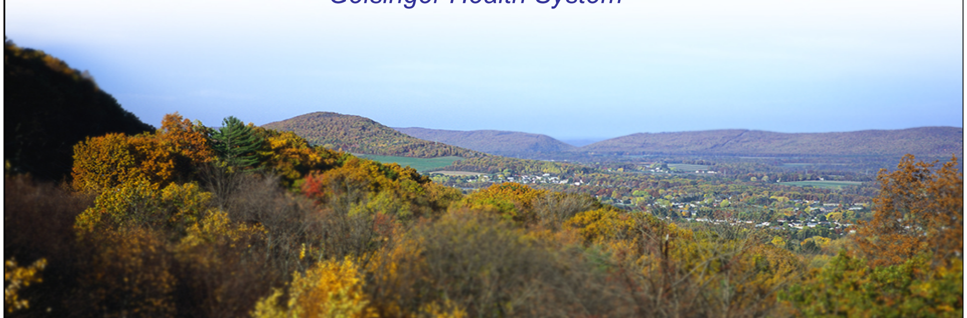
21ST PRINCETON CONFERENCE

Robert Wood Johnson Foundation, Princeton, NJ
May 14, 2014

Glenn Steele, Jr., MD, PhD
President & CEO
Geisinger Health System



Heal • Teach • Discover • Serve

GEISINGER

Geisinger Health System

An Integrated Health Service Organization

Provider Facilities

- Geisinger Medical Center and its Shamokin Hospital Campus
- Geisinger Wyoming Valley Medical and its South Wilkes-Barre Campus
- Geisinger Community Medical Center. Scranton, PA
- Geisinger-Bloomsburg Hospital
- Geisinger-Lewistown Hospital
- Marworth Alcohol & Chemical Dependency Treatment Center
- 2 Nursing Homes
- >87K admissions/OBS & SORUs
- 1,761 licensed inpatient beds

Physician Practice Group

- Multispecialty group
- ~1050 physician FTEs
- ~670 advanced practitioners
- 85 primary & specialty clinic sites (52 community practice)
- 2 outpatient surgery centers
- ~2.5 million outpatient visits
- ~400 resident & fellow FTEs
- ~270 medical students

Managed Care Companies

- ~468,000 members (including ~80,000 Medicare Advantage members and 124,000 Medicaid members)
- Diversified products
- ~37,000 contracted providers/facilities
- 43 PA counties
- Offered on public & private exchanges
- Members in 5 states

Moody's Aa2/Stable
Standard & Poor's, AA/Stable

2

GEISINGER
REDEFINING BOUNDARIES

Strategic Priorities

Quality and Innovation

- Patient Centered Focus
  - Patient activation (empowerment)
  - Culture of quality, safety and health
- Value Re-Engineering

Market Leadership

- Extending the GHS Brand
- **Scaling and Generalizing Innovation**

The Geisinger Family

- Personal and professional well being

3

Scaling and Generalizing "Experiments"

GHS / GIO / xG

(Geisinger Health System / Geisinger Insurance Operations / xG)

4

Scaling and Generalizing – Experiments

(Geisinger Health System / Geisinger Health Plans / xG)

GHS:
- Wilkes-Barre
- Scranton
- Shamokin
- Lewistown
- Bloomsburg
- Harrisburg
- Atlantic City

GHPs:
- Medicaid MCO
- HIX*
- New Jersey
- Delaware
- Maine
- West Virginia

GEISINGER HEALTH PLAN®

xG HEALTH SOLUTIONS™ powered by Geisinger

- 29 Clients

*Health Insurance Exchange

GEISINGER REDEFINING BOUNDARIES®

- Volume → Value
- Population Risk Sharing (i.e., Integrated Care)
- Total Cost of Care Focus (i.e., Non-Hospital Centric)
- Reference Pricing
- Consolidation of Provider Markets
  - (monopoly games or real value production)
- Consolidation of Payer Markets
  - (no more cost shift?)
- Vertical Consolidation Experiments

GEISINGER REDEFINING BOUNDARIES®

∴ # of Units of Work↓

+

Price↓ / Unit

Key Drivers

- Fiduciary behavior change
- Health System leadership behavior change
- Provider behavior change
- Patient behavior change
- Regulatory behavior change

ACA Effects

- → Public Payers
- → HIX (Health Insurance Exchange)
- → Commercial Insurance
  - Mid-sized Business
  - Small Business
  - Self Insured

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REDEFINING BOUNDARIES
9

Next Steps

- ➢ Transition to New Business Models
- ➢ There will be Winners & Losers

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REDEFINING BOUNDARIES
10