

---

# ACHA Certificate Holder's Luncheon

## Welcome



Experienced, Certified, Preferred

---

## **Recognition**

- Candidates
- New Certificants
- Board of Regents
- ACHA Committee Members

---

ACHA Vision:

Transforming healthcare through better  
built environments

ACHA Mission:

To distinguish healthcare architects  
through certification, experience, and  
rigorous standards

---

**Thank You**

**stryker<sup>®</sup>**

---

## **Featured Speaker**

**Michael Dandorph**

**President & CEO**

**Rush University Medical Center**

---

**Make Plans now for the ACHA Luncheon at HCD.16 -  
Sunday, Nov. 13  
Houston, TX**

**Thank You To**

**stryker<sup>®</sup>**

A photograph of a modern, multi-story medical center building with a curved facade and many windows, set against a blue sky with light clouds. The building is the background for the top half of the slide.

# Transforming the Academic Medical Center

AIA AAH ACHA Summer Leadership Summit 2016

Michael Dandorff

President

Rush University Medical Center



Rush is a not-for-profit health care, education and research enterprise comprising Rush University Medical Center, Rush University, Rush Oak Park Hospital and Rush Health.

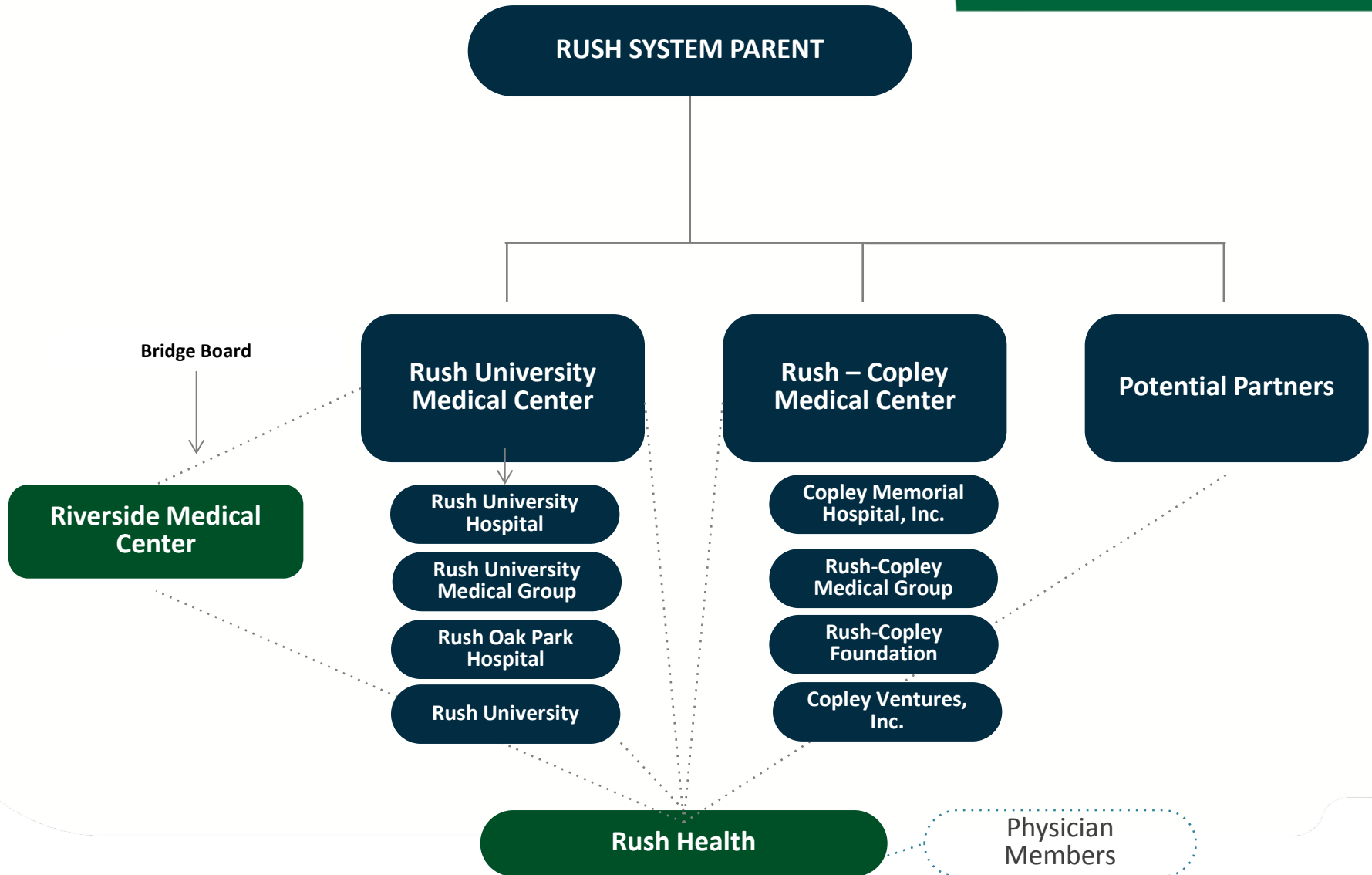
Rush has been a part of the Chicago landscape for more than 170 years. Rush includes:

- **689-staffed-bed** academic medical center serving adults and children
- Health sciences university with more than **2,500 students** and **\$131 million in annual research** expenditures among four distinct colleges (*College of Nursing, College of Health Sciences, Rush Medical College and The Graduate College*)
- Rush University Medical Group with **489 employed physicians**
- **655 medical residents**
- **Single** governance structure
- **Rush Health**, a clinically integrated network of physicians and hospitals
- **The Rush System** including Rush Oak Park Hospital, Rush-Copley Medical Center in Aurora and Riverside Medical Center in Kankakee.





# Rush System Org Chart



# Rush Governance



Rush has a **single governance structure** with strong leadership at the Board level and a stable, seasoned executive leadership team.



FEDERAL RESERVE BANK of CHICAGO



Henry Crown & Company

MAYER • BROWN



Keller Group, Inc.

WINSTON  
& STRAWN  
LLP



SpencerStuart

Procyon  
Advisors  
LLP



POLK BROS FOUNDATION

Field Holdings, Inc.



# Mission, Vision & Values



## Mission:

The mission of RUSH is to improve the health of the individuals and diverse communities we serve through the integration of outstanding patient care, education, research, and community partnerships.

## Vision:

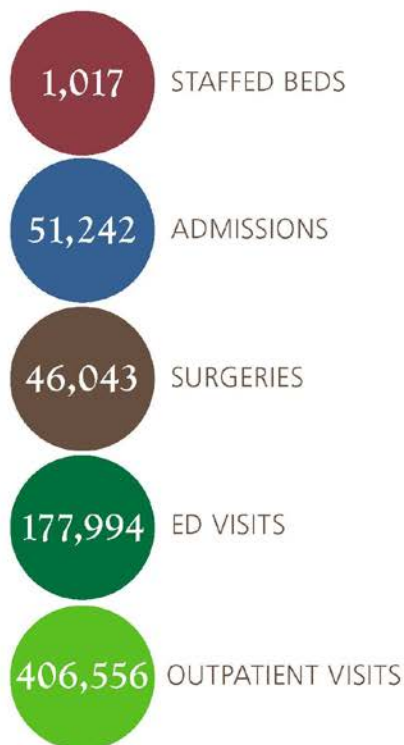
RUSH will be the leading academic health system in the region and nationally recognized for transforming health care.

## Values:

- Innovation
- Collaboration
- Accountability
- Respect
- Excellence



## Rush Obligated Group: By the Numbers



**\$3.5 BILLION**  
TOTAL ASSETS

**\$2.1 BILLION**  
TOTAL OPERATION REVENUE



# Only 4 Star System in Chicago



- New CMS ratings reflect patients' opinions about their experience while receiving care
- **Every hospital** in the Rush System received four-star rating
- No hospital in the area received five stars



## Rush ranked in **NINE** clinical specialties

Orthopedics

Neurology & Neurosurgery

Nephrology

Gynecology

Urology

Cancer

Ear, Nose, Throat

Endocrinology

Geriatrics





## **Bernard A. Birnbaum, MD, Quality Leadership Award Recipients**

1. NYU Langone Medical Center
- 2. Rush University Medical Center**
3. Mayo Clinic Hospital – Rochester
4. Emory University Hospital
5. Froedtert & the Medical College of Wisconsin  
Froedtert Hospital



Over time, Rush has demonstrated an ability to be nimble and respond proactively to market challenges through innovative approaches to delivery of care and developing strong partnerships in the communities we serve, along with generating solid operating performance.

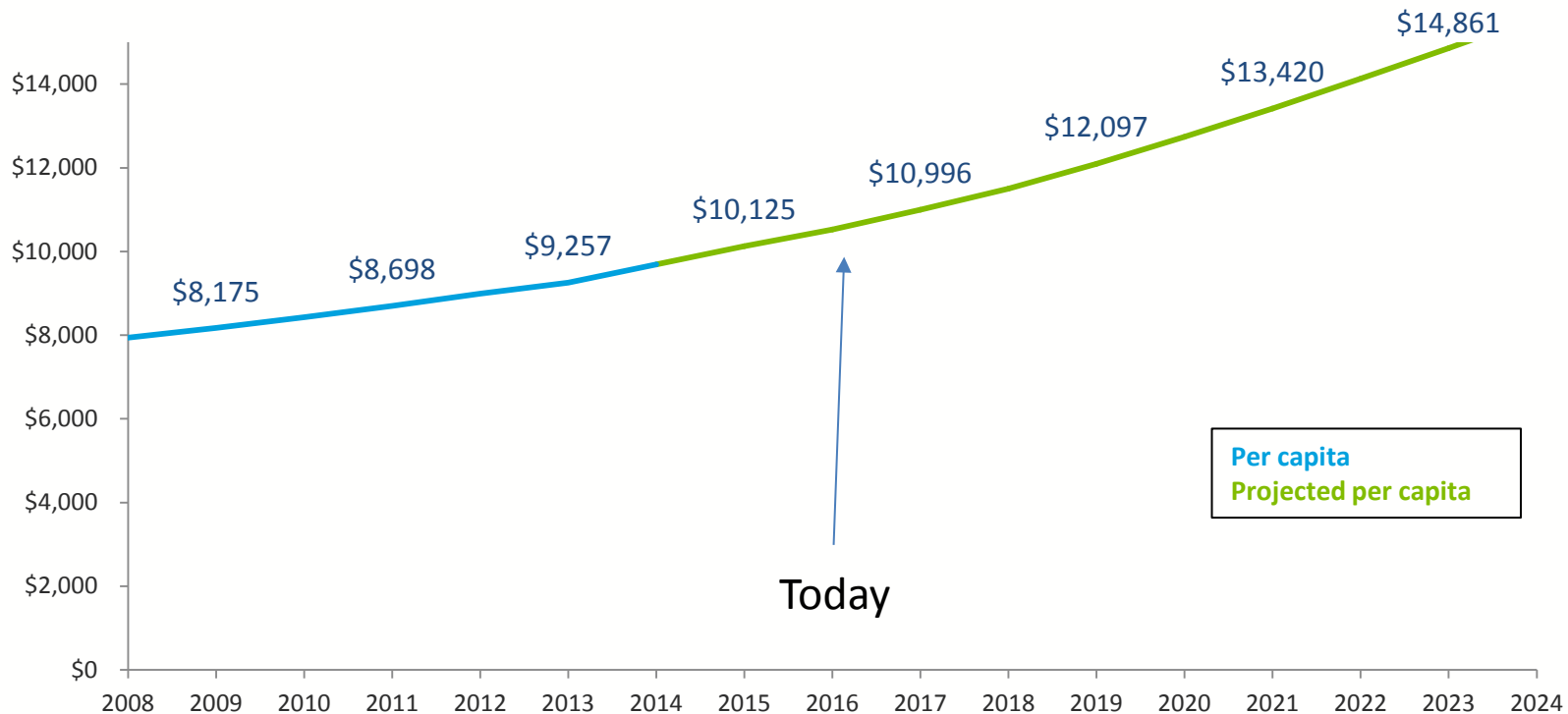
- **Increased market share** despite overall market decline and a competitive marketplace
- **Developed or enhanced key strategic affiliations** to strengthen regionally
- Continued **favorable operating performance** due to growth and clinical resource management initiatives
- Prudently managed the balance sheet and **improved days cash on hand**
- **Recruited talented senior leaders** in Clinical Affairs, Finance, Human Resources and Legal Affairs to further strengthen the management team



# Key Industry Trends - National



**Health care costs is currently at about 18% of US GDP and is expected to continue rising.**



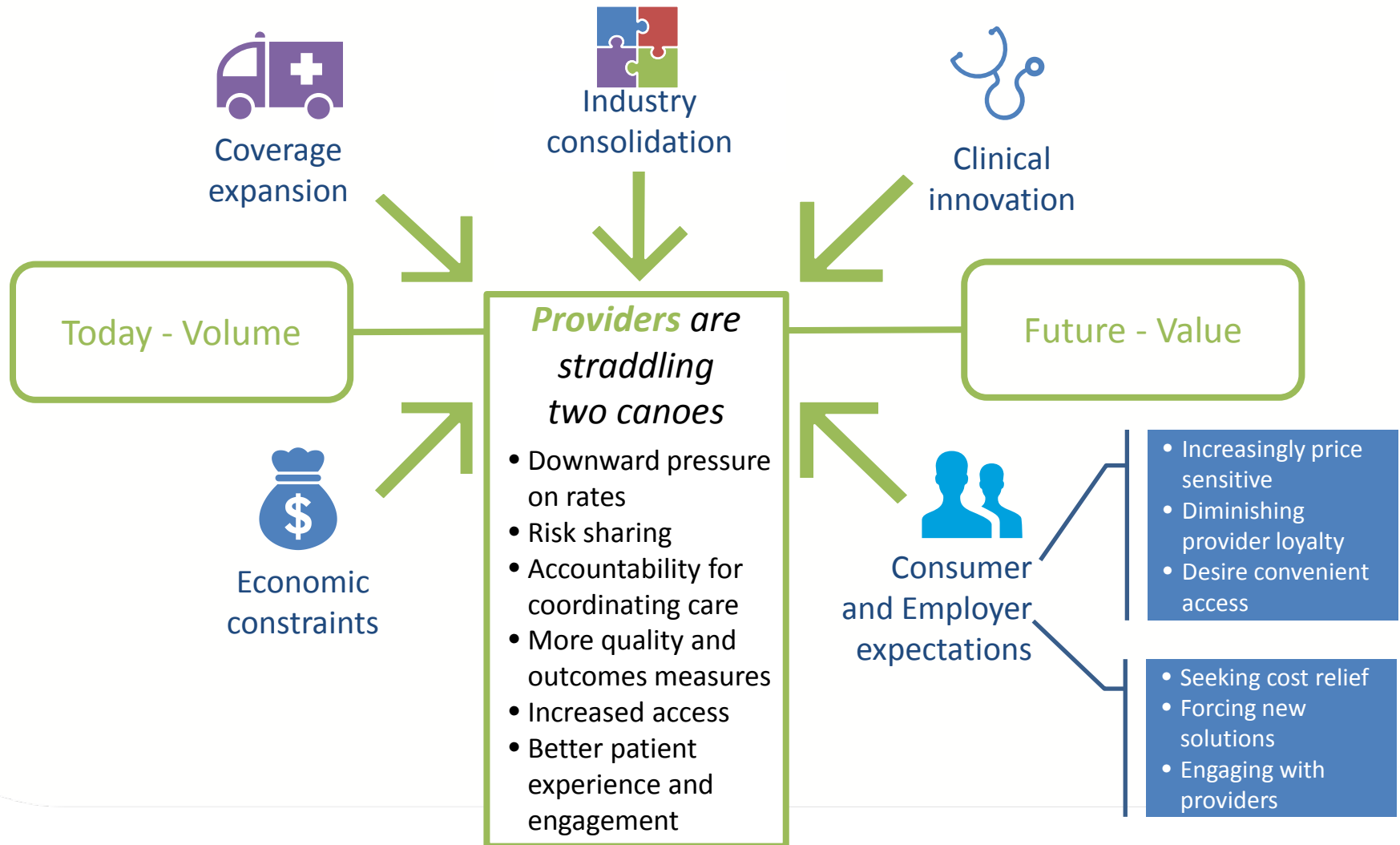
**Total health expenditures  
(trillions)**

**% of GDP**

2008	2015	2018	2024
\$2.41	\$3.24	\$3.79	\$5.43
16.4%	18%	18.1%	19.6%

Source: CMS, "Projected National Health Expenditure Data", Last modified 07/30/15 <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected.html>. Table 1 in [NHE Projections 2014-2024 - Tables \[ZIP, 302KB\]](#)

## Where Health Care Stands Today



## Becoming Lean: reducing waste and opportunities for medical cost savings

34 cents of  
every dollar  
spent on  
health care in  
the US is  
wasted

### Types of Waste (and percentage of waste)

#### **Not the right care (14%)**

Not evidence-based, harmful, preventive care not delivered, etc.

#### **Uncoordinated care (4%)**

Readmissions, complications, loss of function, etc.

#### **Overtreatment (21%)**

Motivated by something other than optimal outcome for patients e.g. provider revenue or defensive medicine

#### **Pricing failures (14%)**

Imperfect market allows monopolistic pricing, e.g. cost of MRI scan is much greater than cost of performing scan

#### **Administrative complexity (27%)**

Complex administrative procedures e.g. billing

#### **Fraud (19%)**

Cost of fraud and of policing fraud

## Changes coming down the pipeline

### Michael Leavitt on value-based payments: Ignore signals 'at your own peril'

Tells ACHE16 attendees the trend is happening at different rates and those that fight it, won't survive

March 15, 2016 | By Ilene MacDonald

### *Obama Says Enrollment in Affordable Care Act Reaches 20 Million*

By GARDINER HARRIS MARCH 3, 2016

### MACRA's impact is coming sooner than you think

Matthew Fusan | [Government](#) | [Industry](#) | 02/25/2016

Aetna to buy rival health insurer Humana for \$37 billion

by Sophia Yan @sophia\_yan  
July 3, 2015: 3:29 AM ET



Anthem to acquire Cigna, leaving only 3 big insurance companies

by Aaron Smith @AaronSmithCNN  
July 24, 2015: 12:26 PM ET



Market consolidation and provider network development is accelerating

- Advocate, NorthShore merger
- Advocate-Walgreens exclusive partnership
- DMG continues to exert influence in suburbs

Narrow networks are gaining traction as insurance products

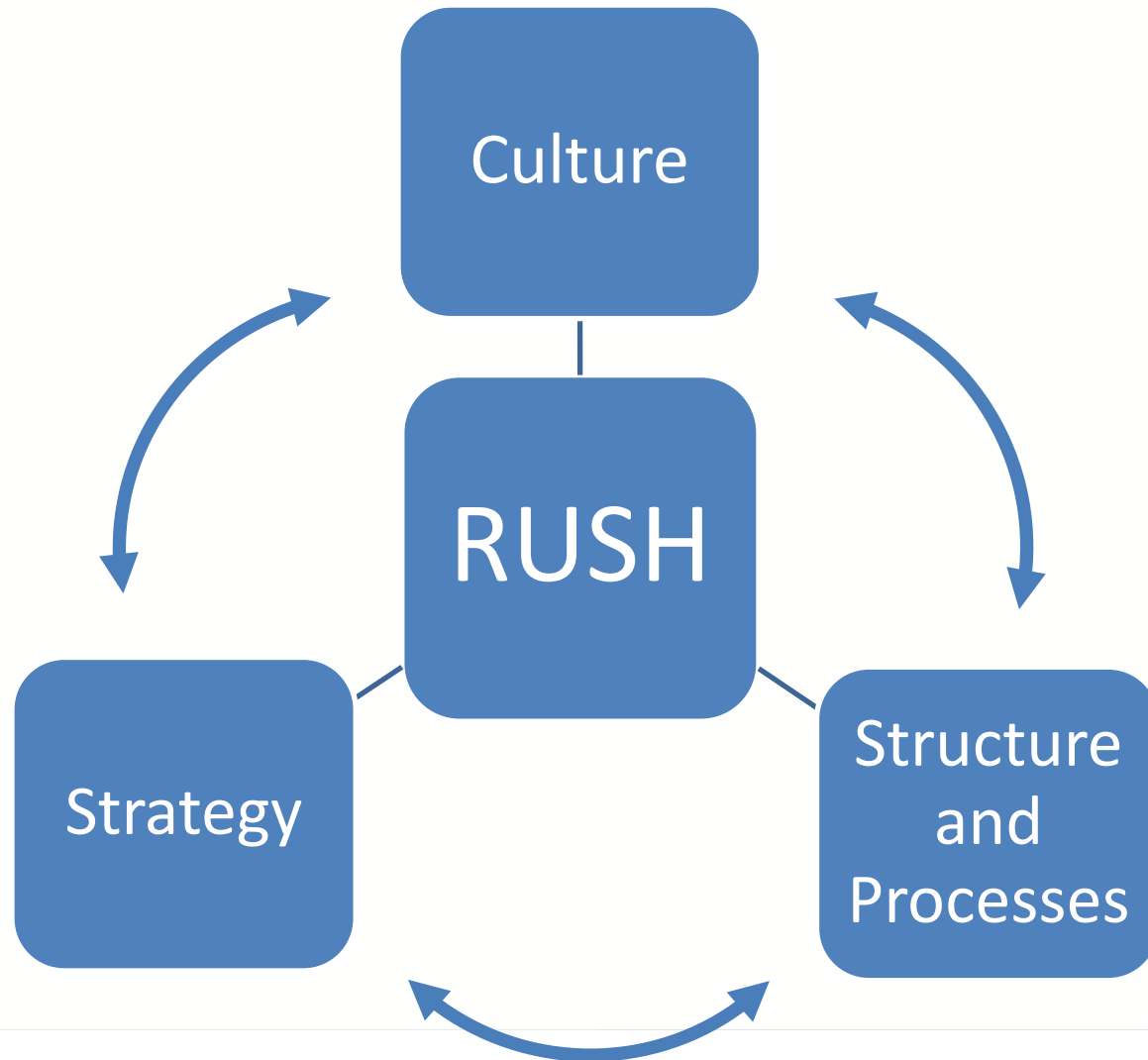
- United launched 'Harken Health' (insurance with its own medical clinics)
- Aetna's Whole Health limited network (Rush & Advocate)
- Some looking to cut high cost providers out of networks

Multiple stakeholders are moving towards value-based payments and condition-specific bundles

- Wider participation in ACO and CMS pilots
- Payers investing in population health enablement
- Focused population health company alternatives emerging (eg. Oak Street, Iora Health) enter Chicago
- Increasing interest in employer direct-to-provider contracting (e.g., RUSH-United Airlines)

Significant 'innovator' focus on consumer engagement, experience, and empowerment

- 'Concierge' primary care (e.g. One Medical)
- New convenient / affordable access points
- Retailers serving as potential health management hubs
- Innovator accelerators in healthcare emerging (e.g., Healthbox, AVIA, Matter)



# 4 Mutually Reinforcing Strategic Priorities



Create a distinctive environment of learning and innovation, allowing RUSH to develop the workforce of the future that will have the greatest impact on transforming healthcare

Extend and expand the RUSH enterprise through innovative platforms and partnerships to accelerate our ability to transform healthcare in Chicago and nationally



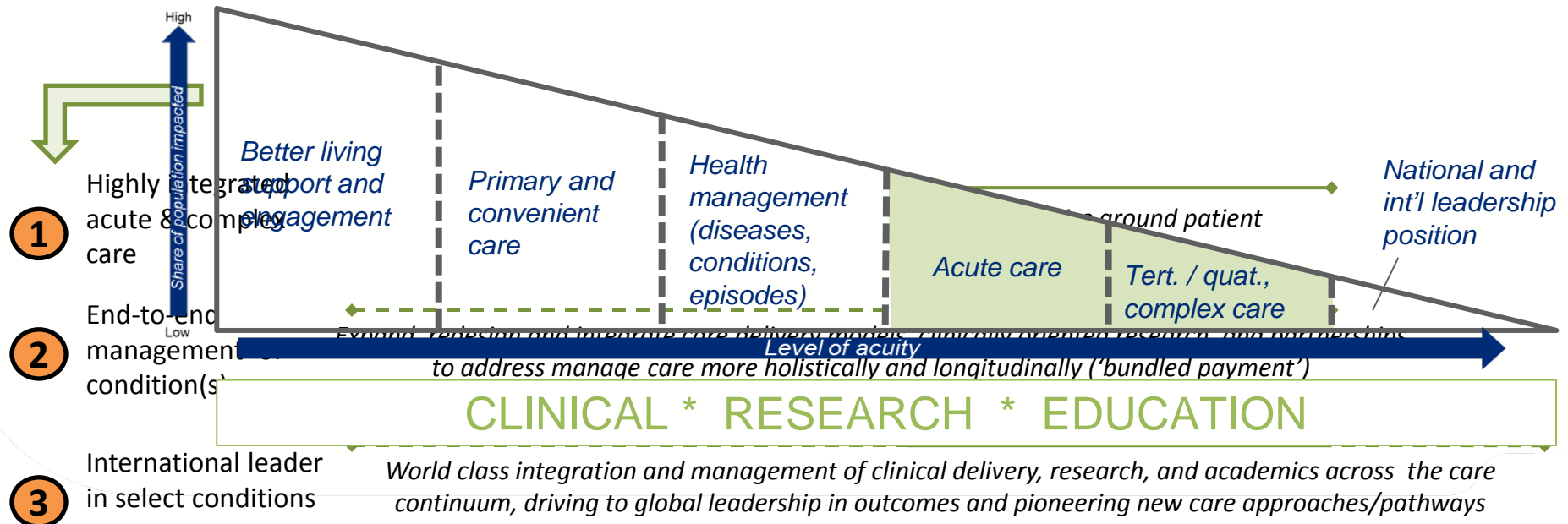
Organize a uniquely integrated approach to care and research that sets a new standard for value locally and nationally

Become an anchor for community health and vitality

# Our Patients



**Ambition:** Organize a uniquely integrated approach to discovery and care delivery that sets a new standard for value locally and nationally



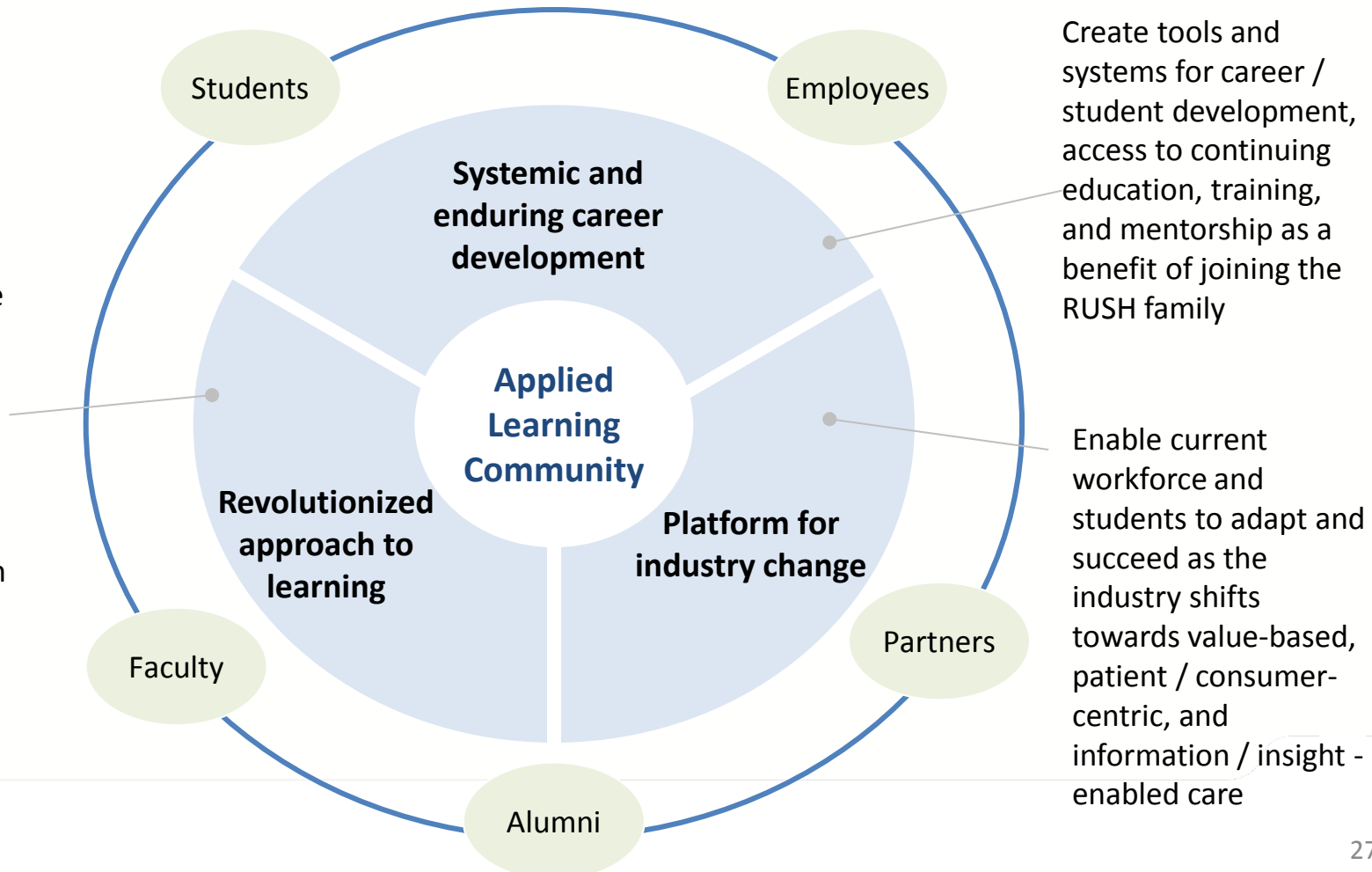


# Our People



***Ambition:*** Create a distinctive environment of learning and innovation, allowing RUSH to develop the workforce of the future that will have the greatest impact on transforming healthcare

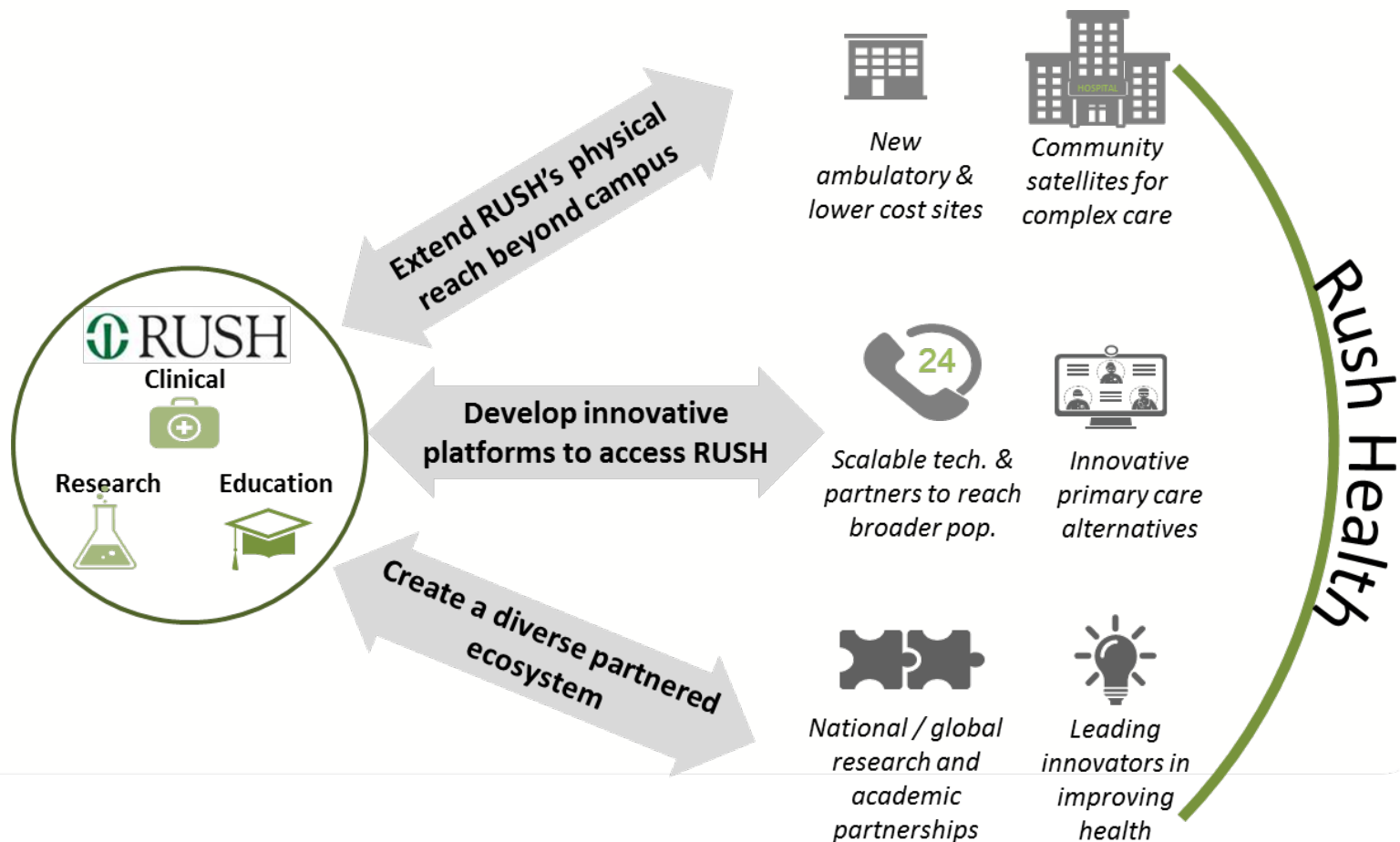
Create a unique learning environment– the way people build acumen, the experiential models, and the content itself to become a global standard in health science education



# Our Network Partners



***Ambition:*** Extend and expand RUSH through innovative platforms and partnerships to accelerate our ability to transform healthcare in Chicago and nationally





***Ambition:*** *Become an anchor for community health and vitality*

Community Health



1. Target communities in Chicago with high hardship as a starting point for a focused renewal effort that may be scaled as success is achieved

2. Forge a vibrant network of partnerships committed to our communities ('synergy' effect)

3. Coordinate the deployment of resources, capital, and programs to address the major structural and social determinants of community prosperity

Economic development



Employment



Education

If executed successfully, “all boats will rise” and industry will continue to move to West side, elevating the economy and decreasing disparities even further

# Value of Strategy to Key Stakeholders



## Patients



Profound re-orientation of experience and improved outcomes through exceptional integration of care delivery and discovery

## Potential Partners



Improved financial and mission success from extending expertise, scale, and brand in innovative ways

## Students, Trainees, Alumni



Second to none learning experience leading to early career success and a lifelong relationship with an extended RUSH community of partnerships

## Community



Healthier, economically vibrant, and more sustainable communities as a direct result of “anchor partnerships”

## Employees, Faculty & Staff



Heightened career effectiveness, job satisfaction, and personal success via access to career development support that is unavailable elsewhere

## Industry



Expanded access to integrated system leads to accelerated learning, discovery and care delivery innovations

## Payers and Employers



Greater returns from a shifted focus to longitudinal value and lower total cost of care – with RUSH and its partners – rather than only unit cost reduction

## Donors



Clear impact of transformative impact of philanthropy and benefits to all stakeholder groups

# Expanding Our Footprint

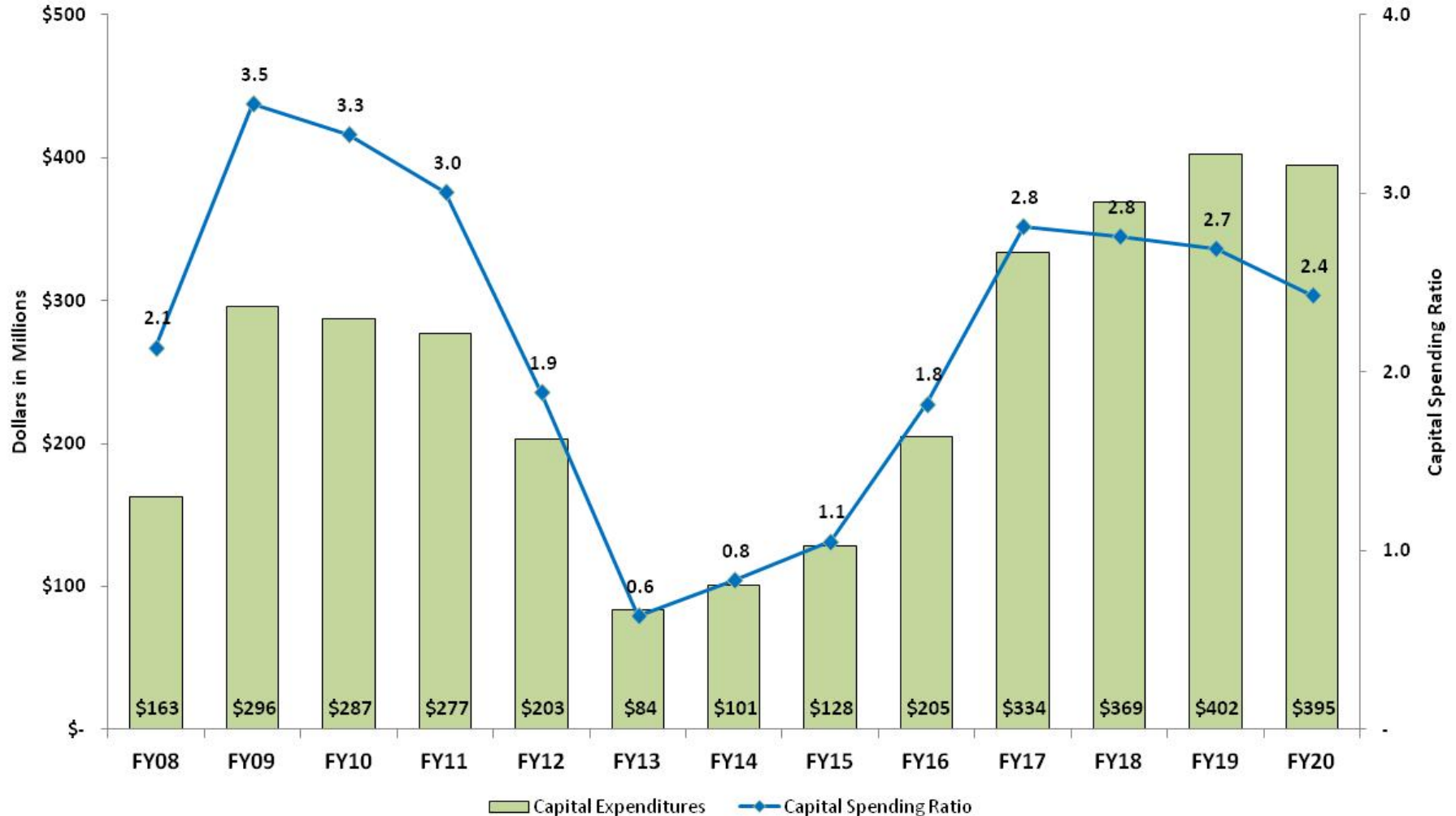




# Long Term Strategic Plan



Rush is in the initial stages of a long-term strategic plan.  
Key investments are planned to be made both on and off campus.



Includes completed and ongoing projects

- On Campus Planning
  - Master Facility Plan
  - Malcolm X College land purchase
  - Rush Center for Advanced Health Care
- Off Campus Planning
  - River North development
  - Rush Oak Park development
  - Oak Brook development
  - South Loop development
  - Rush Copley development

## Present State – Growth Cannot Be Sustained

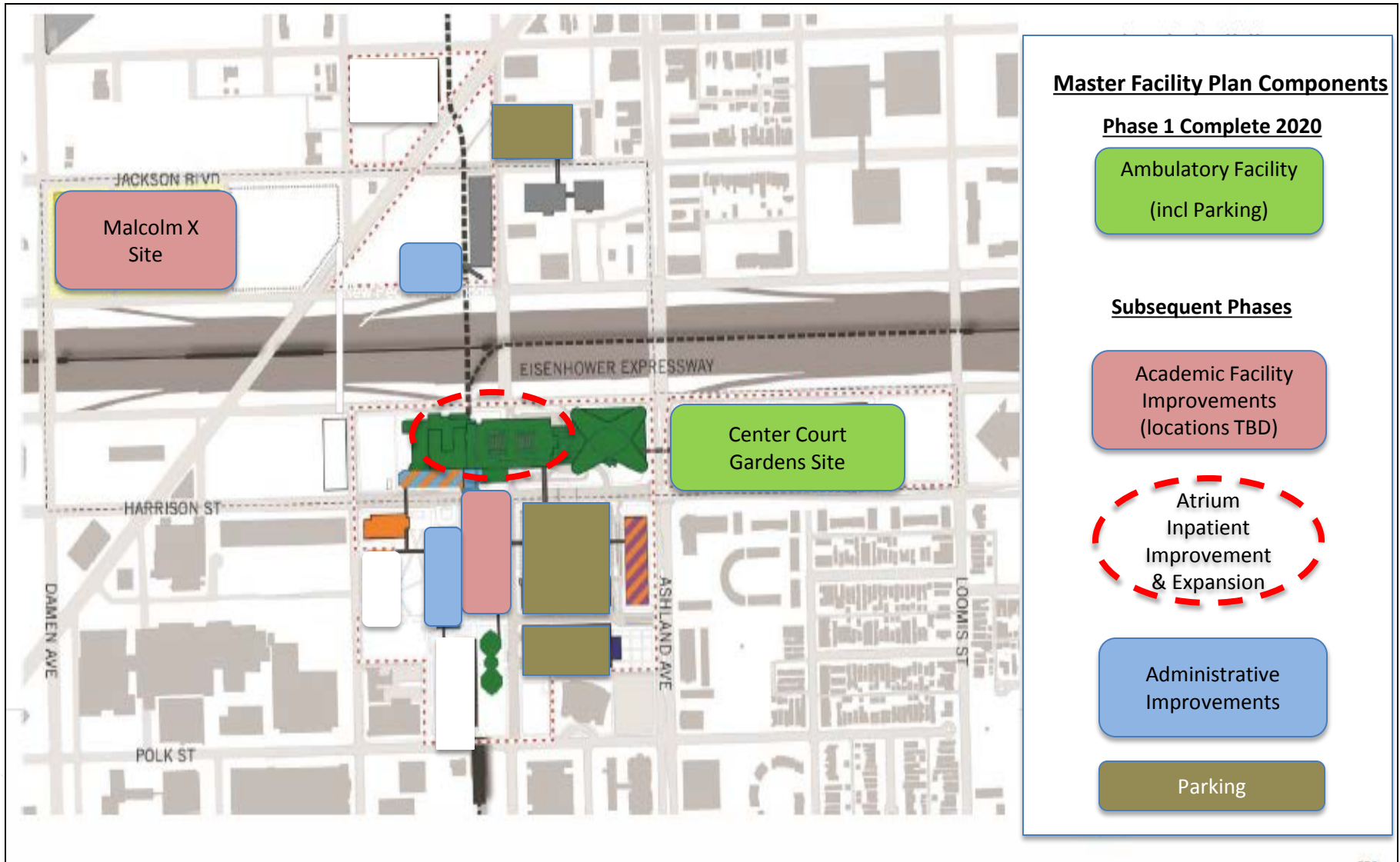
- Medical group visits have grown approximately 5% year over year for the past 5 years
  - As of FY 16, RUMG had ~500,000 visits
- This growth, however, cannot be sustained in the current space occupied by these practices due to physical plant limitations:
  - Disjointed / disconnected practices
  - Landlocked practices that cannot grow
- Our patient experience needs improvement:
  - Fragmented services requiring multiple stops throughout campus
  - Building layout is not patient friendly (patient must know which elevator to take)
  - Inconsistency among practices causes frustration
  - Parking garage distance to the clinics is too far and hard for patients to navigate all the up and down ramps



# Master Facility Plan (2016 – 2025)



Current focus is Phase 1; Subsequent phases are preliminary





# Master Facility Plan (2016 – 2025)



## Rush University Medical Center and neighborhood



dariushwatercolors.com 2015





The **Rush Center for Advanced Healthcare** will transform the delivery of ambulatory care at Rush by:

- Creating a reliable and highly engaging **patient centered** experience
- Operating under a new care team delivery team organized around **clinical neighborhoods** that best meets the needs of our patients
- Providing space that allows our providers to grow and **expand their clinical programs**
- Allowing for a **high tech** visit for the Gen X and Millennial populations along with **high touch** for others so patients can appropriately customize their experience
- Providing a means to better manage operating expenses while **growing the business** through shared resources
- Improving the **experience for our faculty, staff and students** who work in the building
- Better integrating **research and education** into our care processes



## Concept:

- Consolidate ambulatory services to one building, improving patient experience through the campus transformation
- Convenient one stop location
- Proximity to parking
- Unified check-in and registration
- Adoption of innovative wayfinding technology
- Consistent, high quality experience across physician practices
- Collaboration and resource sharing

## Site Specifics:

- Corner of Ashland/Harrison, east of the Tower
- Approximately 600,000 square feet
- Projected to open in FY2020

## Clinical Neighborhoods

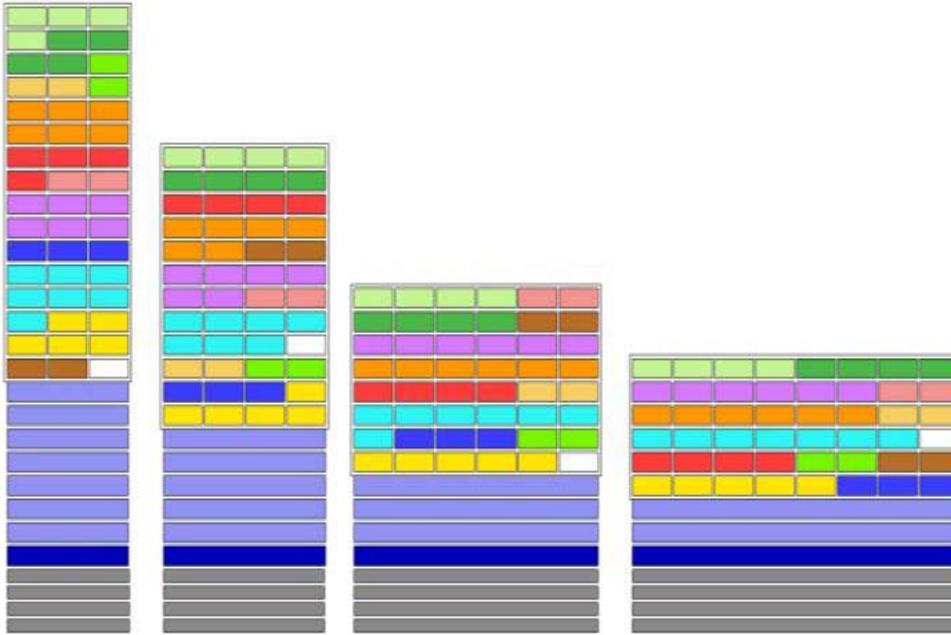
12 organizational groupings are currently under discussion, and a preliminary draft description follows:

- Cancer Center
- Children's Services
- Digestive and Metabolic
- Cardio – Pulmonary
- Neuroscience
- Eye Center
- Women's
- Transplant
- Musculo - Skeletal
- Medical Specialties / Day Hospital
- Surgical Specialties
- Primary Care

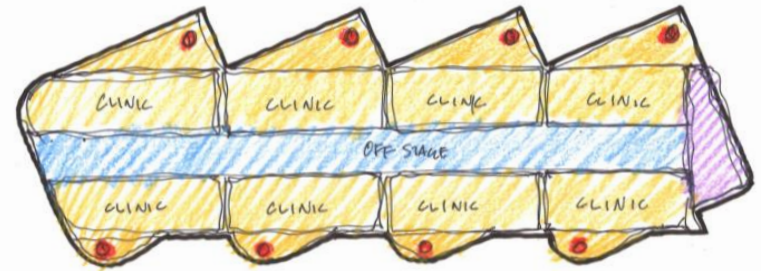
Each neighborhood is supported by a full suites of ambulatory imaging services, ambulatory surgical capabilities, laboratory and pharmacy services.



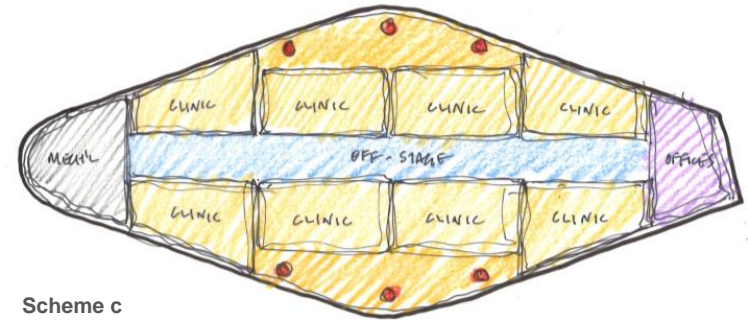
# RCAHC Building Layout



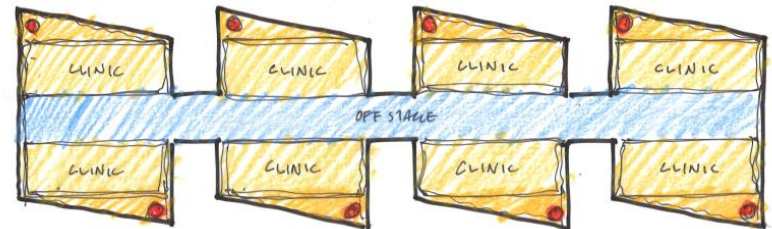
**block/stack**



Scheme b

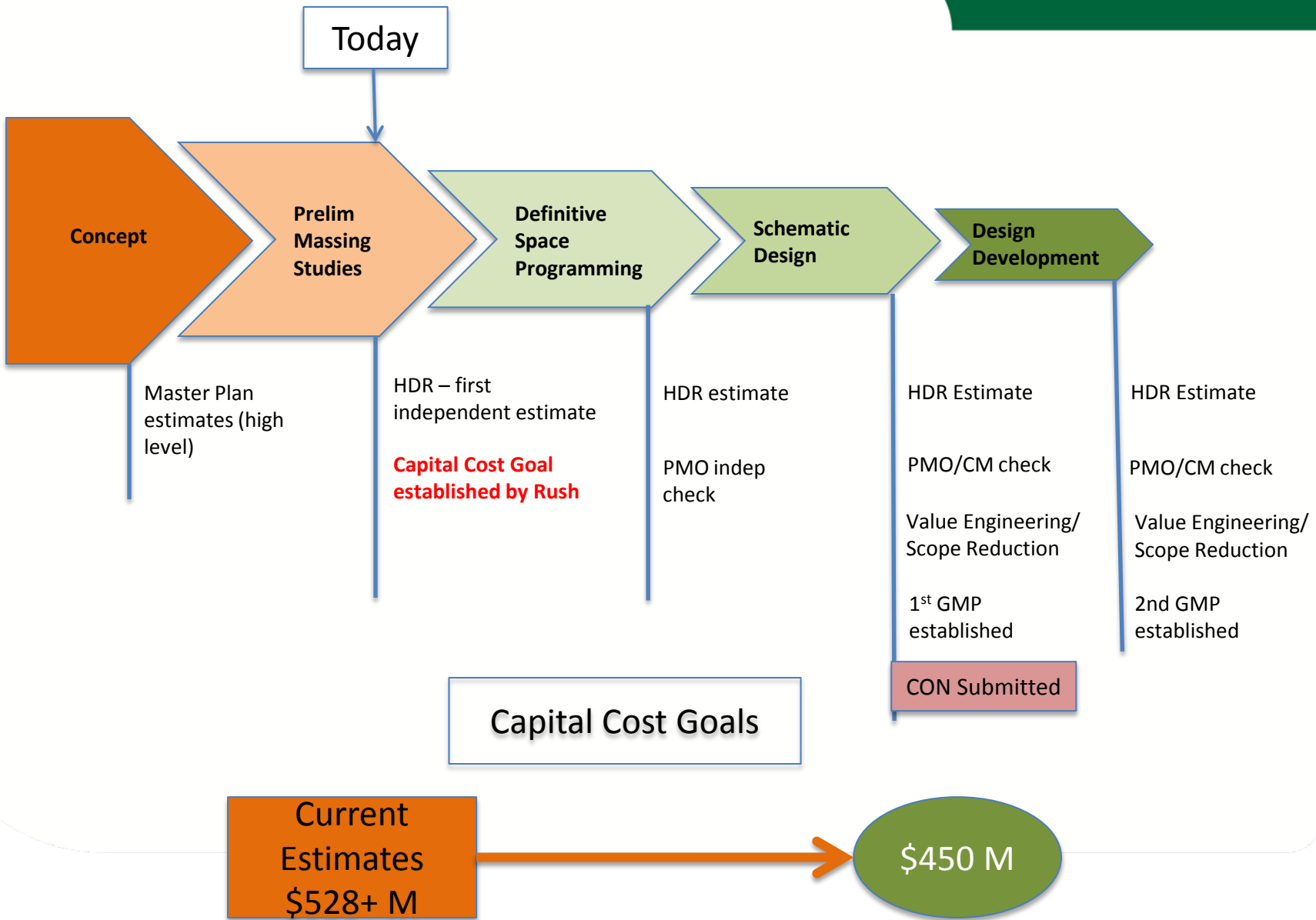


Scheme c



Scheme e

# Cost Estimating/Budgeting Process





# Cost & Schedule Timeline



Stars represent potential decision/gates/pause points

