

Sg2 IN THE NEWS

An Abstract of Sg2 Articles
From Some of Today's Leading
Health Care Publications

Sg2 continuously scans the health care horizon to anticipate the demographic, technological, clinical and legislative changes that will transform hospitals and health systems.

The following are excerpts from widely read, highly respected industry publications that illustrate Sg2's forward-thinking approach to clinical and strategic issues.

A New Road Map for Health Care Business Success

hfm | May 3, 2011

“Health care organizations really have to have a handle on where their business is going, and they need to ask the critical question, ‘What areas will require additional investment and growth—and what activities will we no longer be able to support?’” says Michael Sachs, chairman and CEO of Sg2.

“Under reform, hospitals will make less money in the areas where they have traditionally made money... Hospitals should be taking steps now to forecast what their volumes will be, where they will experience growth, where they should invest, and where they should partner.”

Who's Accountable?

HealthLeaders | April 14, 2011

On its face, the ACO is a simple structure. It has 2 functions. Most important, says Michael Sachs, chairman and CEO of Sg2, it manages utilization. A distant second priority, when utilization of a service is to take place, is to find where it can be done most efficiently.

“People always want to go straight to the second element, but that's not where the savings are going to be and where the real innovation is,” he says. Instead, savings will revolve largely around new models of care, which is where the bigger payoff lurks.

Cardiac Patients Get Pumped Up, Avoid Readmissions

H&HN | April 12, 2011

Since the Affordable Care Act lays out significant penalties for hospitals with high readmission rates, concepts like cardiac rehab will gain more traction in the coming years. “Many more hospitals considering cardiac rehab have the opportunity to improve quality and control costs,” says Neal Gold, MD, an internist and director at Sg2. “It improves the overall cardiovascular health of patients, and theoretically, that could lead to fewer readmissions.”

Long-Term Care: Your New Priority

H&HN | April 12, 2011

Sg2, a Chicago-area health care analytics company, applied a risk-adjusted methodology similar to that of Medicare on the firm's own national database to calculate a 30-day readmission index. The analysis found that for skilled nursing facilities, the readmission rate is 27% higher than expected.

“If I were running a hospital, I would want to know a readmission index on the facilities that I was referring to,” says Joan Moss, RN, Sg2 senior vice president.

About 2 years ago, Sg2 began advising its members to develop an inventory of the post-acute care providers to whom they're sending

patients. Hospitals should know, for example, who the medical director is and what the facility's level of quality is, Moss says. "Then you've really got to make a decision about which organizations you are going to have strategic partnerships with," she says.

8 Mistakes Your Hospital Is Making Right Now

Becker's Hospital Review | December 21, 2010

One of the biggest mistakes hospitals can make is to forecast or evaluate incorrectly. "Hospitals will need to evaluate historical trends as well as understand where care delivery is going as they move forward to measure broader utilization and cost of care," says Steve Miff, PhD, VP at Sg2. With a focus on preventive care and reduced readmissions, hospitals need to reconfigure utilization and cost components, particularly since nearly 75% of costs are associated with inpatient stay, according to Dr Miff.

The Race for Health Reform Enters a Whole New Stage

H&HN | December 14, 2010

The nation's budget woes mean no scenario exists in which hospital Medicare payments will improve in the coming years, no matter who is in office, says Steve Jenkins, vice president of Sg2. This is especially true as commercial insurers face more regulation, and cost shifting to private insurance dries up, he adds.

...hospital officials should examine whether they want to be ACO "trailblazers" or "faster followers," or whether they want to focus on improving their systems of care while waiting to see how the incentives to create an ACO evolve, Jenkins says.

Recruit, Reward, Reengineer

Trustee | November 9, 2010

The growth in chronic diseases fuels demand for outpatient services. Utilization in this area

will grow by 30% in the next decade, predicts a recent report by Sg2. By contrast, inpatient discharges are expected to remain flat at best over the coming decade. To tap outpatient growth, hospitals will need strong relationships with primary care physicians, says Jillian V Addy, director at Sg2.

The increase in chronic diseases, combined with federal efforts to slow health care spending growth, is driving a push toward new delivery models, such as medical homes and accountable care organizations that emphasize care coordination across the continuum of services and settings. Both are to be tested under the health reform law. Under these models, "Who is the ascendant participant in the provision of care? The primary care doctor," says John Peabody, MD, Sg2 chief medical officer and senior vice president.

Creating a Cardiac Care Continuum

H&HN | September 15, 2010

The reform law's provisions, combined with the Centers for Medicare & Medicaid Services' decision to post 30-day readmission rates on the Hospital Compare Web site, have made heart failure rehospitalization "a big deal," says Edward Winslow, MD, associate vice president at Sg2, a health care analytics company.

Hospitals looking to improve their rates for financial and quality improvement reasons should look at patient care both in the hospital and after discharge, Winslow and others insist. The first steps on the inpatient side are to determine what the heart failure readmission rate is and then develop standard treatment protocols and order sets that work for the bulk of patients, Winslow says.

A New Round of Reform in the UK

Modern Healthcare | July 26, 2010

Michael Sachs, chairman and CEO of health care analytics company Sg2, based in Skokie, IL, says his experience working with primary

care trusts [in the UK] likewise indicates they had so far failed to deliver on their intended function. “Think of it this way,” says Sachs, whose company has an office in London. “When you look at managed care in the United States, commercial insurance companies—United, Anthem, Blue Cross—all say they do managed care. They don’t really manage care, they really pay for care under contracts, but they’re not actually involved in managing the care. The people that manage the care are the physicians. The [primary care trusts] are a lot like the insurance companies in the US.”

[North Carolina Health System Launches Bundled Payment Pilot](#)

Healthcare Finance News | July 16, 2010

Joining in the pilot are health care information company Sg2 and GE Healthcare Performance Solutions. The Sg2 INSIGHT Clinical Performance Management System will track key metrics, including potentially avoidable admissions and 30-day readmissions, and identify specific areas of improvement to help CaroMont Health enhance clinical integration and physician alignment.

“CaroMont Health understands the provider of the future must demonstrate value through the coordination of patient needs, clinical decisions, operations and logistics, along all inpatient and outpatient care sites,” says Sg2 Chairman and CEO Michael Sachs.

[The Future of Care: Part I: The Patient Experience](#)

H&HN | April 7, 2010

In 2020 a big “gee whiz” factor in heart disease treatment will be process measures that make sure patients are getting needed therapies, says Edward Winslow, MD, associate vice president at Sg2. Patients are not always getting the recommended treatment now, especially in heart failure, he says.

Meanwhile, advancements in science and technology will improve many treatments and expand them to new patient populations. Pharmacogenomics will allow physicians to personalize dosing of some medications based on the patient’s genotype, Winslow predicts.

[Payment Reform: How Should Your Organization Prepare?](#)

hfm Magazine | January 1, 2010

Article written by Sg2 experts **Bill Woodson** and **Steve Jenkins**

We are in an era that requires a new approach to management—one that anticipates new payment models over both the short- and long-term. Over the next several years, services will shift dramatically to the outpatient setting. Forward-thinking providers should focus on coordinating and managing patients and treating diseases seamlessly across multiple care sites that extend beyond the hospital.

To learn more, contact Sg2 at **+847 779 5600** or [**learnmore@sg2.com**](mailto:learnmore@sg2.com).

Sg2...Business analytics for health care