

Annual Public Meeting

Corewell Health West

Agenda

Welcome

Alejandro Quiroga, M.D.
President, Corewell Health West

Report on Community
Commitments

Martin R. Jennings
Chair, Finance Advisory Committee

Review of Calendar Year 2024
Corewell Health Budget

Hardik Dalal
SVP, Finance – Corewell Health West

Question and Answer

All

Corewell Health | System Strategic Plan



MISSION | Improve health, inspire humanity and inspire hope

VISION | A future where health is simple, affordable, equitable and exceptional

VALUES | Compassion • Collaboration • Clarity • Curiosity • Courage



CORE⁴: Our vision



Simple

We remove the hassles from health care and coverage, with less bureaucracy. It is our responsibility to make health easy to access, easy to navigate and easy to understand.

Example: A person schedules an appointment quickly online; the care team is ready for them with information from their record and the billing process is easy to understand.



Affordable

We deliver the highest quality at a sensible cost. We are creating value that is meaningful to people through care management, standardization and personalization.

Example: Our standard work ensures that we can deliver exceptional care consistently. By lowering the cost of care, we can eventually pass that savings on to others.



Equitable

We are driven by a responsibility to ensure good health is within everyone's reach. We aspire to be a place where everyone can be their best selves.

Example: We respectfully review any language, religious and cultural preferences at the point of care. This information is stored in the person's medical record, so teams are aware and addressing these preferences in every interaction.



Exceptional

Everything we do reflects our best work. Be the best version of you to provide the best care to those we serve every day.

Example: A nurse spends extra time with a complex patient to address their concerns about an upcoming surgery and connect them to resources to help them understand their Priority Health coverage.

Report on Community Commitments

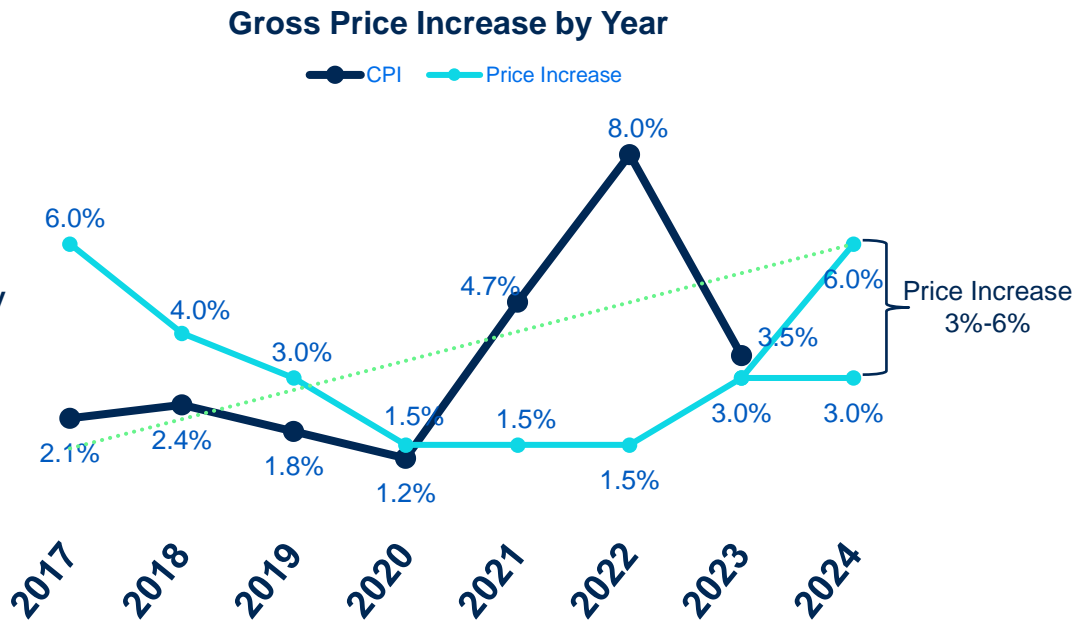
Martin R. Jennings
Chair, Finance Advisory Committee

Corewell Health Grand Rapids and Medical Group 2024 Budget

	Projected 2023	Budget 2024
	(in millions)	
Total Operating Revenue	\$ 3,324	\$ 3,424
Federal and State Funding	-	
Total non-operating income (expense)	4	
Total Revenue	3,328	3,424
Total Operating Expense	3,180	3,315
Total Margin	\$ 149	\$ 109
Total margin % before Federal and State funding	4.5%	3.2%
Total margin %	4.5%	3.2%

Gross Price Increase

- Current assumption is 3%
- Modeling an increase of 3% - 6%
- Still below CPI trend
- Significant wage pressure particularly in nursing and other clinical spaces
- High levels of inflation



2024 Budget Highlights – Corewell Health Grand Rapids

Revenue Highlights:

- Inpatient admissions increase by 0.2%
- Growth in outpatient endoscopy, surgery and CT volumes
- Medical Group provider access initiatives – \$7 million
- Physician services wRVUs increase 6.0% as a result of new providers and improved access

Expense Highlights:

- Adult average length of stay improvement – \$11.2 million
- Supply chain and clinical service line value analysis savings – \$19.7M
- Revenue cycle improvements and payer contracting initiatives - \$2.8M
- Medical supply inflation of 3.14%

Risks and Uncertainties

Revenue Related Risks

- Rate and payment concerns/tactics from payors
- 340B changes
- Shifts in site of service/site neutrality payments
- Medicaid redetermination
- Continued degradation in overall payer mix

Expense Related Risks

- Workforce shortages/availability, salary escalations, rising labor costs
- Significant savings reductions assumed

External Factors

- Lingering economic issues/uncertainty and governmental pressures
- Inflation (i.e. pharmaceutical costs)

Celebrations and Successes

- Development and wellness – business resource groups, well-being workshops for emotional/physical health, emotional intelligence, self-care, etc.
- Rollout of a systemwide team member reward and recognition platform (enCORE)
- Investments in patient care locations
 - Big Rapids Care Center and Urgent Care
 - Lakeview Care Center
 - HDVCH Pediatric Specialty Center in Lansing
 - Blodgett professional office building (phase one completion)
- Partnership with Grand Valley to transform nursing workforce
- Formation of health equity expert improvement team (EIT)
- Numerous quality awards and recognition
- 100-year celebration for Pennock hospital
- Continuing to build on the success of population health initiatives and programs

Strong & Stable Ratings



Aa3 Moody's

AA S&P

A AMBest

We believe this budget will support our targeted ratings.

Key Takeaways

- Total margin is benchmarked with Moody's Aa3 and S&P's AA rated organizations
- \$6 million commitment is included in the 2024 budget
- Price increase of 3.0% - 6.0% effective in January which supports our focus on affordability while recognizing the current economic environment

