

Mercy Health Perspective on Trends in Health Care

Prepared for
West Michigan Health Care Economic Forecast
January 8, 2021

Hyung T. Kim, MD, MBA
President
Mercy Health Saint Mary's



About Mercy Health in Grand Rapids

Mercy Health Saint Mary's is a teaching hospital with 303 licensed beds and a leader in oncology, neurosciences, orthopedics, cardiovascular, kidney transplant, bariatric surgery, and endocrinology.

Mercy Health Physician Partners is a multi-specialty physician network of 800 providers in Primary Care, OB/GYN, Pediatrics and specialties like Cardiology, Diabetes, Neurosciences and Surgical Oncology.

260 Acute Care Beds	28 Adult Psychiatric Beds	15 Neonatal Intensive Care Beds	
3,000+ Employees	2000+ Kidney Transplants (over time)	40+ Primary and Specialty Care Medical Offices	
15,633 Discharges	4,256 Inpatient Surgeries	12,046 Outpatient Surgeries	
72,956 ED Visits	1,929 Births	~\$600M Total Op. Revenue	

34 Primary Care Sites	33 Specialties	
790 Providers	1,700 Employees (FTEs)	
266K Attributed Lives	1.5+M Visits (annually)	
~\$235M Total Op. Revenue		

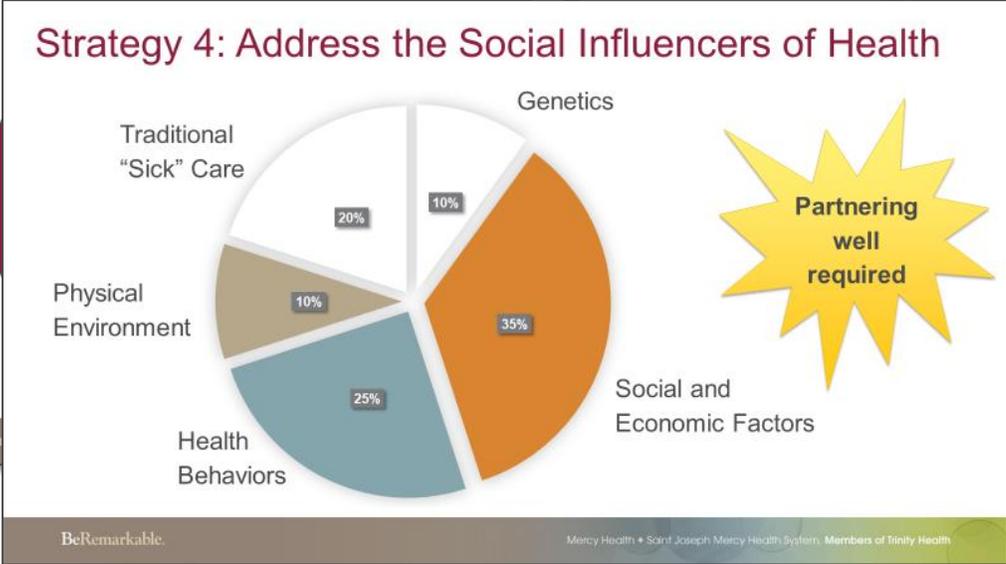
Last year, we shared how Mercy Health partners to improve quality and health, and lower cost

Strategy 1: Partner

Strategy 2: Be High Quality and Low Cost

Strategy 3: Embrace our CIN... 

Strategy 4: Address the Social Influencers of Health

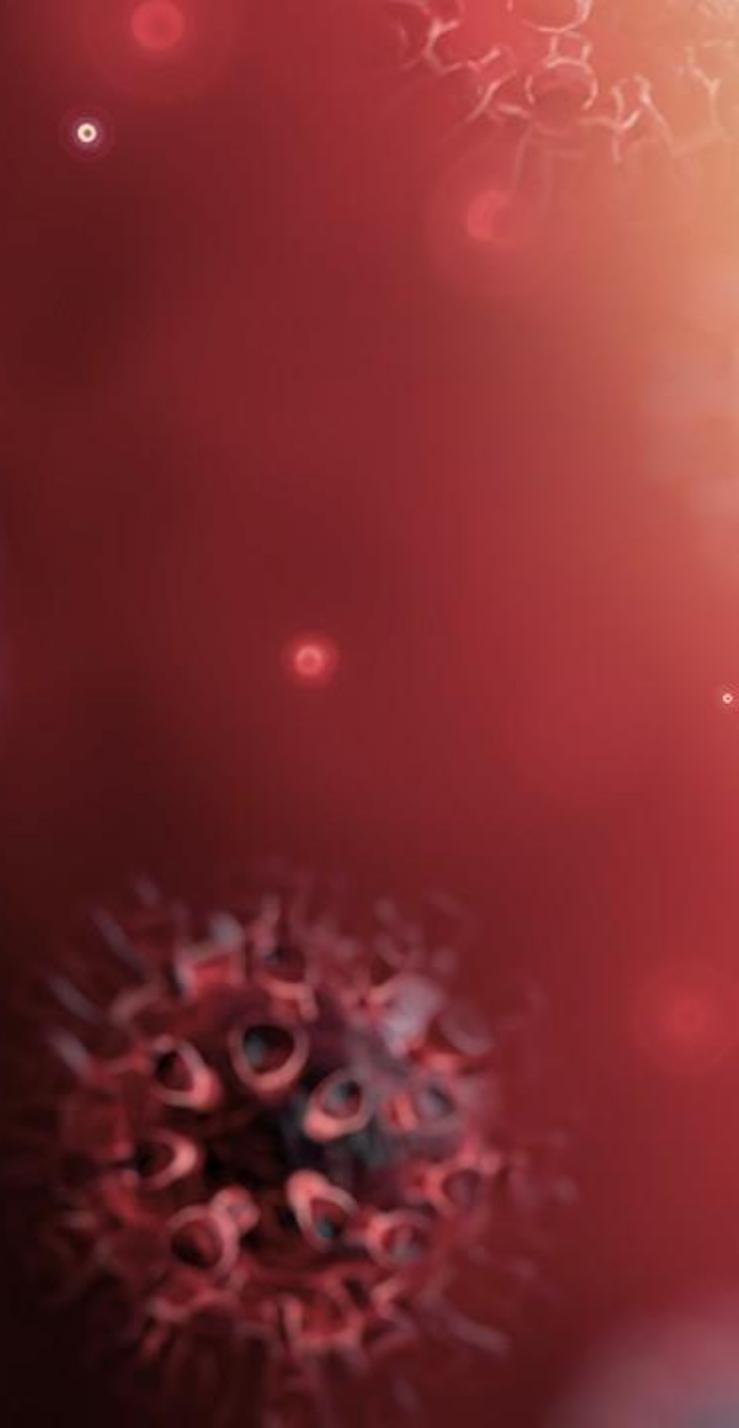
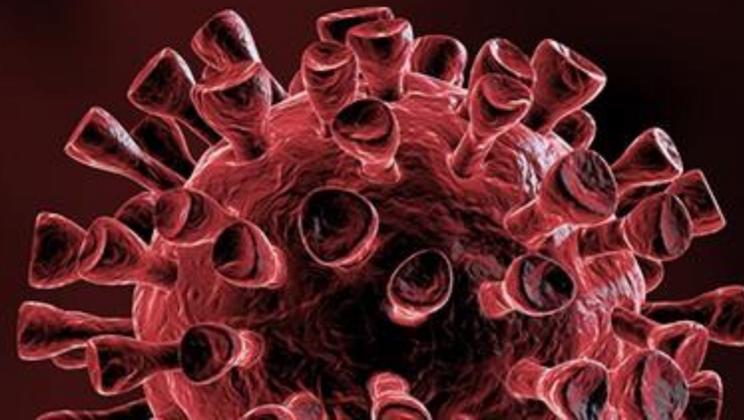
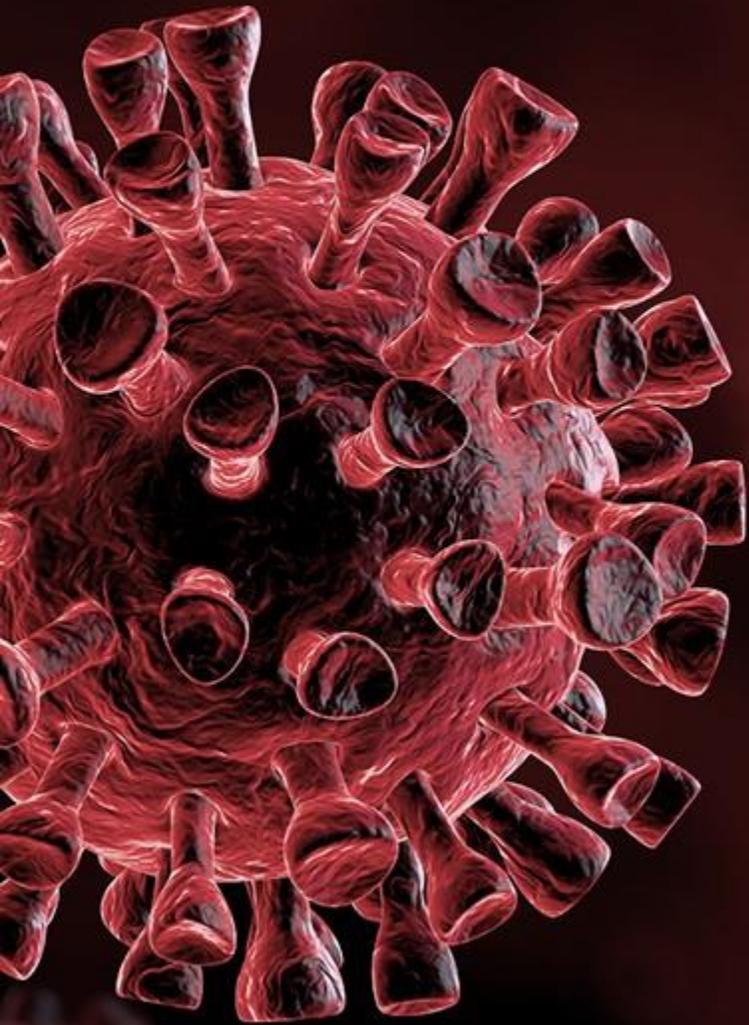


Category	Percentage
Traditional "Sick" Care	20%
Physical Environment	10%
Health Behaviors	25%
Social and Economic Factors	35%
Genetics	10%

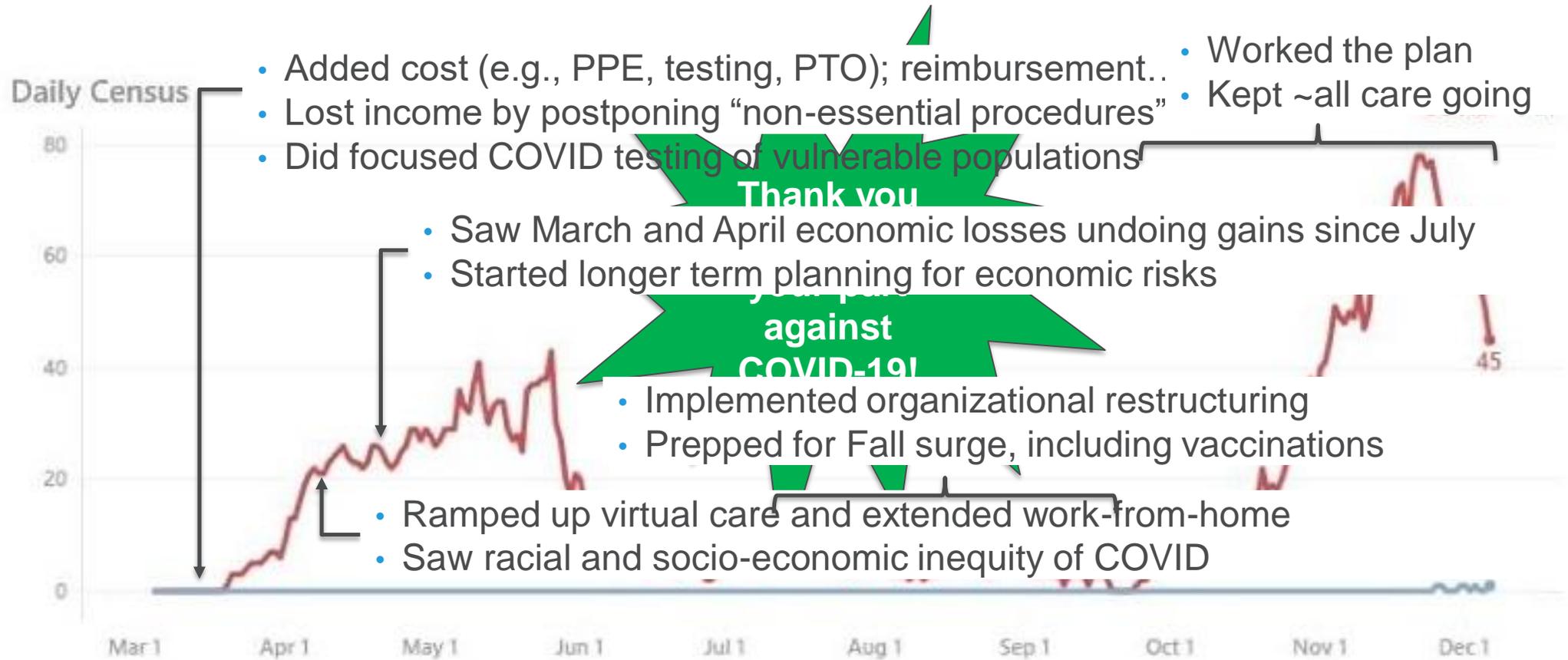
BeRemarkable. Mercy Health • Saint Joseph Mercy Health System, Members of Trinity Health

Our plan for 2020 was to build on those successes

Then COVID happened



Mercy Health Saint Mary's and COVID-19



Four anticipated trends in health care follow directly

Trend 1: More Care “At-home”



- True substitutes for in-person office visits, with less than 2% leading to in-person visits
- Peaked at ~20% of encounters
- 91-95% patient satisfaction and 84-86% likely to recommend
- Connectivity issues common
- ***Biggest challenge is lack of payment model***



- An emerging, full substitute for traditional hospitalization for some conditions
- Comparable-to-better quality & experience at 60% of cost
- Preferred by 63-93% of patients given the option
- ***Biggest challenge is lack of payment model***

Trend 2: More Providers as Payors



Priority Health is a health plan with over one million members; it is a subsidiary of Spectrum Health

McLaren Health Plan is a health insurance organization operating under the parent company of McLaren Health Care



- Affinia Health Network is Mercy Health's physician-led clinically integrated network (CIN)
- True population health and direct-to-employer contracting; over 300K lives in risk-based models

Trend 3: More Payors as Providers



**Blue Cross
Blue Shield
Blue Care Network
of Michigan**

Blue Cross Blue Shield of Michigan partners with Dedicated Senior Medical Centers as they open six primary care centers in Wayne County

Humana grows national health care presence with primary care clinics

Humana



UnitedHealthcare Launches Concierge-Style Plan, Free Primary Care

Trend 4: More Partnerships and Resources Against Health Inequities

COVID-19 shows again that people of color are vulnerable to health inequities

Kent County Data shows:

- **15.6%** of COVID deaths are Black residents vs. **9.2%** of the population
- **18.9%** of COVID cases are Latinx residents vs. **10.7%** of the population
- **63.2%** of COVID deaths under age 60 are people of color

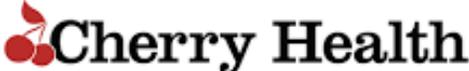
Vulnerable Populations in West Michigan Will Continue to Grow

- *More People of Color*: “By 2014, more than 40 percent of [Grand Rapids] residents were people of color, **double the share... in 1980.**” PolicyLink, 2017
- *More Un- and Under-insured*: “West Michigan companies issue nearly 4,100 layoffs, furloughs,” MiBiz, **April 07, 2020**

More partnerships and resources are needed to combat health inequities as vulnerable populations grow—and we can do this!

Trend 4: More Partnerships and Resources Against Health Inequities—Recent Local Successes

Community Partners Medical Clinic at Mel Trotter:
Unique collaboration serves GR's



Grand Rapids' Homeless population are tested for COVID-19



Mercy Health's Clinica Santa Maria providing free COVID-19 testing in Roosevelt Park Neighborhood



Metro Health offering mobile COVID-19 testing for vulnerable communities

Summary

Trend 1: More Care “At-home”

Trend 2: More Providers as Payors

Trend 3: More Payors as Providers

Trend 4: More Partnerships and Resources Against Health Inequities

COVID-19 shows again that people of color are vulnerable to health inequities

Kent County Data shows:

- **15.6%** of COVID deaths are Black residents vs. **9.2%** of the population
- **18.9%** of COVID cases are Latinx residents vs. **10.7%** of the population
- **63.2%** of COVID deaths under age 60 are people of color

Vulnerable Populations in West Michigan Will Continue to Grow

- More People of Color: “By 2014, more than 40 percent of [Grand Rapids] residents were people of color, **double the share... in 1980.**” PolicyLink, 2017
- More Un- and Under-insured: “West Michigan companies issue nearly 4,100 layoffs, furloughs,” MiBiz, **April 07, 2020**

More partnerships and resources are needed to combat health inequities as vulnerable populations grow—and we can do this!

BeRemarkable.

Mercy Health • Saint Joseph Mercy Health System, Members of Trinity Health

COVID-19 accelerated changes and partnerships to deliver better care experiences and higher quality at lower cost and toward greater equity

Thank you