manager, and directed the financial operations of a state's \$12 billion Medicaid program. He is a frequently requested speaker, trusted advisor, and solution architect serving leaders across the nation.

Catherine Sreckovich has more than 30 years of experience in the healthcare and insurance industry. She is adept at working with commercial health plans, administrative services organizations, third-party administrators, managed care programs, Medicare contractors, and agencies in the public sector. She has supported clients in the development of innovative payment systems for providers and payers, as well as the implementation of other delivery models such as bundled payments and accountable care organizations.



SPECIALIZED SOLUTIONS

With broad functional expertise, including facilities planning, transaction advisory, and risk and compliance management services, Navigant consultants are prepared to help healthcare clients with specialized solutions that are beyond the expertise of most healthcare advisors. Here are a few samples of our specialized solutions.

LIFE SCIENCES

Navigant has built an international reputation as a preferred expert and trusted partner for life sciences companies seeking to mitigate their risks while achieving exceptional growth. Clients turn to our experts to address an ever-changing and increasingly complex and heavily regulated global healthcare market, while striving to deliver innovation to the market in the pursuit of enhanced patient care. At Navigant, we collaborate with pharmaceutical, biotech, and specialty pharma companies, medical technology and digital health manufacturers to help deliver measurable and transformative results.

We help life sciences companies build, manage, and protect their businesses by:

- Providing a foundation of insight to help clients grow and innovate, develop products, and build franchises.
- Developing solutions that help clients manage strategic, operational, and financial plans and thrive in the dynamic healthcare environment.
- Bringing a combination of provider, payer, pharmacy and other distribution channel insights to our life sciences clients.
- Delivering expert advice and counsel to help protect against competitive, market access, and regulatory risks while proactively anticipating and preparing for future challenges.

ENERGY

Spending over \$6 billion on energy annually, U.S. hospitals are among the nation's most energy-intensive commercial facilities.

At Navigant, we combine our in-depth understanding of the healthcare and energy fields to help healthcare facilities develop and implement innovative approaches to energy management. Our energy assistance reflects our deep understanding of energy fundamentals: supply and demand, energy efficiency, pricing and the regulatory process, fuel sourcing, financing, and all aspects of operations and strategy.

Energy solutions relevant to healthcare facilities include:

- Efficiency and sustainability
- Backup generation
- Renewable energy
- Utility cost assignment/allocation
- Supply procurement
- Reliability
- Green leases
- Rate case intervention

GLOBAL INVESTIGATIONS AND COMPLIANCE

Over the last decade, U.S. healthcare organizations have rapidly expanded operations on a global basis. Regulators across the globe have dramatically stepped up enforcement of anti-bribery and corruption regulations, and this trend is expected to continue. In this environment, international organizations, particularly those operating in high-risk countries and industries (such as healthcare), must ensure that their anti-bribery and corruption compliance programs are comprehensive and effective.

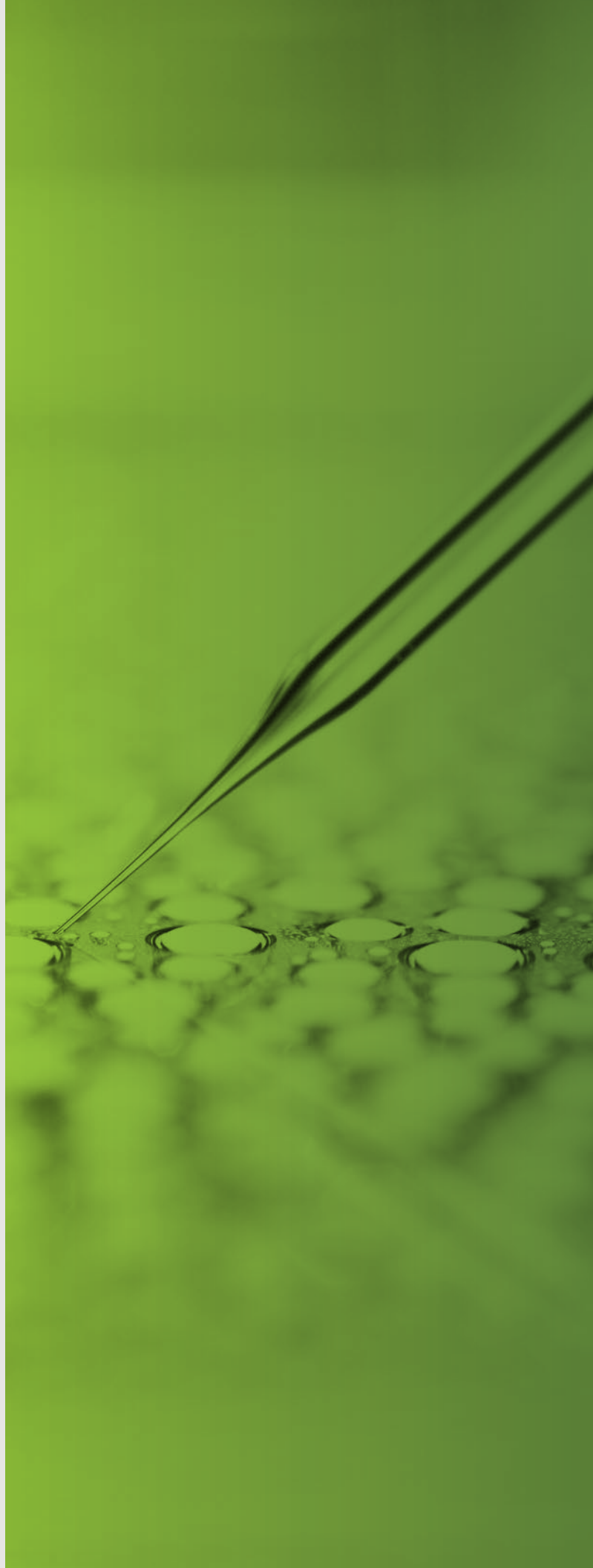
When developing a global compliance program, the ability to obtain timely and accurate business intelligence, on a global scale, has never been more important. Navigant applies deep, global investigative expertise to help clients identify and fully develop potential risks across a broad spectrum of business opportunities. We recognize that each potential business transaction, dispute, or relationship represents unique risks and variables that require a tailored, strategic approach.

INTEGRATED SOLUTIONS FOR SYSTEMIC CHALLENGES

Healthcare organizations, like the patients they serve, are vast organisms with interrelated, interdependent systems. Mastering today's healthcare challenges can require solutions that reach deep into organizations.

For large, vertically integrated healthcare providers with systemic challenges, we combine strategy, performance excellence, physician enterprise, and revenue cycle experts into client-focused teams.

These multidisciplinary teams combine every aspect of Navigant's healthcare expertise, delivering truly integrated solutions. Providing strategy, guidance, and hands-on support, we help our clients overcome their greatest challenges and position them to thrive in the rapidly changing healthcare environment.





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ABOUT NAVIGANT

Navigant Consulting, Inc. (NYSE: NCI) is a specialized, global professional services firm that helps clients take control of their future. Navigant's professionals apply deep industry knowledge, substantive technical expertise, and an enterprising approach to help clients build, manage, and/or protect their business interests. With a focus on markets and clients facing transformational change and significant regulatory or legal pressures, the firm serves clients in the healthcare, energy, and financial services industries. Across a range of advisory, consulting, outsourcing, and technology/analytics services, Navigant's practitioners bring sharp insight that pinpoints opportunities and delivers powerful results.

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