



# HOSPITALS AND SYSTEMS

The healthcare industry (also called the medical industry or health economy) is an aggregation and integration of sectors within the economic system that provides goods and services to treat patients with curative, preventive, rehabilitative, and palliative care.



## CAPTRUST Experience

### Clients at a Glance

Clients - 76  
 AUM - \$33 billion  
 Plans / Pools - 214  
 Plan / Pool Types - DC (133), NQ (47), DB (12), E/F (12), OAP (10)  
 Top Providers - Fidelity (48), TIAA (30), Transamerica (22), Lincoln (19), VALIC (19), Wells Fargo (14)

### Experienced Advisors

- Eric Bailey (5)
- Dan Esch (6)
- Jeb Graham (3)
- Chris Kulick (3)
- Mike Pratico (9)
- Barry Schmitt (5)
- Jason Stanicek (14)
- Jon Strickland (3)
- Jim Strodel (3)

## Industry Background

### Points of Interest

- Growing baby boomer population and rising prevalence of chronic diseases is expected to continue driving demand for hospital industry services
- Revenue generated by hospitals grew annually by 3.5% between 2013-2018
- Hospitals continue to face shortage of labor specifically to nurses
- For 11 years in a row, hospital CEO's ranked financial challenges as the number 1 issue facing their organization

### Common Terms

- Patient care
- Block funding
- Intensive care unit
- Physician group
- Practice
- Staff
- Surgery
- Urgent care

### External Resources

- American Hospital Association  
[www.aha.org](http://www.aha.org)
- Children's Hospital Association  
[www.childrenshospitals.org](http://www.childrenshospitals.org)
- Healthcare Financial Management Association  
[www.hfma.org/](http://www.hfma.org/)
- State Hospital Associations  
[www.healthguideusa.org/state\\_hospital\\_associations.htm](http://www.healthguideusa.org/state_hospital_associations.htm)



## For the Challenger

### Clients Outcomes

- Reduced expenses and improved operational efficiencies
- Improved fiduciary governance and plan compliance
- Designed ongoing enrollment and employee communication strategies and ad hoc campaigns
- Added a 457(b) for top-hat deferrals
- Fund menu consolidation and manager replacements
- Help with frozen legacy plans from acquired entities
- Consolidated vendors
- Tiered investment menu

### Challenges

#### Corporate

- Cost constraints
- Lack of qualified nurses
- Student debt
- Reimbursement from insurance companies
- Consolidation of healthcare organizations to remain viable
- Not sure where government will go with healthcare
- Competing agendas internally
- Shrinking margins
- Unexpected funding cuts from Medicare
- Competition from “minute clinics”

#### Retirement

- Complex payroll & multiple union requirements
- Streamlining retirement plan structure due to M&A activity
- Participation from lower wage participants
- Committees are complex due to size and presence of outside board members
- Providers are limited
- Value boots on the ground from vendors and advisors
- Multiple vendors

## Notes