

2016 ROI Report: Notes & Assumptions

Member Value

Wage Index	\$30,924,117	2015/2016 project for FY2017; Increase in reimbursement Northeast Ohio receives in Medicare fee for service and Medicare managed care.
Volume Statistics & Customized Reports	\$518,000	Estimated cost of monthly market research (\$6,000)*12 months *7 hospital systems.
White Papers	\$399,000	Estimated market value for content creation, design and marketing of monthly white papers to provide healthcare context to key stakeholders*7 hospitals systems, where content creation is \$3,000 each for 8 short pieces, \$7,000 each for 4 long pieces and \$5,000 overall for design and marketing.
Reimbursement Activities	\$110,000	Value is stated as cost. True member value is believed to be much higher.
NEONI	\$1,100,000	Estimated member cost avoided for regional recruiting initiative that would be needed in the absence of NEONI due to intensified nursing shortage. In states without a NEONI-type organization, out-of-state and international recruiting of RNs is needed and includes at least 2 FTE regional recruitment coordinators, legal costs related to VISAs and advertising campaigns in various locations.
ACEMAPP	\$1,190,000	Value of ½ FTE staff (usually an experienced nurse) for each hospital (28) for clinical placement administration. Annual estimated salary used for FTE is \$85,000.
prep2practice™	\$428,000	Value of the investment made by The Center for Health Affairs in developing software to coordinate shadowing experiences to strengthen the health and non-health workforce.
Community Health Needs Assessment Round Table	\$19,600	Estimated market value of 4 educational seminars for 20 people at \$200/person + staff time.
Planned Endowment for The Center's Foundation	\$10,000,000	The Center for Health Affairs plans to establish a foundation over the next several years with an endowment of up to \$10 million. In 2014 The Center made a first step toward this initiative by creating a donor advised fund through Community West Foundation with a \$1 million contribution. (These values are not included in member ROI calculation at this time.)

Distribution to Care Alliance	\$200,000	Value is stated as cost. Amount of distribution to Care Alliance in 2016 toward its Central Neighborhood Clinic. A total of \$1 million was pledged in 2014 and additional disbursements of \$200,000 each were budgeted for five years. All contributions are intended to promote access to healthcare for vulnerable populations.
Contributions to Carmella Rose Health Foundation	\$45,000	Value is stated as cost. Represents the monetary and in-kind contributions of The Center to support Carmella Rose in improving health outcomes through patient navigation and promoting access to health insurance for people eligible for Marketplace plans and Medicaid.
Transformational Gift to Medworks	\$310,010	Value is stated as a combination of fundraising dollars (\$155,505) plus the cost of The Center's match (\$155,505) to establish a restorative dental program through Medworks, which promotes appropriate use of the region's emergency department resources.
Contributions to Members	\$800,000	Value of contributions made to member hospitals on behalf of CHAMPS Healthcare, The Center's business affiliate. Future contributions will be directed toward The Center's Foundation on behalf of members.
Grant-Related Emergency Preparedness Activities	\$1,371,000	Grant dollars received + cost savings of 1 FTE per system (7) due to coordination through The Center, where grant is \$790K for FY2017 and average salary in Northeast Ohio hospitals is \$83K/yr.)
Non-grant-related emergency preparedness activities	\$66,685	Value of hours spent coordinating activities and attending meetings on behalf of members outside the scope of the EP grant. (Approximate annual hours spent outside grant = 219*staff costs)
Advocacy and Media Messaging	\$540,000	Value is equal to (\$7,000/mo cost of contract lobbyist + \$500/mo cost of PR consulting)*12 months*6 systems.

The Center's Costs

Costs incurred by The Center to carry out its programs are incorporated into some of the numbers listed above as part of member value. Descriptions of program costs are below.

Wage Index	\$190,000	Consultant expense of \$110,000 plus \$80,000 of staff expenses allocated to the project. The Center pays the consultant costs upfront and is later reimbursed by its member hospitals.
Volume Statistics	\$40,000	Portion of F&R budget allocated to Volume Statistics.
White Papers	\$8,000	Cost of staff time associated with creation of white papers.
Reimbursement Activities	\$110,000	Reimbursement division expenses less amounts allocated to Wage Index and Volume Statistics.
NEONI	\$300,000	NEONI division expenses.
ACEMAPP	\$230,000	1.7 FTEs plus benefits and division expenses.
Community Health Needs Assessment Round Table	\$4,000	Staff expenses/administrative costs for 80 hours of project time.
Planned Endowment for The Center's Foundation	\$0	The endowment has not yet occurred, though The Center for Health Affairs is poised to begin funding the foundation at the beginning of 2017 with an eventual endowment of up to \$10 million. In 2014 The Center made a first step toward this initiative by creating a donor advised fund through Community West Foundation with a \$1 million contribution.
Distribution to Care Alliance	\$200,000	Total distribution to Care Alliance in 2016.
Contributions to Carmella Rose Health Foundation	\$45,000	Represents monetary and in-kind contributions of The Center.
Emergency Preparedness Activities	\$289,000	Portion of ASPR grant allocated for management of EP activities.
Advocacy and Media Messaging	\$300,000	50 percent of office of the president division and 5 percent of the public affairs department.

Assumptions

- The numbers presented in the ROI Report are The Center’s best estimates of cost and value and are subject to interpretation.
- We have been intentionally conservative in our estimates, which are on the low side.
- The Center is often offered discounts by vendors it engages to work on projects with its member hospitals due to the economies of scale that result from working with a member organization. These discounts, which would not be possible should hospitals or systems pursue one of the projects on its own, are not included as part of the value proposition.
- In some cases The Center states that value is equal to the cost of a project multiplied by the seven regional hospitals and systems; however, the nature of many of these projects makes it arguably impossible to truly duplicate them at the hospital or system level. Volume Statistics, for instance, provides de-aggregated market data to all regional hospitals on a monthly basis. To duplicate this kind of data would require establishing a neutral third party to collect it all from each of the hospitals. In other words, it is nearly impossible to duplicate this project from a hospital level without duplicating The Center for Health Affairs itself.
- It is sometimes difficult to estimate the true value of an activity undertaken at The Center. In these cases, we have conservatively stated that the value is equal to the cost; however, we believe the true value is much more.