

Item Evaluation

Item 7.5 Financial, Market, and Strategy Results

Key Factor References

Item	KF Cat.	Key Factor
1	P.1a(3)	Mission, Vision, Values Mission provide outstanding health care services to improve the health of all citizens in the service area; Vision to be among Americas best health systems; Values WE CARE: World-class medicine, Efficiency, Compassion, Accountability, Respect, Excellence
2	P.2b(1)	Strategic Challenges Workforce burnout; shortages of nurses, technologists, and some physician specialties; national and state health care payment changes; increasing costs of drugs; cybersecurity and emergency preparedness; and difficulty in reducing health disparities
3	P.2b(4)	Strategic Objectives Achieve top-decile performance in customer excellence, achieve top-decile performance in workforce excellence, achieve top-decile performance in financial excellence, and achieve top-decile performance in process excellence
4	P.2a(1)	Competitive Position Market share leader for almost all clinical services in region. Competitors: university academic medical centers (AMCs) (400-bed and 450-bed), national hospital corporation (250-bed), independent hospitals, outpatient centers (imaging, surgery, physical therapy [PT], and urgent care), and health insurance plans
5	P.2a(3)	Comparative Data Internal and external. Covid has disrupted comparative data. CMS, Consumer Assessment of Healthcare Providers and Systems (CAHPS), Centers for Disease Control and Prevention (CDC), National Healthcare Safety Network (NHSN), Healthcare Effectiveness Data and Information Set (HEDIS), ASG, National Database of Care Quality Factors (NDCQF), Medical Agency Research and Quality, Bureau of Labor Statistics (BLS), State Health Group, Kress Daney, National Data Sort Corporation, Carerank, Voorlan, LeapCore, Zandis Rating Agency, and Craigly Rating Agency

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Strengths

Item	KF Ref.	++	Strength	As Evidenced By	Le	T	C	I	Item Ref.	~Key Theme
1	P.2b(4), P.2a(1), P.2a(3)		Most results for key financial performance measures demonstrate beneficial trends and show areas of leadership when evaluated against relevant benchmarks and comparisons.	Multiple <ul style="list-style-type: none"> Net Patient Revenue (Figure 7.5-1): results increased from \$2,878.2 in 2015 to \$3,578.0 in 2021, outperforming all competitors and Zandi's A1 rating. Operating Margin (Figure 7.5-2): results increased from 2.4% in 2015 to 4.4% in 2021 and outperformed Zandi's A1 rating. Operating Earnings Before Interest, Depreciation, and Amortization (EBIDA) Margin (Figure 7.5-3): results increased from 8.9% in 2015 to 10.2% in 2021. Days Cash on Hands (Figure 7.5-4): results show a beneficial trend, with levels approaching Zandi's A1 in each year, and comparing favorably to Zandi's A2 each year. Cash to Direct Debt (Figure 7.5-5) Maximal Annual Debt Service (Figure 7.5-6) Debt to Capitalization (Figure 7.5-7): results show beneficial trend, approaching Zandi's A1 in each year, and comparing favorably to Zandi's A2 each year. Medicare Spend per Beneficiary (Figure 7.5-8): the overall trend since 2015 is beneficial, and levels outperform the median and meet the quartile in 2021, with performance expected to be at the top decile in 2022. 	y	y	y		7.5a(1)	

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Strengths

Item	KF Ref.	++	Strength	As Evidenced By	Le	T	C	I	Item Ref.	~Key Theme
2	P.1a(3), P.2b(4), P.2a(1), P.2a(3)		Results for marketplace performance demonstrate beneficial trends and show very good performance in comparison to others.	Overall <ul style="list-style-type: none"> Cardiology Market Share (Figure 7.5-11): applicants share increased from 50.5% to 51.5% from 2015 to 2021 and outperforms all competitors. Oncology Market Share (Figure 7.5-12): applicants share increased from 48.5% to 49.1% from 2015 to 2021 and outperforms all competitors. Medicare Advantage (MA) Plan Market Share (Figure 7.5-14): applicants share increased from 15.1% in 2018 to 21.6% in 2021 and outperforms 4 of 5 competitors. Commercial Plan Market Share (Figure 7.5-15): CRS share increased from 4.1% in 2019 to 9.2% in 2021. Consumer Preference (Figure 7.5-17): applicants rate increased from 42.1% in 2016 to 44.3% in 2021 and outperforms all competitors. Inpatient Market Share (Figure 7.5-10): applicant is leader. OB Market Share (Figure 7.5-13): applicant is leader. 	y	y	y		7.5a(2)	

Note

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Gaps & OFIs

Item	KF Ref.	++	Gap/OFI	As Evidenced By	Le	T	C	I	Item Ref.	~Key Theme
1	P.2b(4), P.2a(1), P.2a(3)		Only one of 17 key performance measures (Figure 2.2-2) for strategic goals/action plans demonstrates achievement of top-decile performance (that is, Operating Margin, Figure 7.5-2).	<p>Overall</p> <ul style="list-style-type: none"> Applicant set strategic objectives to achieve top decile in customer excellence, workforce excellence, financial excellence, and process excellence and lists strategic goals/action plans and key performance measures for each of the four objectives (Figure 2.2-2). Enhance Culturally Competent CareReputation Score (Figure 7.5-18): applicants performance has not achieved goal. Improve Community Health follow-up rate after screening (Figure 7.4-13): only 23 of 6 measures reach goal, and Cancer Stage I at diagnosis does not meet goal. Top Decile SatisfactionWillingness to Recommend (Figure 7.2-14): applicants performance does not meet goal. Achieve Top Decile Workforce EngagementEngagement Score (Figure 7.3-12): performance does not meet goal. Balance Workforce Profile with that of the Community (Figure 7.3-10): only one hospital has met goal. Increase Community Support (Figure 7.4-14): results do not meet goal. 				y	7.5b	

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Gaps & OFIs

Item	KF Ref.	++	Gap/OFI	As Evidenced By	Le	T	C	I	Item Ref.	~Key Theme
2	P.2b(4), P.2a(1), P.2a(3)		Results for some key measures of marketplace performance do not compare favorably to competitors results.	Overall <ul style="list-style-type: none"> Commercial Plan Market Share (Figure 7.5-15): results show performance level 20% below market share leader between 2019 and 2022 (projected). (Applicant's commercial plan has been steadily gaining market share since its inception but remains in the pack with competitors.) ED Visits (Figure 7.5-16): 2019 total ER visits for CRHA were 134,567 compared to competitor total of 146,922, a difference of 12,355. MA Plan Market Share (Figure 7.5-14): applicant performs below Haferty. 				y	7.5a(2)	
3	P.1a(3), P.2b(4), P.2a(1), P.2a(3)		A few key results for cost measures fall short of benchmark comparisons, and one key cost measure, Inpatient Expense per Discharge (Figure 7.5-9), has an adverse trend.	Overall <ul style="list-style-type: none"> Results for Inpatient Expense per Discharge (Figure 7.5-9) show an adverse trend between 2015 and 2022 (projected) and performance levels consistently lagging national top-quartile comparison. Days Cash on Hand (Figure 7.5-4): performance does not meet Zandi's A1 comparison. Cash to Direct Debt (Figure 7.5-5): performance does not meet Zandi's A1 comparison. Maximum Annual Debt Service (Figure 7.5-6): performance does not meet Zandi's A1 comparison. Debt to Capitalization (Figure 7.5-7): performance does not meet Zandi's A1 comparison. Medicare Spend per Beneficiary (Figure 7.5-8): performance does not meet national top decile. Inpatient Expense per Discharge (Figure 7.5-9): results since 2015 are worse than top decile. 				y	y	7.5a, 7.5b

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Gaps & OFIs

Item	KF Ref.	++	Gap/OFI	As Evidenced By	Le	T	C	I	Item Ref.	~Key Theme
4	P.2b(1), P.2b(4), P.2a(1), P.2a(3)		Some results are missing, and some measures presented are missing results for key segments.	Overall <ul style="list-style-type: none"> Market share results for Behavioral Health are missing. Results are lacking to show achievement of strategic objective of top-decile performance. Results for intelligent risks are missing. Financial performance results for these segments are missing: OP, UC/ED, insurance plan, all locations. 	y			y	7.5a, 7.5b	

Note