

# Expanding Our Impact Over a Long-term Partnership

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HNI builds deep partnerships that have a lasting positive impact on health systems, patients and providers. Healthcare is not static and we adapt our work to meet the complex & constantly evolving needs of our partners



## Continuously Expanding HNI's Impact: 7+ Years as an Integrated Partner for a Large Regional Hospital

### Hospital Profile:

- + 300+ bed regional anchor in for-profit health system
- + Rapidly growing market in the Southwest
- + 2024: 26K Encs & 4.5K D/C
- + Hospital initial priorities included:
  - LOS alignment
  - Leapfrog "A" certification
  - Patient navigation in a challenging PAC market
  - Clinical model alignment with narrowing panels
- + Now/next priorities:
  - Ambulatory alignment

### Program Milestones:

- ✓ **Q4 2017** – HM program launch
- ✓ **Q1 2019** – Integrated post-acute network launch
- ✓ **2019** – Launched onsite palliative & IRF programs
- ✓ **Q4 2019** – "A Certified" Leapfrog recognition
- ✓ **Q2 2024** – GME program launched – 13 residents under HNI management
- ✓ **Q4 2024** – Integrated independent group at hospital request; ~\$700K of est. savings in Mth 1
- ✓ **Q4 2024** – Mortality Index of .43 achieved (from 0.98 in Q1 2021)

### Program Overview

HNI's Hospital Medicine program launched with this facility in Q4 2017. Over 7+ years, we have expanded our engagement inside and outside the hospital, in partnership with clinical leadership and administration. HNI's impact and ROI can be measured across a range of operational, clinical and financial measures. Our exceptional providers and collaborative team have had a meaningful impact inside the hospital & across the surrounding regional health ecosystem:

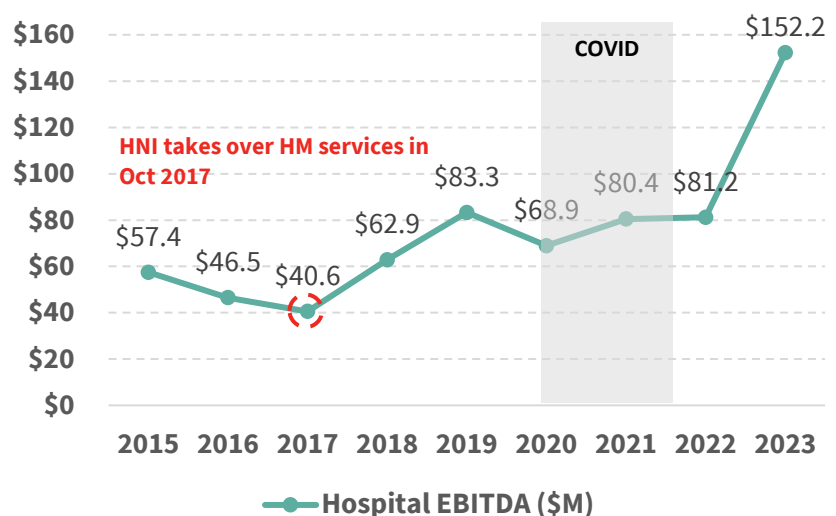
1. Aligned acute hospital key measures including LOS, CMI & RTA
2. Executed a wide range of site-specific quality initiatives including sepsis & overall mortality reduction
3. Achieved Leapfrog "A" certification within just two years of Hospital Medicine program launch
4. Partnered to build palliative care & IRF programs
5. Integrated an aligned post-acute network across the region

### Establishing Hospital Financial Stability

**Challenge:** *The hospital experienced a 29% decline in EBITDA in the two years prior to HNI program launch*

Ensuring clinical quality & patient safety is HNI's utmost priority but financial stability is fundamental to guaranteeing access to quality healthcare in this market over the long-term. We have helped put this hospital on solid financial footing through a number of strategies – the impact is tangible.

### 3.8x Expansion in Hospital EBITDA Over Six Years:



Note: Based on reported financials per Definitive Healthcare



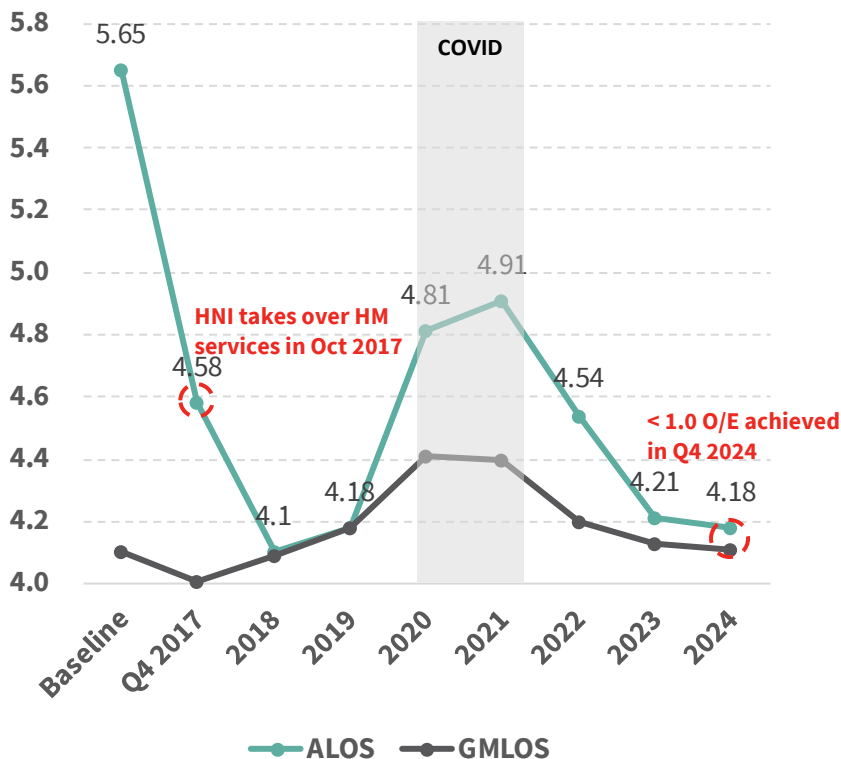
## Aligning Patient Length of Stay

**Challenge:** The hospital maintained a +1.5 day variance between LOS and GMLOS prior to HNI's engagement in Q4 2017

Utilizing HNI's VitalsMD platform, our providers identify barriers to discharge and hospital- based challenges that impact patient flow. As part of our standard clinical model, the HNI team meets regularly with hospital leaders to address clinical workflow & patient throughput.

Expected Length of Stay is established at the time of patient admission using VitalsMD benchmarks. These data- driven benchmarks enable early coordination of hospital resources, drive case management workflow and instill disciplined adherence to clinical protocols. *The results: Efficient bed turnover with improved quality outcomes.*

**Global Observed / Expected Length of Stay = 1.0x:**



Note: Actual reported patient LOS against GMLOS; data excludes outliers consistent with hospital- level reporting; Observed / Expected Length of Stay ("O/E") based on actual LOS divided by GMLOS

## Aligning Patient Length of Stay

### Est. Impact of LOS Alignment

Measure	# / \$
x 2024 Total D/C (actual)	4.5K
x Improvement from BL (Length of Stay variance)	1.5 days
= Excess Days Avoided	6.7K
x Est. Cost / Bed Day (est. cost of final day)	\$600
= Total Est. Annl & Recurring Savings	\$4.0M

### Levers driving change:

- + Aligned IDR with data- informed patient D/C planning
- + Digitally & clinically integrated post- acute network
- + Provider education & training on benefits of LOS alignment & home-2-home transitions
- + Real-time "Avoidable Days" tracking provides insights into barriers of hospital efficiency
- + Improved patient & family communication manages expectations & aligns patients for better transitions while improving LT outcomes

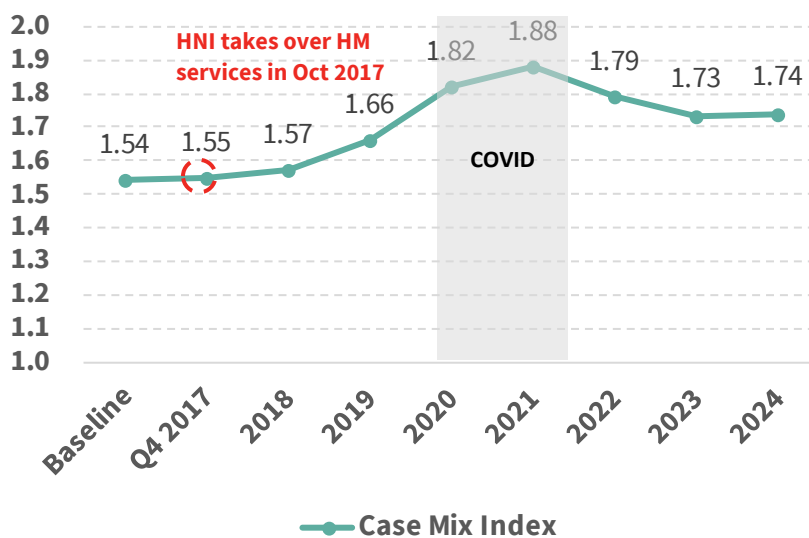


## Appropriately Capturing Patient Acuity

**Challenge:** *Identifying & documenting patient risk is fundamental to working in a capitated or sub- capitated reimbursement model*

Beyond ensuring appropriate reimbursement, capturing Case Mix Index with concurrent bedside documentation enables accurate clinical benchmarking with available network resources. HNI providers know in real-time if the acuity of the patient aligns to their documentation – this feedback loop enables dynamic clinical benchmarks and creates alignment across multi-disciplinary teams while reducing CDI intervention (administrative noise) for the provider.

### CMI Increased by +0.2 from Baseline:



Note: Actual reported Case Mix Index

## Aligning Patient Length of Stay

### Est. Impact of Appropriate CMI Capture

Measure	# / \$
x 2024 D/Cs	4.5K
x Improvement to BL (Case Mix Index capture)	0.2
x SDA Rate	\$8.4K
<b>= Est. Annl Value Capture</b>	<b>\$7.6M</b>

### Levers driving change:

- + Aligned IDR with data-informed patient D/C planning
- + Digitally & clinical integrated post- acute network
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## Improving Hospital Operations & Addressing Inpatient Mortality by Introducing Onsite Palliative Care

**Challenge:** *Market lacked coordinated palliative care resources*

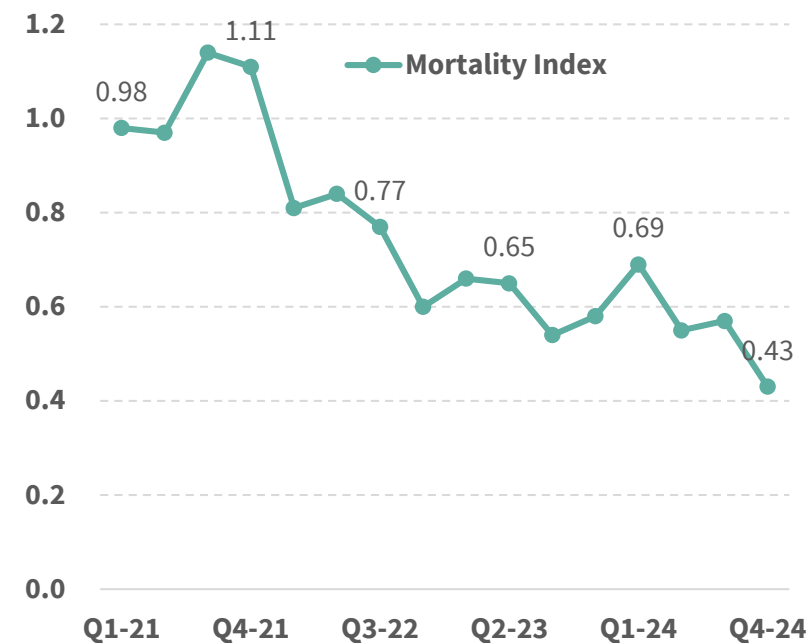
Hospitals, and particularly the Hospital Medicine service line, are frequently the de facto destination for aging & critically- ill patients. These complex, poly-chronic patients benefit from advanced care planning that often goes undocumented. These patients and their caregivers require a tailored and detailed plan to navigate the complex acute and long-term care environments necessary to make end of life care decisions.

Appropriately transitioning patients away from long- stay hospital episodes via palliative treatment improves quality of care & life for patients, providers and caregivers. By supporting family and dependents in need, these transitions enable the hospital to orient resources in a compassionate way.

As a result of HNI improving Hospital Medicine clinical workflow and hospital throughput, removing over 6,000 annual bed days, this hospital had the bed capacity required to implement an onsite palliative program. In 2019 HNI & the hospital expanded its relationship to include both onsite palliative as well as inpatient rehabilitation services – both managed by HNI providers.

Patients & caregivers are informed of these available resources based on specific needs. Quality of care has improved across a range of measures, most importantly patient mortality has been reduced significantly.

### Hospital Mortality Index:



Note: Actual reported Case Mix Index

### **Strategies for introducing palliative care & managing hospital mortality**

#### **Key levers for driving change:**

- + Managing patient throughput can allow a hospital to invest in new & complementary capabilities
- + Long- term care planning frequently starts with an inpatient stay – HM providers need to be equipped for those conversations
- + Aligning care setting with patient acuity enables better outcomes across the hospital & system
- + Resource availability & informed NSOC discussions are fundamental in Hospital Medicine