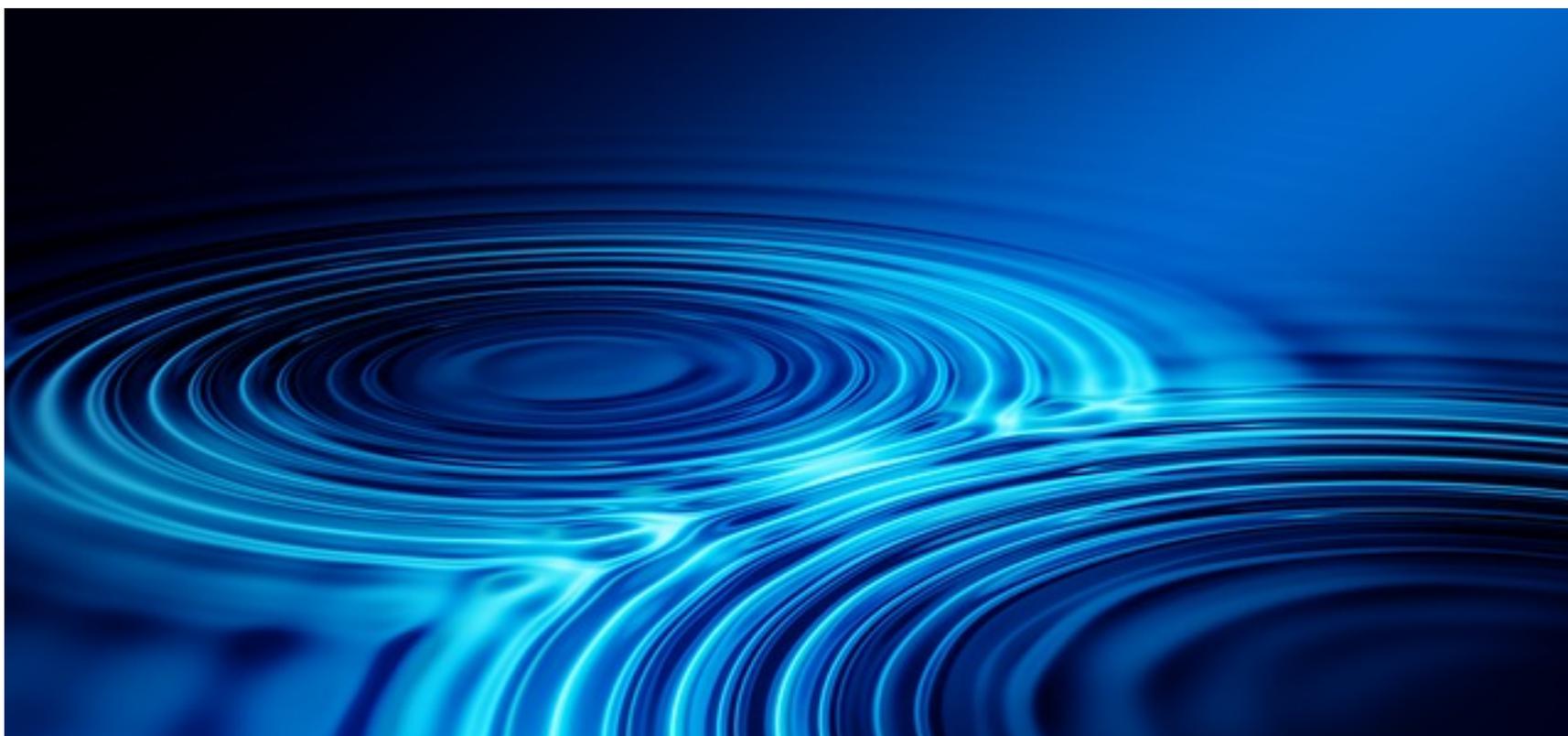


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OUTSIDE **THE** LINES



THE CENTERS OF EXCELLENCE SHIFT

Today's Top Pick, Curated for Leaders Changing Healthcare

October 30, 2018

Today, Centers of Excellence are at the heart of a potential major shift in how healthcare is delivered, with our country's largest employers driving the change. This new trend is shaping up fast, with broad implications for hospitals, service lines, and their surgeons, physicians, and clinicians.

Remember when we first started talking about Centers of Excellence (COEs)? For me, it was in the late '90s working at Cedars-Sinai Medical Center in Los Angeles, focused on growing service lines amidst what was dubbed "The New Differentiation Imperative." Through the years, health plans and other payers established COE designations to distinguish value-based

outcome differences, and then added bundled payment opportunities, for providers.

Today, COEs are at the heart of a potential major shift in how healthcare is delivered, with our [country's largest employers driving the change](#). As an example, WalMart started its Centers of Excellence Program in 2013, cutting deals with a selection of what it deems to be “world-class specialists and medical centers” for cardiac, spine, joint replacement, weight loss surgeries, transplants, and cancer care. The company says this addresses the huge variations that exist in quality across hospitals and it's better for cost, value and the care experience their employees receive – even if they have to travel to another city for their procedures. Along with WalMart, Lowe's, McKesson and others have been pioneering this movement.

In fact, [according to the National Business Group on Health](#), direct contracting between employers and COEs is rising sharply, from 12% in 2018 to 18% in 2019. In addition, companies like BridgeHealth – a disruptor we have been watching for some time – is further spurring this trend forward, with its COE/bundled case rate-based care model. This company has been growing rapidly, with a [three-year sales growth of 109%](#).

We are constantly scanning the horizon of healthcare, to help you stay on top of, and in front of, key trends. Given that service lines are core to health systems' business and clinical operations, this COE shift is a trend not to miss.

Always looking ahead,
Kim Athmann King, MBA, FACHE
Founder & President, Strategy Advantage

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In particular, all of the experts on the X·CO panel have worked in many of our country's best hospitals and health systems, leading, building and growing service lines.

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The X·CO Difference: What We Do & How We Do It

ADDITIONAL RESOURCES

Read more about Centers of Excellence [here](#).
Click [here](#) to access other Outside the Lines issues.

This bi-weekly e-mail is curated by the expert team from Strategy Advantage and provides a look across the horizon, and outside the lines, of the healthcare industry.

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