

Controlling healthcare costs is an important focus at Sutter Health. It's important to us because it's important to our patients and their families.

Every single day, teams across our organization work to hold the line on costs – all while promoting the highest quality patient care. It's the very foundation of our system – sharing best practices, adopting new technologies, responsibly managing resources and leaving no stone unturned so we deliver care that is as efficient as possible for our patients and communities.



HOW WE REDUCE COSTS IN AN INTEGRATED SYSTEM



SUCCESS SNAPSHOT

Making healthcare more convenient and less costly requires innovative thinking and tenacity. Big and small measures all combine to help drive savings for our patients, employers and organization.

Driving Technology:

Video visits, text chats and mobile health vehicles are lower cost alternative options to traditional in-person services

Coordinating Care:

Using electronic health records and coordinating healthcare between clinicians and care centers helps to reduce complications and lower hospital re-admission rates

Tackling High-Priced Drugs:

Offering quality generic drugs has saved **\$64 million** as an alternative to costly brands

Providing Better Navigation to Care:

On-demand virtual symptom checker directed **about half of patients** to more affordable primary care

Improving Convenience & Eliminating Waste:

Patients can use "fast passes" for earlier appointment times, **reducing no-shows by 56%**

Lowering the Cost of Care:

U.S. government statistics show average costs for care at Sutter are **7%¹ lower** than comparable Northern California hospitals

Creating Efficiencies:

Consolidating vendors and creating administrative efficiencies **saved \$473 million** in operations

Implementing Best Practices:

Applying best practices and standardizing care delivery promotes high-quality care and saved **\$30 million** in just two years

¹The Dartmouth Institute for Health Policy and Clinical Practice; The Dartmouth Atlas Data; Medicare spending per decedent during the last two years of life; https://atlasdata.dartmouth.edu/static/eo_chronic_illness

AFFORDABILITY SPOTLIGHT:



Building Hospitals On Time & On Budget

Sutter has been **recognized for its innovative approach to the construction and renovation of care centers**. We involve staff and patients in the design of our projects, incentivize vendors to collaborate on cost reduction, cut waste and maximize efficiencies from start to finish. The goal is to better coordinate across teams to deliver projects on time and on budget – reducing costs wherever possible.

It's working. Our use of an **integrated project delivery system resulted in a 92% success rate in reducing costs** – far outperforming the industry average of 28%. Using this approach **saved \$220 million** on new sites such as our California Pacific Medical Center Van Ness Campus.

Right Test at the Right Time = Less Out-of-Pocket Costs for Patients

Through our laboratory stewardship program, Sutter is improving how lab tests are ordered and processed. **This helps patients receive the right test at the right time** – leading to greater affordability.

In one example, the lab team has implemented a new influenza test for patients being treated in Sutter emergency departments to enable test result completion within only one hour of receiving specimens in the lab. Knowing a diagnosis sooner helps patients receive more timely treatment.



Offering More Information About Projected Healthcare Costs

Consumers are increasingly requesting information about potential costs of healthcare services before receiving care.

Sutter's online cost-estimator tool **provides patients with real-time, personalized estimates** for common ambulatory healthcare services, such as office visits, lab tests or X-rays. With an eye to transparency and access, patients can look up more than **225 of the most frequently used medical services**. Users have reported the tool is easy to use and helps them make informed decisions about their own care and treatment.

Within our integrated network, we are examining every level of the patient experience, including scheduling and billing, telehealth and convenience technologies, application of best practices and groundbreaking surgical care to deliver shorter stays, better outcomes and, ultimately, reduced costs.