



Transition Guide

The Middleboro Casebook: Healthcare Strategy and Operations, Third Edition

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The third edition of *The Middleboro Casebook* has completely updated all case materials and data from past editions and added substantial new content, including a global pandemic. In addition, all exhibits included in the book are now made available to students in electronic format. The casebook is written assuming it is midnight, December 31, 2024.

New Material and Changes in the Third Edition

Case 1 - (The Community): A worldwide pandemic (similar to, but not Covid-19) began in 2021 and is still present, although an effective vaccine has been developed. The impact of the pandemic was extensive in health care and economic terms. Local providers have been forced to deal with drastically changing patterns of health care demand and utilization, shortages of staff, and serious financial challenges. In addition, larger health care organizations are making substantial inroads into Hillsboro County, particularly in Jasper, an area of substantial growth. Public health challenges have been accentuated over the last 3-4 years as the community struggles to coordinate underfunded programs and services and to influence behavior in an often charged social and political environment.

Case 2 - (Hillsboro Health - HH): The pandemic had major changes on the delivery model for home health as families were no longer as willing or able to open their homes to providers, and agency care-givers were no longer as willing to complete in-home visits. As a result, as did other health care providers, the use of telemedicine increased substantially, although there were obvious limitations to the care that can be delivered in this manner. Reimbursement is an

ongoing problem for the organization and the need for HH to coordinate its services with other providers, such as the Health Department has never been greater.

Case 3 - (Physician Care Services - PCS): Historically, a very financially successful organization, PCS's occupational health business has begun to dry up, and competition for its urgent care business has never been greater. Additionally, the ownership and management model employed by PCS and its founder, Dr. Tobias, may not be sustainable in the long-term. Prior to the pandemic, PCS had plans to expand operations to three or perhaps four sites, however, utilization trends make this strategy unlikely.

Case 4 - (Middleboro Community Mental Health Center - MCMHC): A high quality, low margin operation, MCMHC is in a precarious situation, in part due to its government-heavy payer mix, the difficulty it faces in recruiting and retaining high quality practitioners, and the increased clinical demands brought about by the pandemic. The organization faces formidable competition for private pay clientele and little to clearly differentiate it from other organizations.

Case 5 - (Webster Hospital - WH): Formerly a member of an osteopathic hospital system, Webster has lost its support system as the Osteopathic Hospital Association has disbanded. Other corporate changes in the local marketplace leave Webster in an isolated, at-risk organization. Its medical staff is shrinking, its financial status its competitive position in Middleboro/Jasper is weak and its financial health is relatively dire.

Case 6 - (MIDCARE): Unlike its local competitor Webster Hospital, MIDCARE has achieved a great deal of success. Its profile locally is strong and it has embarked on a number of new and exciting projects. MIDCARE survived the challenges of the pandemic as well any local organization, but the impact on utilization and finances was still substantial. Interest in the southern portion of MIDCARE's market, particularly Jasper is great, particularly among the larger health system competitors from Capital City. New organizations, such as the Jasper Ambulatory Surgery Center have recently been built and compete directly with long-standing local physicians. The new center is located approximately midway between MIDCARE (located in Middleboro) and Capital City General Hospital. A local accountable care organization has entered the market and MIDCARE will need to determine its strategy in dealing with this venture.

Case 7 - (Medical Associates - MA): A medium-size multispecialty group practice MA has built an excellent reputation for quality care and service. The pandemic had a destructive impact on the group's practice volume, however, due to its strength in information technology, MA was able to develop and grow a strong telemedicine practice. Many new ventures have entered or are planned for the Hillsboro marketplace and MA must define a strategy to carve out a new market position for the organization.

Case 8 - (Jasper Gardens - JG): Jasper Gardens has been a moderately successful long-term care facility for several years under the aegis of Jefferson Partners, its owner. The organization struggles with a number of HR issues and problems and has not been able to resolve them for years in spite of ongoing attention. Financially, the organization has a small margin, however, its contract with Jefferson Partners appears to be disadvantageous. Moreover, new models of senior

care have now entered the marketplace with the development of the Oaks, the area's first continuing care retirement center.

Case 9 – (Hillsboro County Health Department - HCHD): Arguably, the organization most affected by the pandemic was HCHD. Programs were pushed beyond their limits as many of the responsibilities of dealing with the pandemic fell directly on the organization. During the worst throes pandemic itself, the organization received supplemental governmental funds to support the much- expanded services. As the pandemic waned, however, the funding levels have shrunk leaving the organization in a position where need and expectations are high, but resources are inadequate. In addition, throughout the pandemic, HCHD has found itself charged with coordination of myriad programs and services from a variety of local organizations, while still maintaining its ongoing portfolio of public health initiatives.

Case 10 – (Jasper Emergency Services - JES): A new organization entering Hillsboro County from Capital City, JES has taken off swiftly, even during the pandemic. The impact of the facility on Hillsboro County-based providers remains to be seen, but it is likely that should the successful arc of the organization continue, other competitors will enter the market, further complicating the Jasper market area.

Case 11 – (Jasper Ambulatory Surgery Center - JASC): Another new health care provider recently arrived in Jasper from Capital City. This organization has also experienced a strong beginning and financial benchmarks look strong. JASC already competes with County-based ambulatory surgery centers and it is likely that other players will enter the market in upcoming years.

Case 12 – (The Oaks – A Continuing Care Retirement Community): Representing a new model of care/financing, the Oaks is the first continuing care retirement community in the Middleboro/Jasper area, The Oaks was well-received in the community and early enrollment numbers are strong. This facility is likely to attract private pay business from other area facilities, including JG.

Case 13 – (Capital City General Hospital - CCGH): The largest hospital in Capital City, CCGH is a tertiary medical center with strong clinical services, a teaching mission and solid financial health. The pandemic had a substantial impact on the hospital's utilization; however, it is large and diverse enough to withstand the challenge. In the last two-to-three years, CCGH has implemented a number of programs and services in the Jasper area, threatening to shift utilization away from Middleboro toward Capital City, particularly when the new highway is completed. Many of these initiatives are structured as joint ventures with members of the hospital medical staff, e.g., JASC.

Case 14 – (Valley Medical Center - VMC): The surviving entity following the dissolution of Osteopathic Medical Center. VMC is owned and operated by Muroc, a publicly traded health care corporation, the first such organization to enter the market. Muroc is aggressive and innovative and promises to bring a new level of competitive intensity to the area.

Case 15 – (Swift Water Accountable Care Organization - SWACO): Based in Capital City, SWACO is the first accountable care organization in the area. Start up for the organization has been relatively slow, but plans are in place for an aggressive push into Hillsboro County for participating clinical organizations and members. Some local organizations will need to determine whether they will participate with the ACO if invited, and how to compete with them if they are not.