

Southwest Pre-Read

Allegan

Holland (Zeeland)



Allegan Summary

Inpatient

Market Context

- 53,300 population, 5,413 Discharges
- SHZCH has 8% IP share in region; few Allegan patients visit SH regionals
- Ascension has 31% IP market share and Bronson has 26%
- 9.5% outmigrate to SHGR (623)

Impact: No current plan for beds

Outpatient

Market Context

- 31% SH OP Share in region. SH OP share in Allegan is below 20%, much goes to SHGR
- Use rate, population increase, and market share adjustment are accretive and could result in some growth at SH Zeeland

Impact:

- Modalities in Zeeland have capacity

Physician Recruiting Goal for Allegan

Physician Type	Market Supply 2018 ³	Market Demand 2018 ³	Market Deficit 2018 ³	SH Supply 2018 ²	SH Growth Recruits ³
Primary Care	36.9	36.4	0.6	0	7
Specialist	18.9	30.1	-11.2	0	0
TOTAL	55.8	66.4	-10.6	0	7

Physicians

Market Context

- Balanced primary care market, some specialty need
- Specific recruiting targets have been identified

Impact:

- Growth in physicians should accrue to Zeeland

Holland (Zeeland) Summary

Inpatient

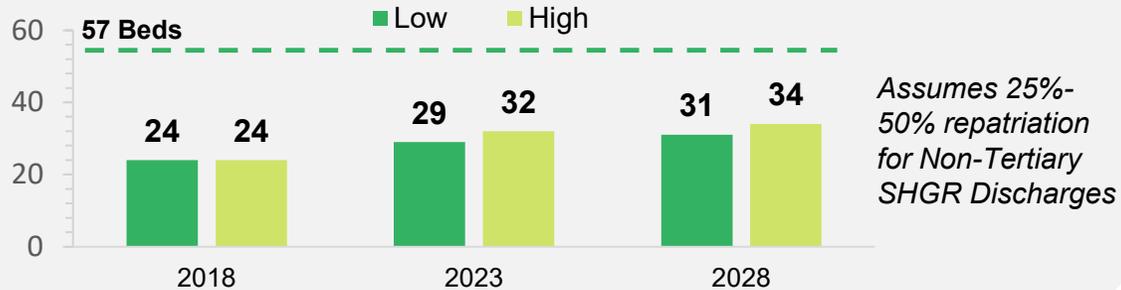
Market Context

- 188,279 population, 16,216 discharges
- SH Zeeland has a 8% IP share in region & 9.6% IP share in Holland
- Outmigration to Holland (8,170), SHGR (3,421) & all others (3,062)

Impact: Plan for 33 Beds

- Repatriate low acuity SHGR admits and reduce outmigration: est. 960 admits

Zeeland Bed Need Scenario^{1,2}



Outpatient

Market Context

- 21.3% OP Share in region; SH OP share in Greenville is 70%, but less than 1/2 of OP volume stays in Greenville, the rest goes to SHGR
- Use rate, population increase, and market share adjustment are accretive and could result in 12-15% OP volume increase

Impact:

- Modalities below capacity now and could support additional volume

Physician Recruiting Goal for Zeeland

Physician Type	Market Supply 2018 ³	Market Demand 2018 ³	Market Deficit 2018 ³	SH Supply 2018 ^{2*}	SH Growth Recruits ³
Primary Care	131.0	128.9	2.0	68.8	8
Specialist	67.1	106.7	-39.6	21	4.5
TOTAL	198.1	235.7	-37.6	84.8	11.5

*Note: includes: Health Pointe

Physicians

Market Context

- Significant physician deficit in GASH for both primary care and specialists
- SH currently has 35% of provider demand, which will grow to 40%
- Current clinic space has approximately 32% occupancy

Impact

- Available capacity and consolidation opportunity
- While MD growth in commensurate with IP and OP volume increase assumptions, additional specialty support via telemed will be key

Zeeland Hospital Facility Master Plan Scenarios

AMBULATORY CARE

- 1 MOB Renovation
- 2 Relocate Urology Clinic

DIAGNOSTICS & TREATMENT

- 3 Build new C-Section room

SUPPORT SERVICES

- 4 Increase efficiency of support services in POB

SITE/ROADWAYS

- 5 Provide left-hand turn into the site from south

BUILDING ACQUISITION

- 6 Provide left-hand turn into the site from south



Appendix - Southwest

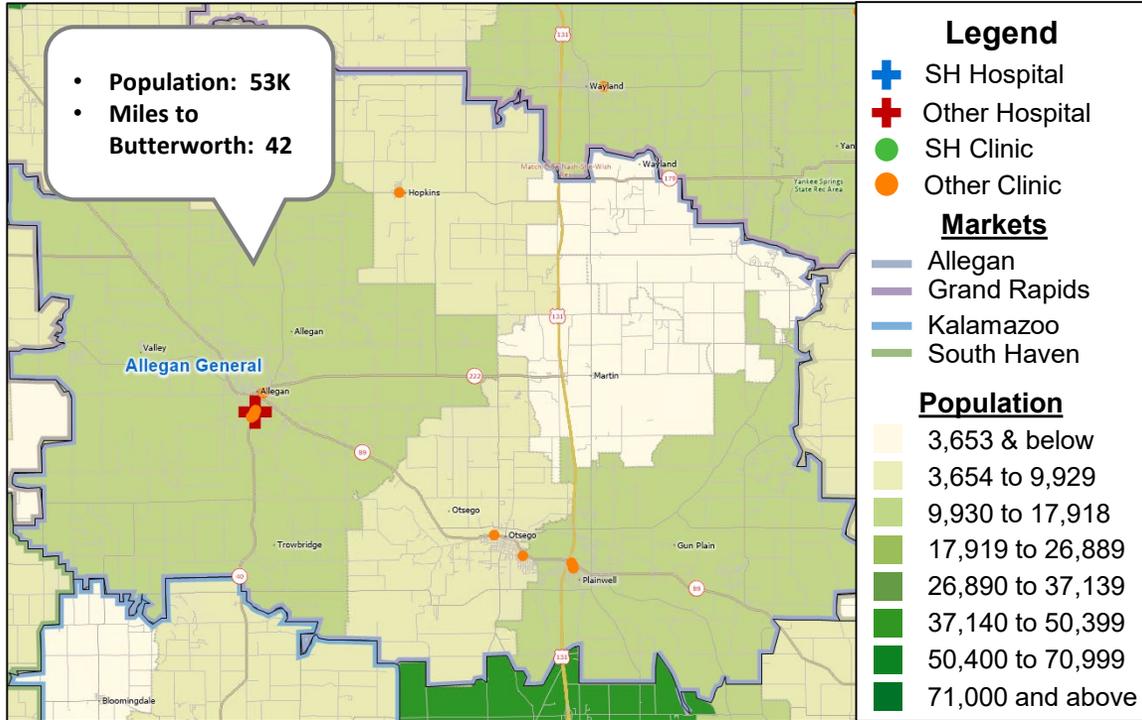
Allegan

Holland (Zeeland)



Allegan Providers

Allegan Market Overview



Takeaways

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Physician Development Plan for Allegan

Physician Type	Market Supply 2018 ³	Market Demand 2018 ³	Market Deficit 2018 ³	SH Supply 2018 ²	SH Growth Recruits ³
Primary Care	36.9	36.4	0.6	0	7
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Allegan Inpatient

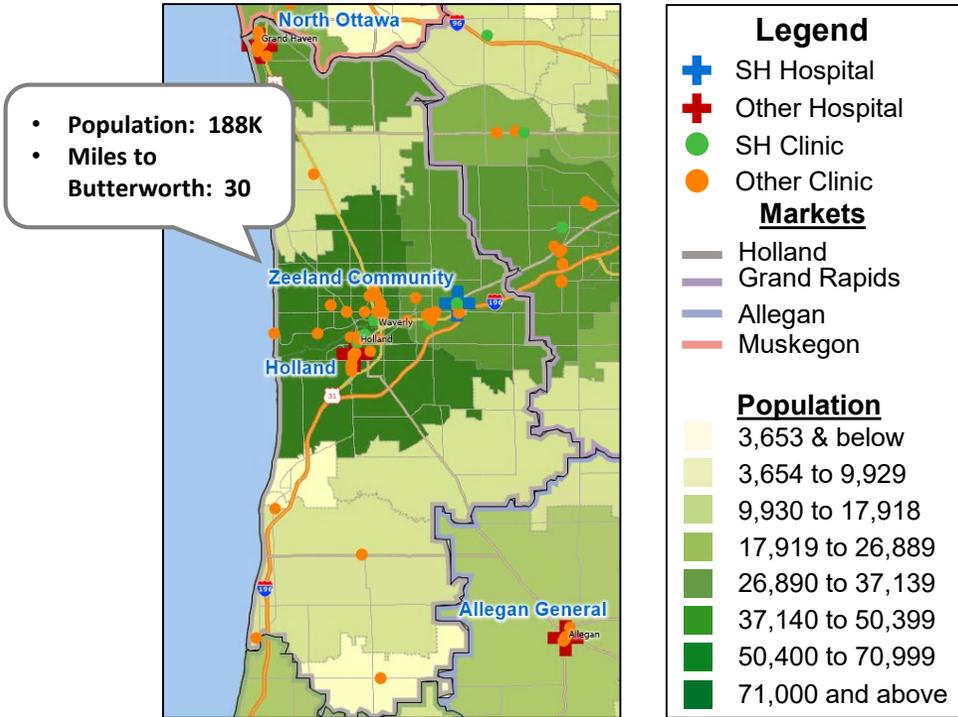
2018 Allegan Patient Origin Discharges

	Ascension Borgess	Bronson Methodist	SH Grand Rapids	Allegan General	Michigan Medicine	Holland	HDVCH	Other Hospitals	Total
General Medicine	609	414	117	288	92	85	43	217	1,865
Cardiac Services	290	184	85	64	30	19	2	43	717
Orthopedics	159	130	37	71	32	23	3	66	521
Obstetrics	106	174	64		49	73		41	507
General Surgery	114	117	49	35	22	12	6	69	424
Neonatology	77	73	31		22	34	20	14	271
Neurology	88	66	16	10	14	2	18	36	250
Spine	42	63	24	1	12	7		16	165
Oncology/ Hematology	27	41	16	23	7	2	1	23	140
Other Service Lines	162	169	77	15	35	20	14	61	553
Total Discharges	1674	1431	516	507	315	277	107	586	5,413
Market Share	30.9%	26.4%	9.5%	9.4%	5.8%	5.1%	2.0%	10.8%	100%



Holland Physicians

Holland Market Overview



Exam Room Utilization¹

Facility Info	588 E Lakewood	8333 Felch	336 S River	145 Columbia Ave	500 Parkside Dr	602 Michigan	Other Location	Total
Exam Rooms	81	43	9	2	1	11	-	147
PCPs ²	14	10	2	-	-	-	15	41
Specialists ²	13	2	-	-	-	6	-	21
APPs ²	11	10	4	-	-	3	10	38
Encounters per Day*	282	194	40.2	0.7	3	44	-	563.9
Encounters per Room per Day*	3.5	4.5	4.5	0.4	3	4	-	3.8
% Room Ute (Assumes 12 patients per room per day)	29%	38%	37%	3%	25%	33%	-	32%

Physician Development Plan for Holland

Physician Type	Market Supply 2018 ³	Market Demand 2018 ³	Market Deficit 2018 ³	SH Supply 2018 ^{2*}	SH Growth Recruits ³
Primary Care	131.0	128.9	2.0	68.8	8
Specialist	67.1	106.7	-39.6	21	4.5
TOTAL	198.1	235.7	-37.6	84.8	11.5

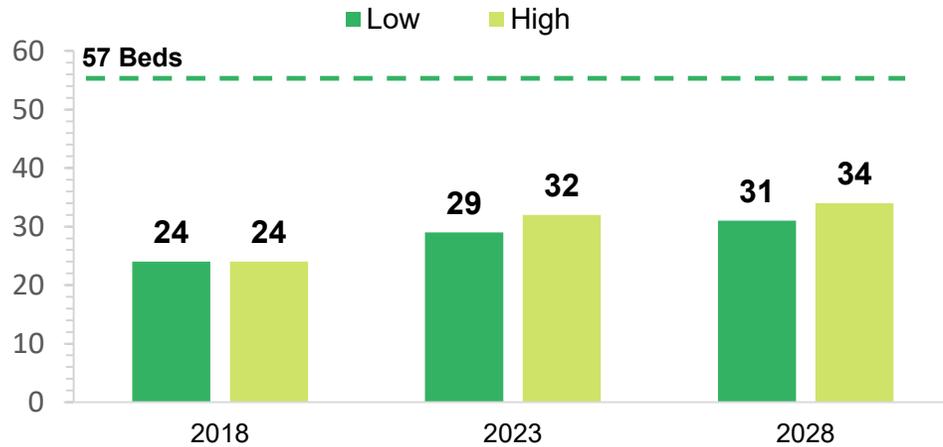
*Note: includes: Health Pointe

Takeaways

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Holland Inpatient

Zeeland Bed Need Scenario^{1,2}



Takeaways

2018 Holland Patient Origin Discharges

	Holland	SH Grand Rapids	SH Zeeland	Mercy Hackley	North Ottawa Community	HDVCH	Other Hospitals	Total
General Medicine	3120	582	684	252	285	217	455	5,595
Cardiac Services	996	536	89	154	73	14	106	1,968
Orthopedics	803	201	196	109	160	43	165	1,677
Obstetrics	1079	168	180	43	84		76	1,630
General Surgery	271	355	183	69	59	43	133	1,113
Neonatology	690	89	69	21	47	87	43	1,046
Neurology	250	186	39	49	26	86	140	776
Spine	185	97	1	92		9	70	454
Oncology /Hematology	146	108	21	7	5	46	42	375
Other Service Lines	630	491	101	78	31	63	188	1,582
Total Discharges	8,170	2,813	1,563	874	770	608	1,418	16,216
Market Share	50.4%	17.3%	9.6%	5.4%	4.7%	3.7%	8.7%	100%