


# UCLA Health Expansion Through Direct-to-Employer Partnership

a caring 

# Executive Summary

## UCLA Health Background

- Non-profit academic medical center
  - ~ 600,000 people receive care every year
  - > 2,700 physicians, 4,000 nurses, therapists, technologists, and support personnel
- Full spectrum of service
  - RRUMC, UMCH, SMUCLA, RNPH

## Current State

- Strategic initiatives
  1. Expanding primary and secondary presence (Los Angeles, Ventura, Orange counties)
  2. Increasing tertiary and quaternary care (Westwood campus)
- Strategic objectives
  1. Expand the geographical reach
  2. Increase the number of lives cared for

## Solution

- Identify a specific local employer UCLA Health should target for engagement
- Develop engagement programs/tools that could be established to enhance patient and employer engagement
- Develop a fee model for the proposed strategy



How can UCLA Health engage in a direct-to-employer health program to expand geographic reach, improve patient outcomes, and maximize profits?



## Demographics



- Majority of employees:
  - Under the age of 30
  - Pursued higher education
  - Middle-class
- Diverse employee ethnic makeup

## Mission



- Dedicated to helping members throughout Southern California build better lives
- Strives to be Southern California's premier banking partner by providing **personalized** and **innovative service** in every interaction, and **making a difference in the communities we serve**

## Geography



- Locations throughout Los Angeles, Orange, and San Bernardino counties
- Growth potential

# UCLA Health + WESCOM

## Demographics

- Wescom's employee demographics and size allow UCLA Health's direct-to-employer health plan to operate at a low risk

## Mission

- Wescom's mission aligns with UCLA Health's mission to deliver **leading-edge innovative care** and **improve health of their patient population**

## Geography

- Wescom branches align with UCLA Health locations
- UCLA Health can apply for open-staff privileges
  - Opportunity for expansion to a wider array of Southern California locations

Our two-prong strategy allows UCLA Health to expand geographically and target Wescom's employee population.



## Widespread Market Opportunity

- Coverage expansion beyond current reach of UCLA Health locations
- Multiple existing strategies for expansion
- Reaching Wescom employees and dependents



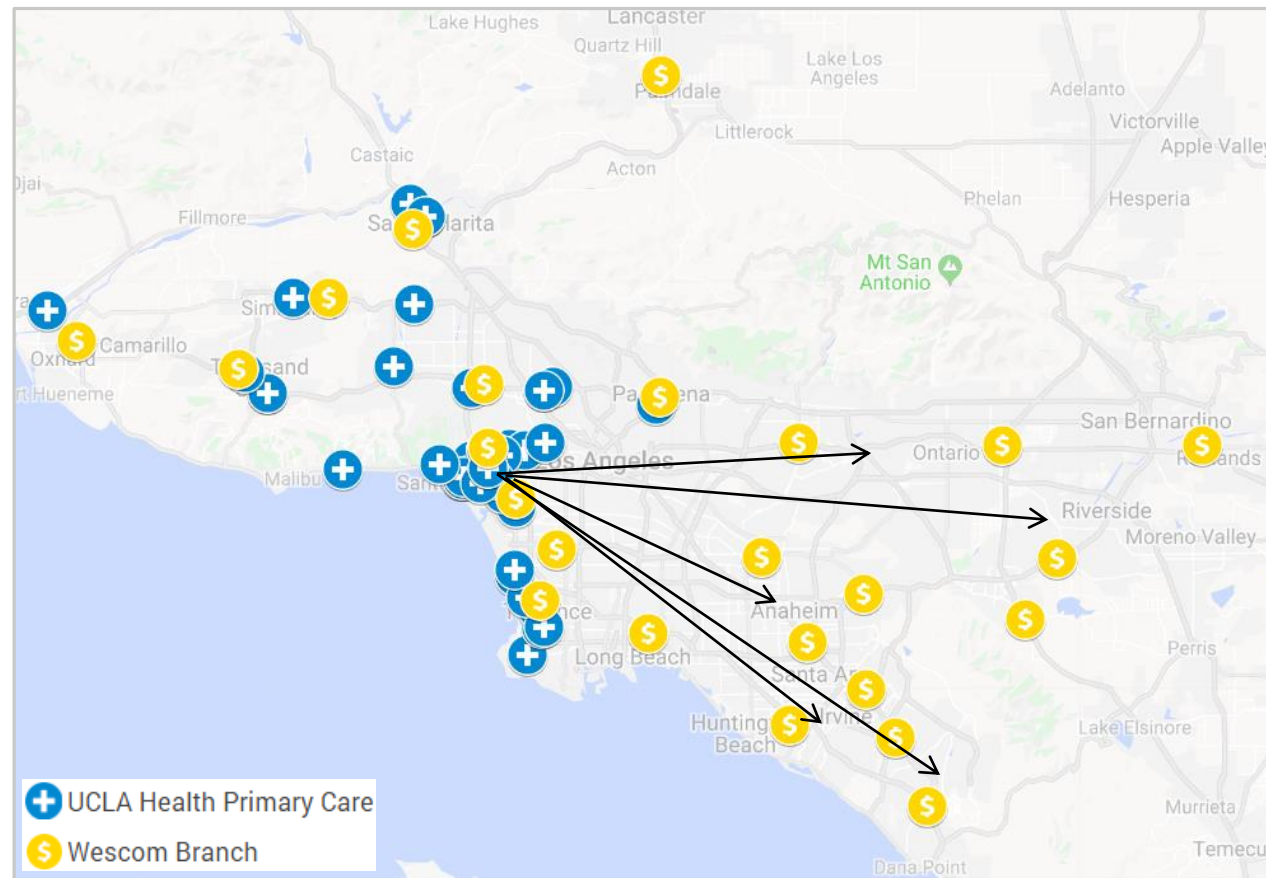
## Improving Outcomes

- Tailor services to Wescom employees
- Utilize technological services (telemedicine, patient portal, mobile application)
- Increase care coordination

# Using an open-staff model would allow UCLA Health to expand to Orange and San Bernardino Counties.

## Open-Staff Model

- UCLA Health physicians can apply for open-staff medical privileges at other hospital systems
  - Expansion at lowest cost and risk
- Areas of focus
  - Anaheim
  - Irvine
  - Mission Viejo
  - Pomona
  - Riverside



Among the four options, we recommend contracting with hospitals to expand inpatient and specialty care.

**Establish new offices****Purchase/merge with  
current physician  
offices****Establish a Clinically  
Integrated Network****Contract with hospitals****Strengths**

- Hire new providers
- Consistent with UCLA Health culture
- Start from scratch

- Established presence
- Community knowledge
- Lower cost

- Lowest cost
- Lowest risk
- Quick expansion

- Provides inpatient access
- All encompassing care (specialty, emergency)

**Considerations**

- Costly
- Possible community pushback

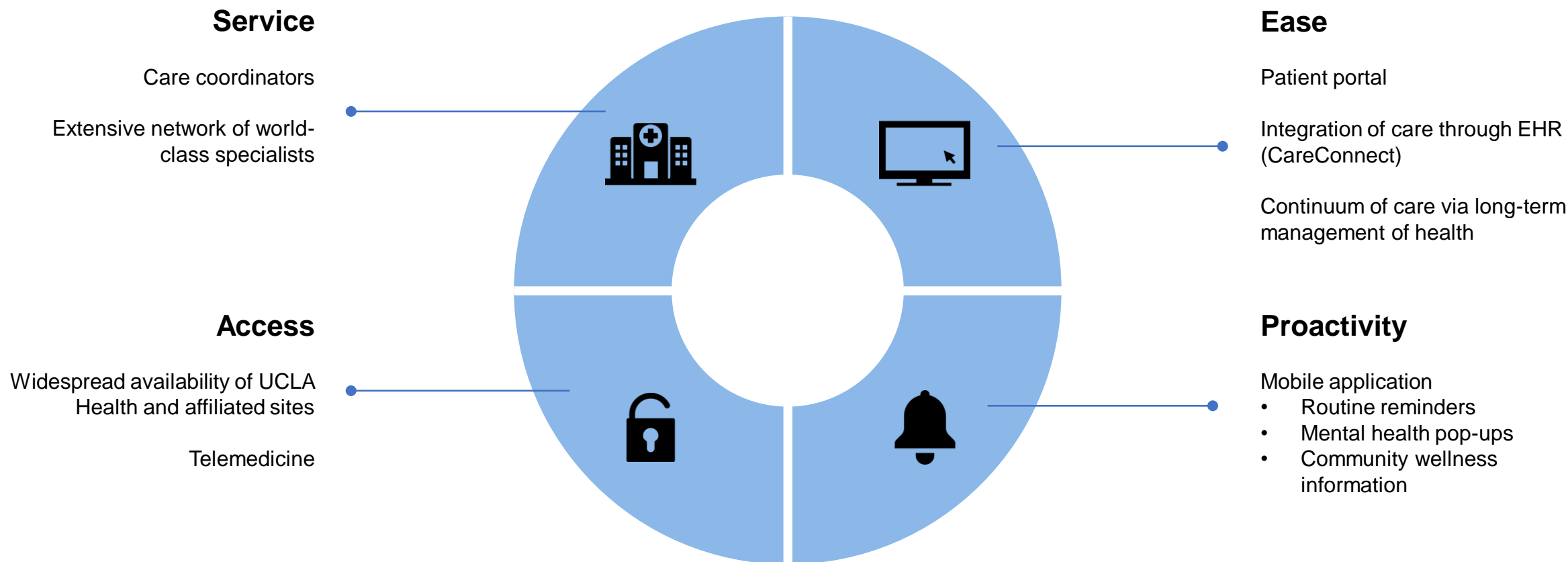
- Possible culture clash
- Transition of operations
- More risk

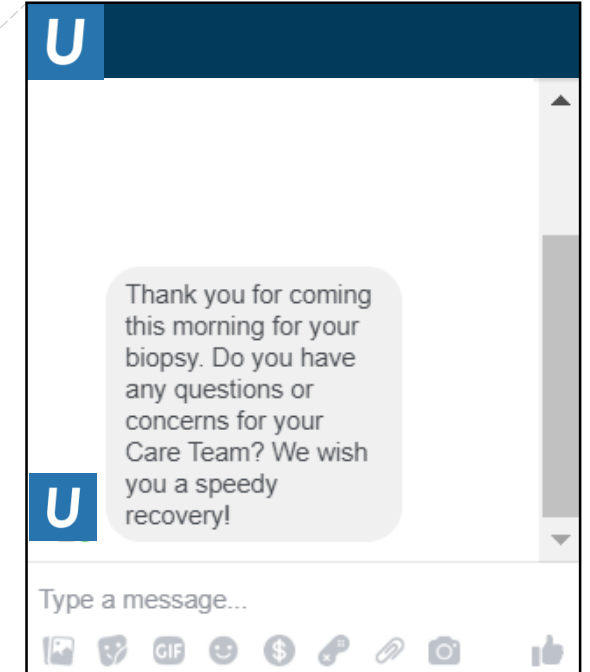
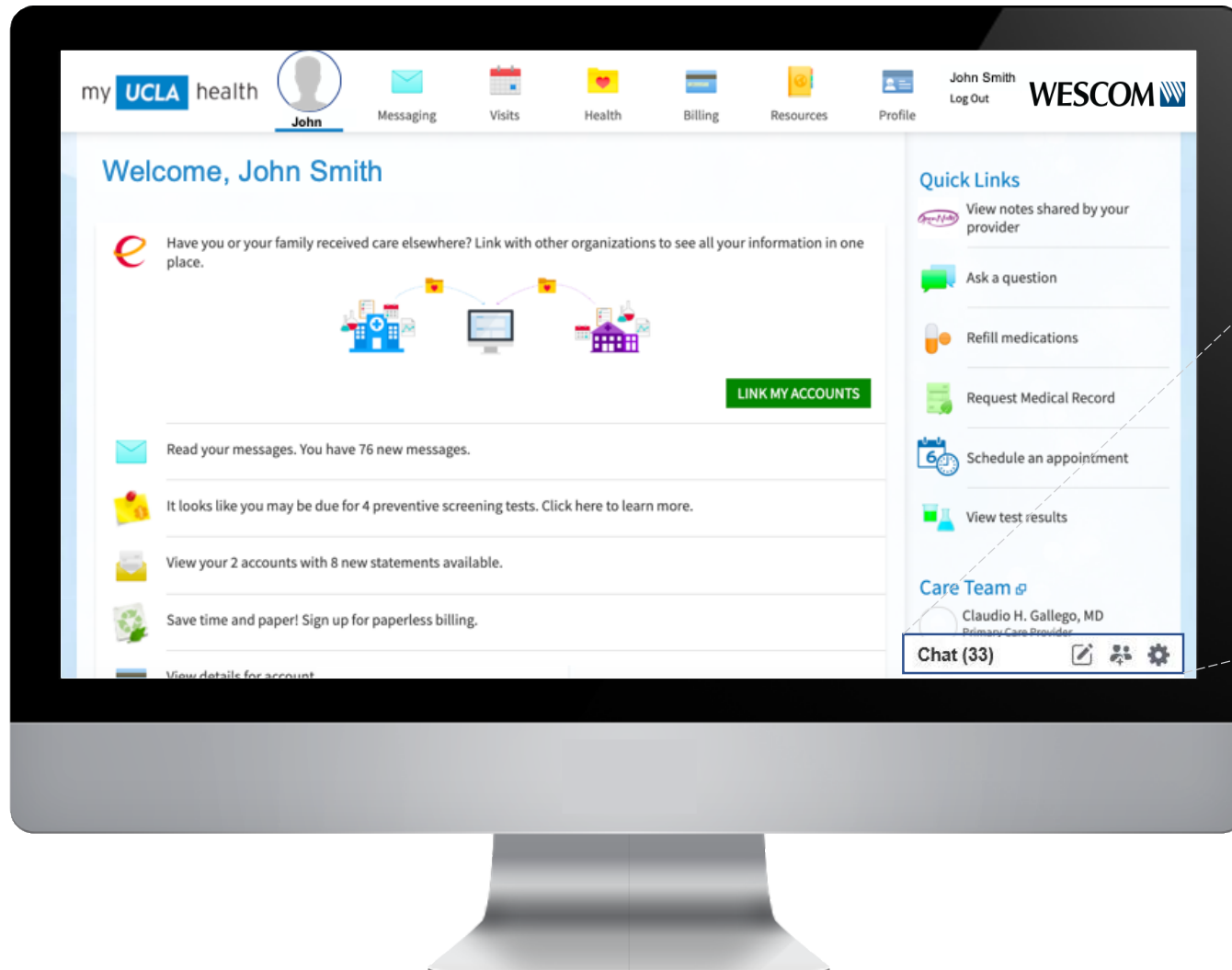
- Not familiar with UCLA Health culture
- Harder to control
- Patient preference

- Lengthy process



# A holistic approach to health benefits both the patient and the provider.





**U** MESSAGES now

**myUCLAhealth**

Have you taken a minute for yourself today?

**U** MESSAGES 9m ago

**myUCLAhealth**

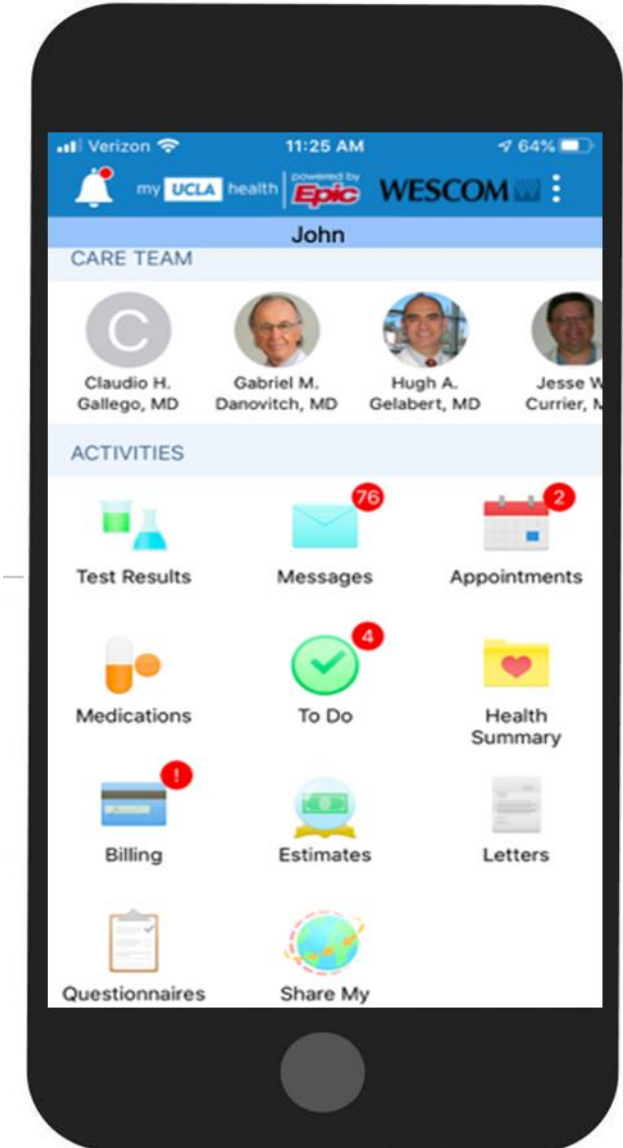
Did you know heart disease is a leading killer in the United States? 💔

Stop by a UCLA clinic today to get your blood pressure checked!

**U** MESSAGES now

**myUCLAhealth**

Hey there, there are 12 farmers markets happening in the Los Angeles area right now 🍎



# Direct-to-employer health plans have multiple benefits for an organization.



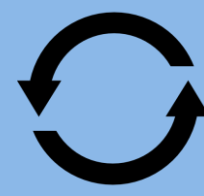
## Affordability

- Fee transparency
- Better outcomes lead to cost savings
- Predictable costs (personalized health plan)



## Happiness

- Higher quality care
- Healthier employees
- Higher productivity



## Efficiency

- More streamlined care
- Lower administrative burden
- Multidisciplinary approach



## Partnership

- Strengthening existing bond with UCLA
- Partnering with UCLA Health

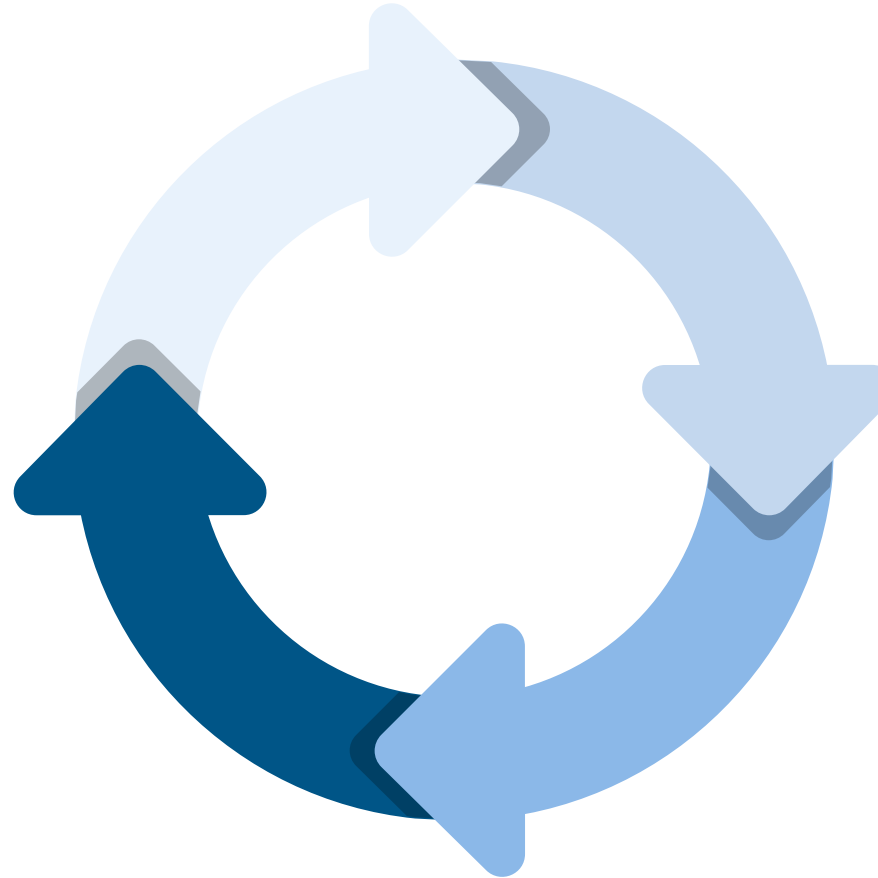
UCLA Health will use value-based payment models to provide the highest quality care for employees.

### Assess

UCLA Health will assess risk of Wescom on an annual basis to determine premiums for a full coverage plan

### Analyze

Evaluate payment models to determine which are appropriate for specific employee services



### Select

UCLA Health can utilize bundled payments to ensure high quality care that can lead to cost savings and increased profit

### Measure

Determine success of payment model through analyzing profit margins

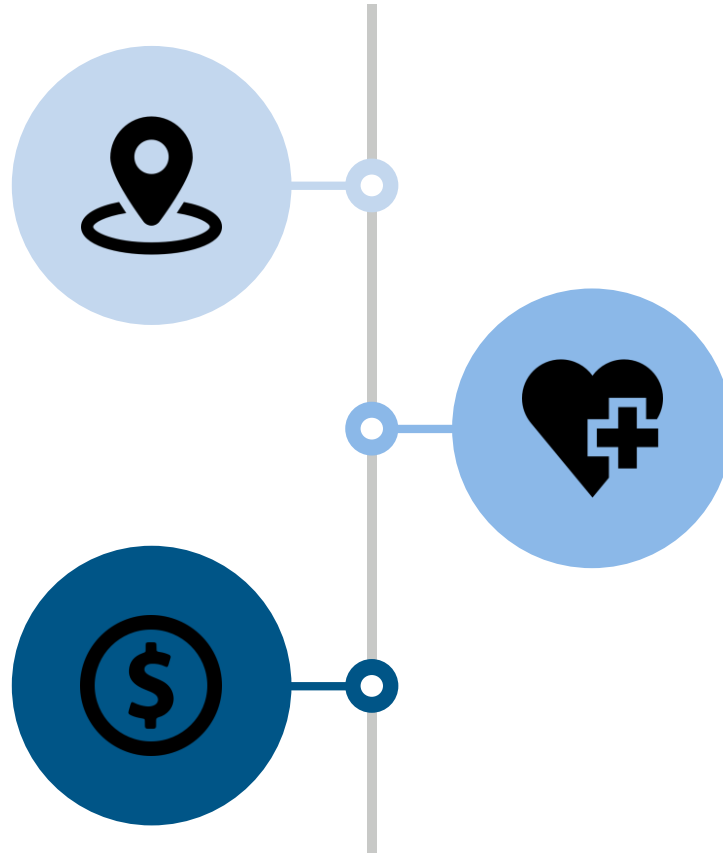
Our recommendation positions UCLA Health in a direct-to employer partnership that will increase geographic reach, positive health outcomes, and profit.

### Geographic Reach

Open access with expansion into untapped markets will allow UCLA Health to reach maximum amount of Wescom employees

### Profit

Increasing UCLA Health's patient pool and utilizing a reimbursement plan specific to the needs of Wescom allow UCLA Health to find financial success through partnership



### Patient Outcomes

Care coordination and utilization of technological capacities increase access to primary care, lead to better employee health, and increase positive health outcomes

# Appendix

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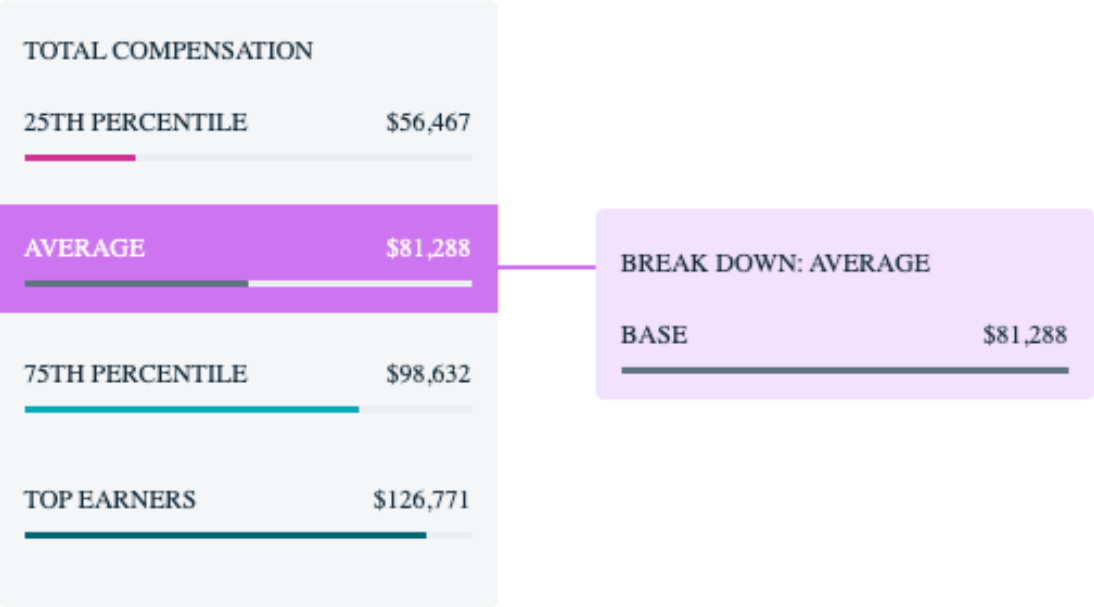
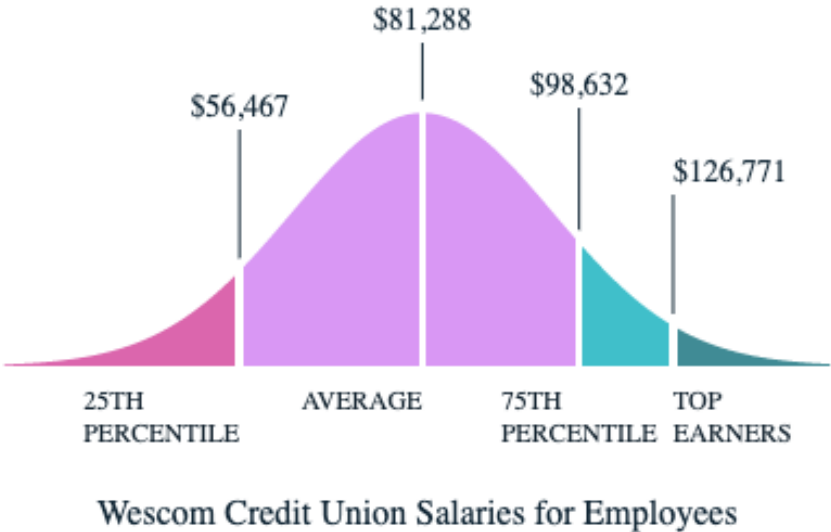
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# Appendix A. Compensation Breakdown of Wescom Employees





# Appendix B. Average Salary for Wescom Positions

<div>Credit Analyst</div> <div>\$71K AVERAGE</div> <div>\$60K-\$80K RANGE</div>	<div>Loan Officer</div> <div>\$42K AVERAGE</div> <div>\$36K-\$47K RANGE</div>	<div>Financial Advisor</div> <div>\$75K AVERAGE</div> <div>\$74K-\$77K RANGE</div>	<div>Senior Loan Officer</div> <div>\$41K AVERAGE</div> <div>\$32K-\$48K RANGE</div>
<div>Loan Operations Specialist</div> <div>\$51K AVERAGE</div> <div>\$50K-\$53K RANGE</div>	<div>Senior Processor</div> <div>\$52K AVERAGE</div> <div>\$51K-\$53K RANGE</div>		

# Appendix C. Education Status of Wescom Employees



Bachelor's Degree (57%)



Undisclosed (34%)



Master's of Business Administration (3%)

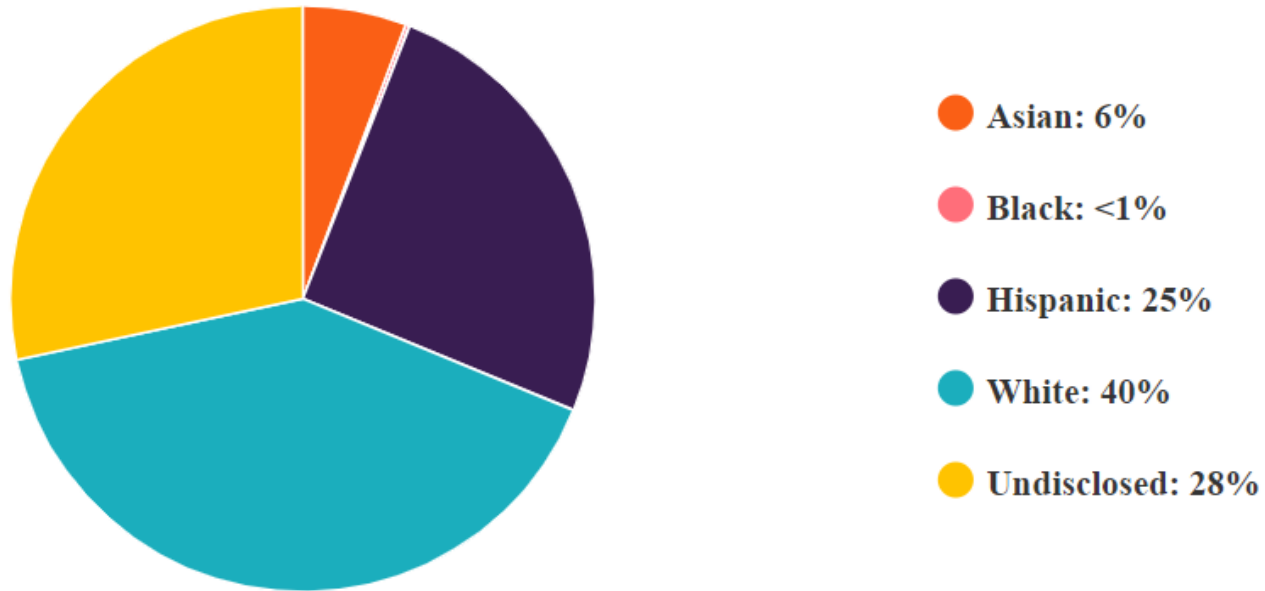


High School Degree (2%)

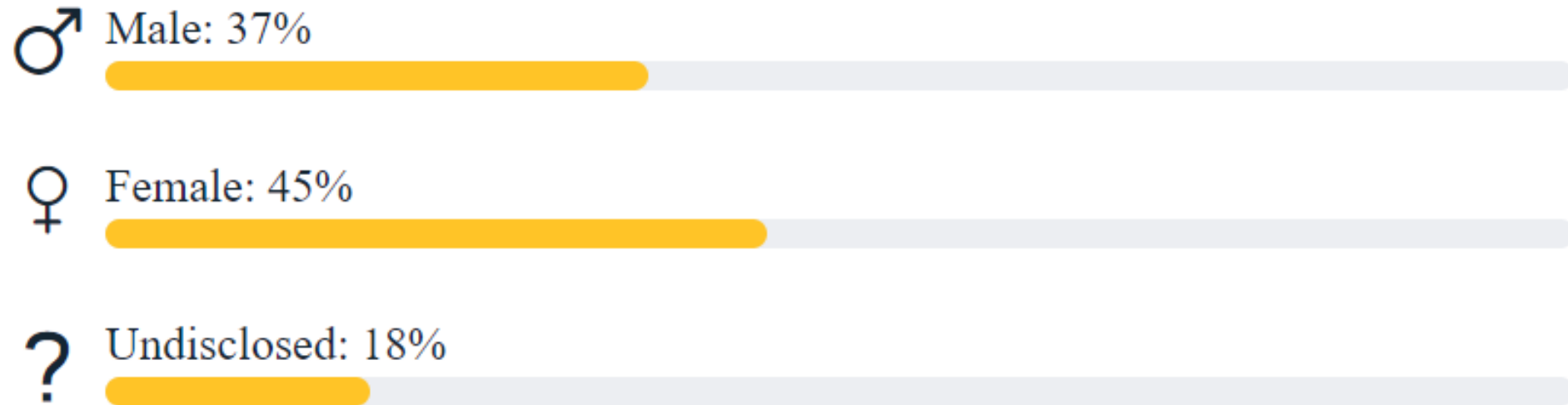


Associate Degree (2%)

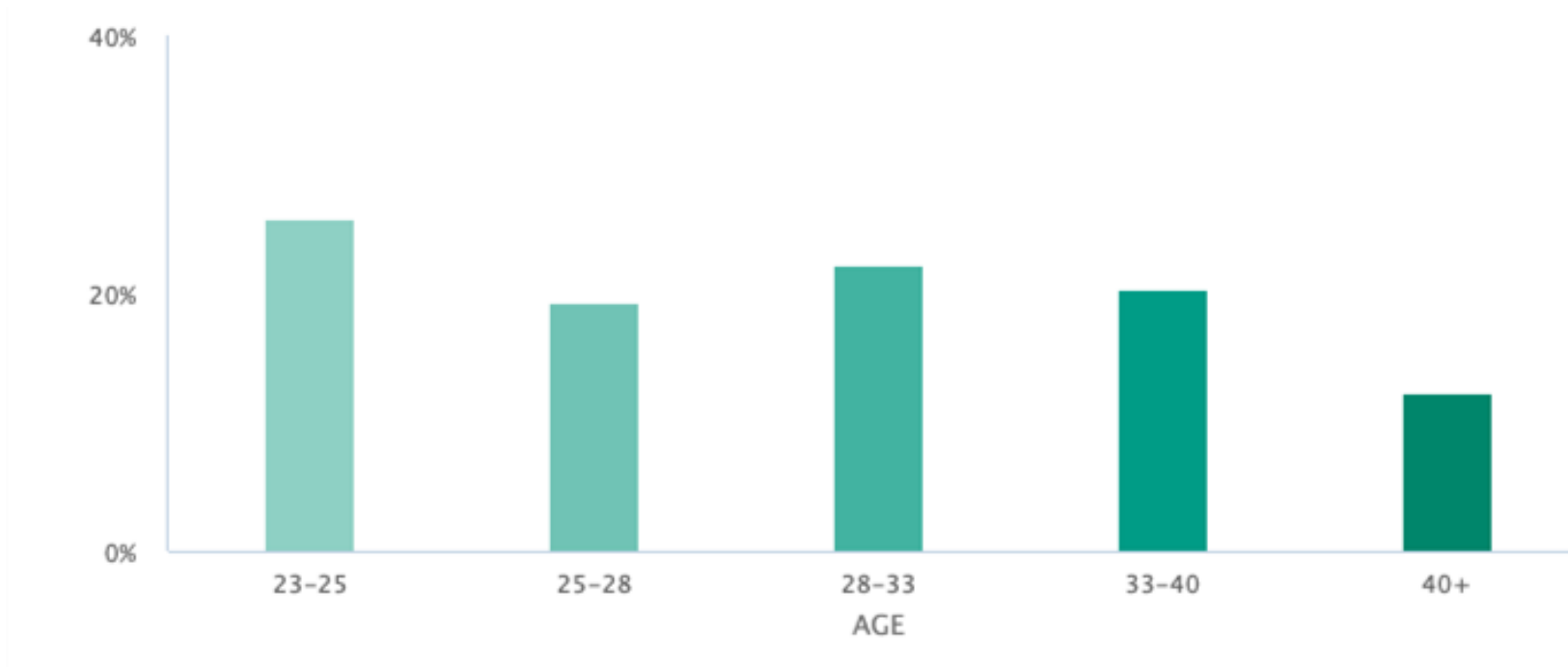
## Appendix D. Diversity Breakdown of Wescom Employees



# Appendix E. Gender Breakdown of Wescom Employees



## Appendix F. Age Breakdown of Wescom Employees



# Appendix G. Health Insurance Plans for Wescom Employees



[Blue Shield of California \(PPO\)](#)



[Kaiser Permanente \(HMO\)](#)

## Appendix H. Estimated Expenses

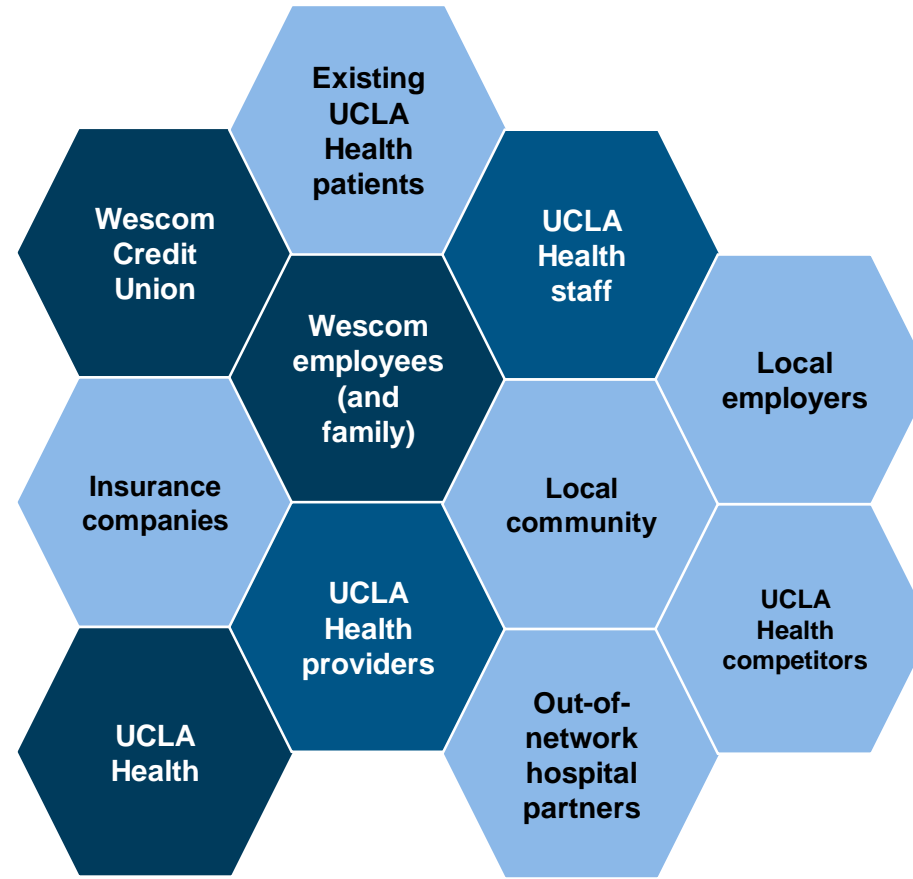


Additional 2-4 staff members (care coordinators) to meet increased demands



Estimated wage expense increase of \$67,000 - \$133,000  
([Indeed](#))

# Appendix I. Stakeholder Analysis





# Appendix J. Risk Mitigation

## Wescom is hesitant in forming a partnership

- Analyze benefits of the current partnership between the two entities
- Provide evidence that shows direct-to-employer coverage saves costs for both entities and increases health benefits
- Discuss how both brands have similar missions to show brand alignment

## Health outcomes do not improve

- Analyze utilization rates for Wescom employees
  - If low, develop stronger engagement strategies such as expanding technology and telemedicine

## Unexpected costs arise

- Research value-based purchasing to estimate a growth in revenue for the partnership
  - Revenue should be enough to cover unexpected costs
- Unexpected costs may be low due to size of Wescom

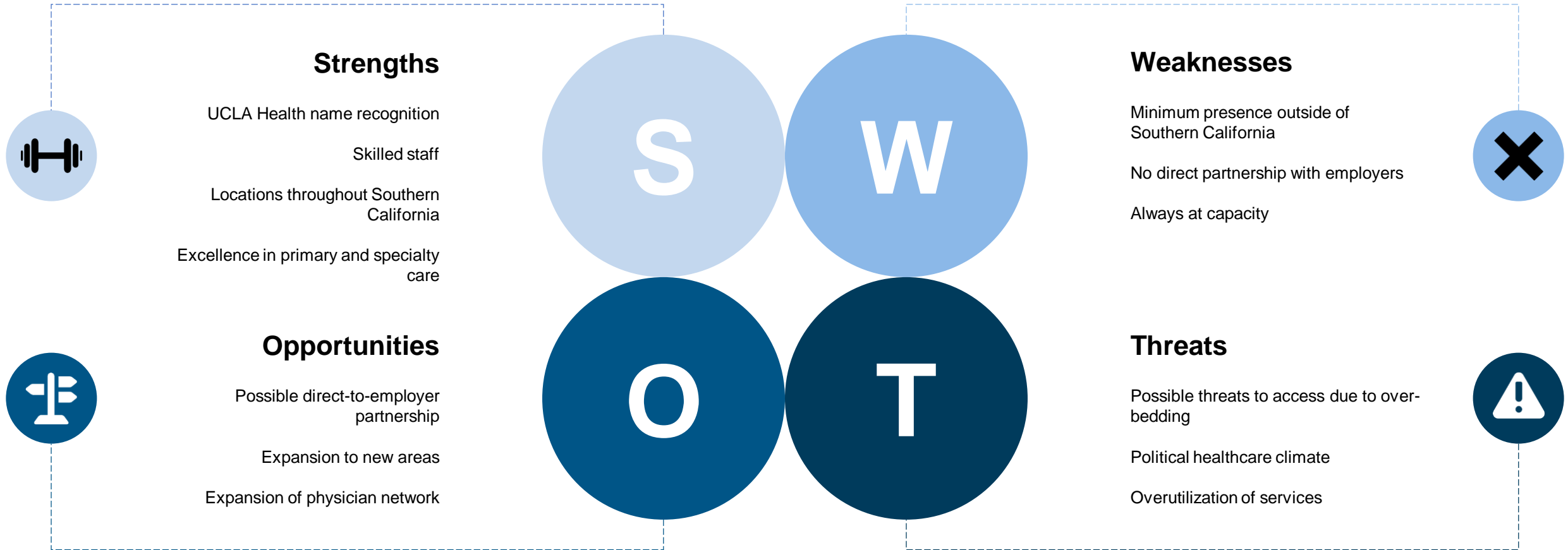
## Orange County employees have less access to services

- Use the existing open-staff model at UCLA Health to alleviate this issue
- Expand geographic reach to OC and San Bernardino Counties

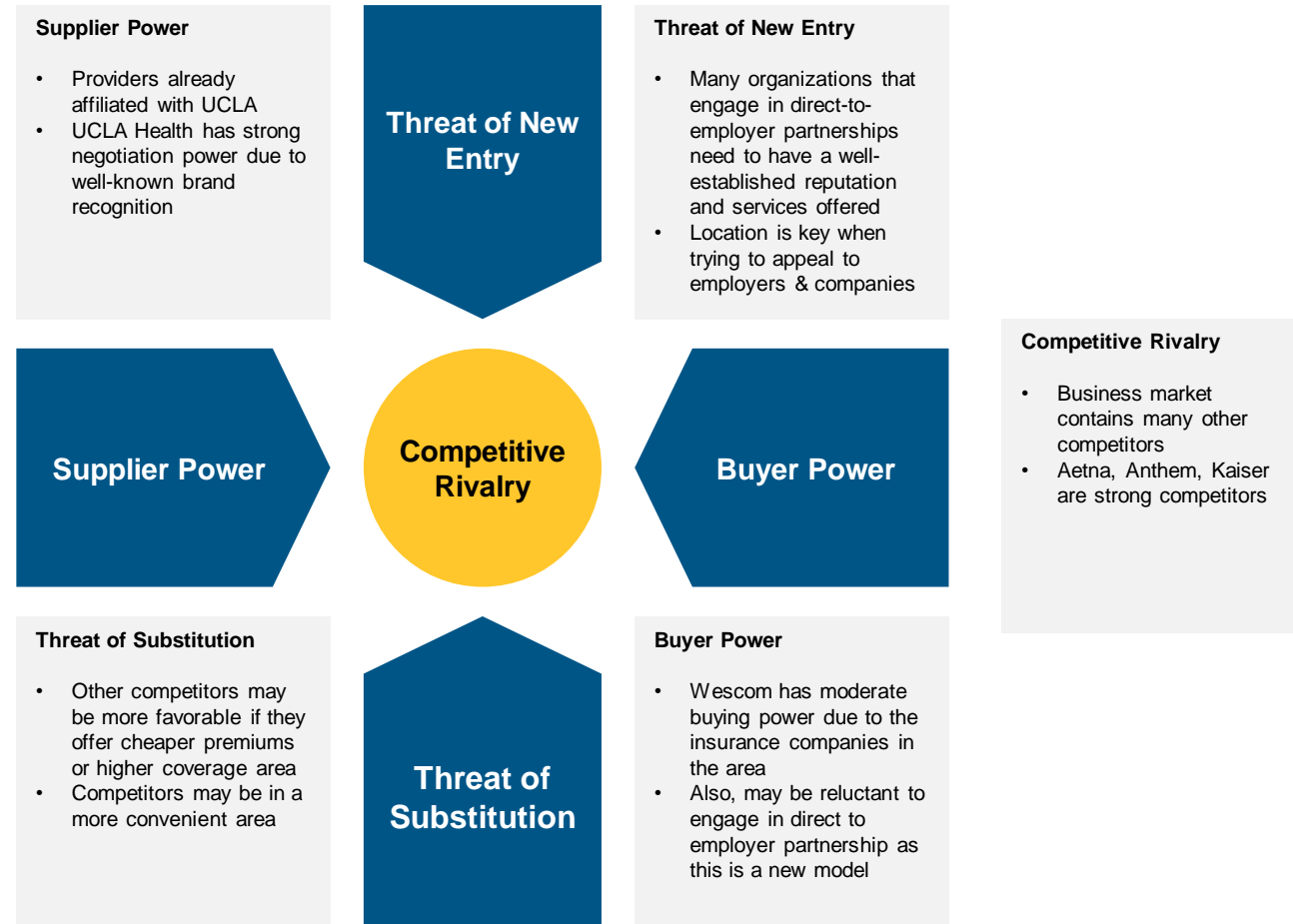
## Low revenue earnings

- Discuss that it may take time for revenue growth to occur
  - Wescom is a growing organization with young employees
  - As Wescom grows, employees will age and start families, adding new patients and which can lead to increased revenue

# Appendix K. SWOT Analysis



# Appendix L. Porter's Five Forces



# Appendix M. Marketing Mix

## Product

Emphasis on accessibility to UCLA Health providers (patient portal, mobile application)

Focuses on prevention (reminders for flu shots, up-to-date vaccinations, annual physical, mental health check-ups)

## Price

For the employer, equal or possibly lower costs than competitors but higher quality care with the UCLA Health reputation

For the employee, tiered plans to accommodate for their lifestyles

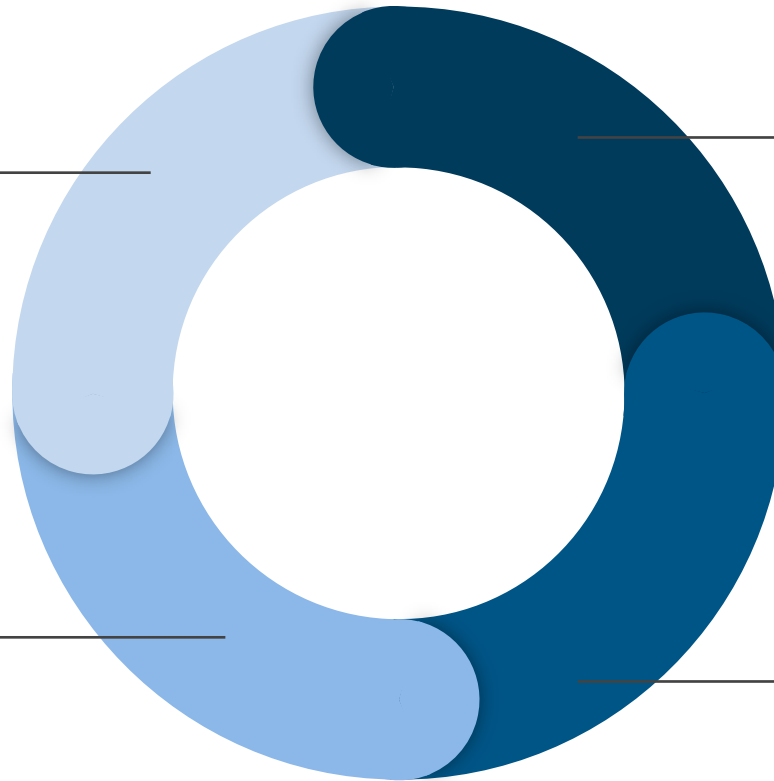
## Place

UCLA Health locations all around the Southern California area

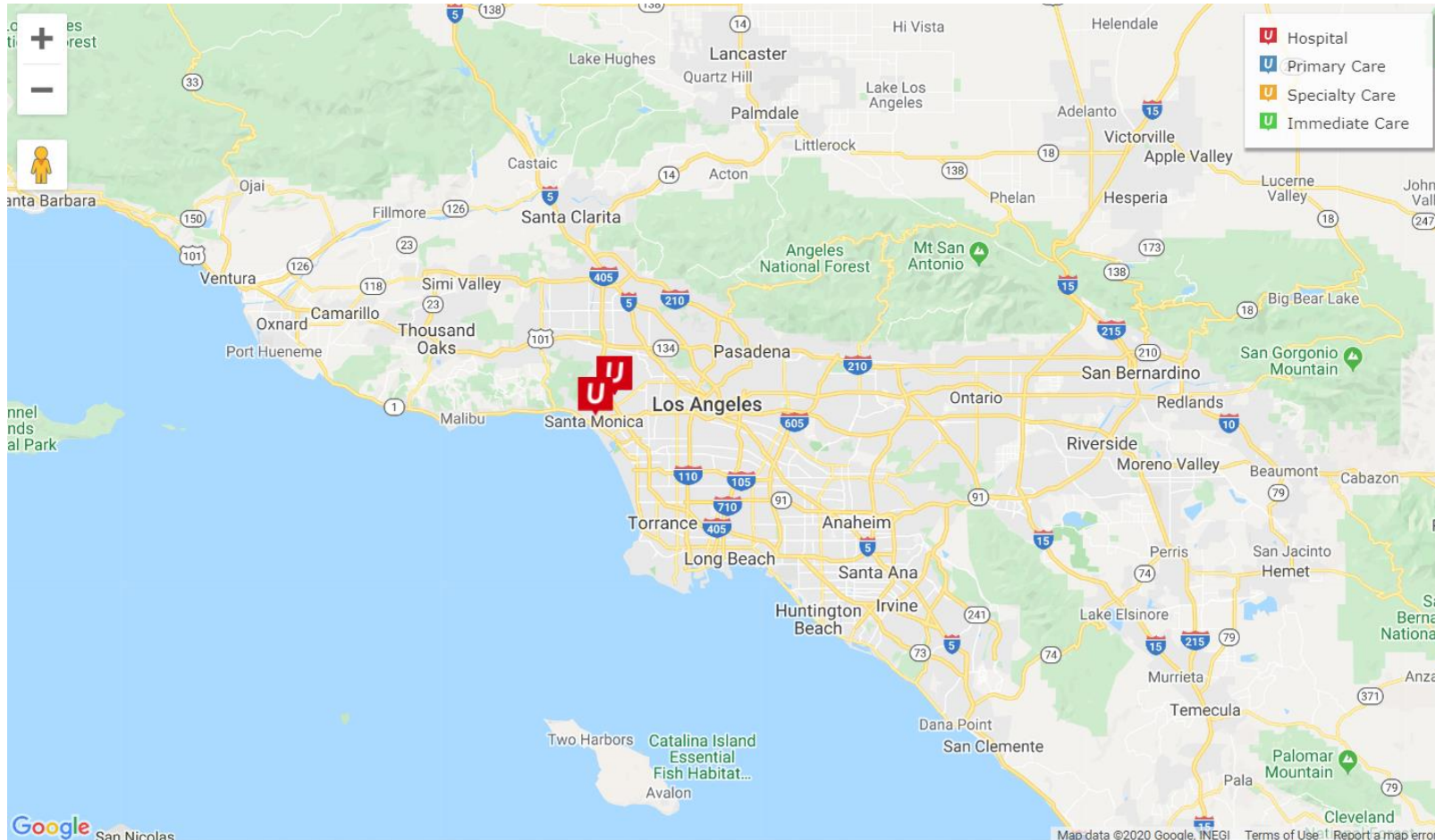
UCLA Health providers housed in other hospitals via open-staff privileges

## Promotion

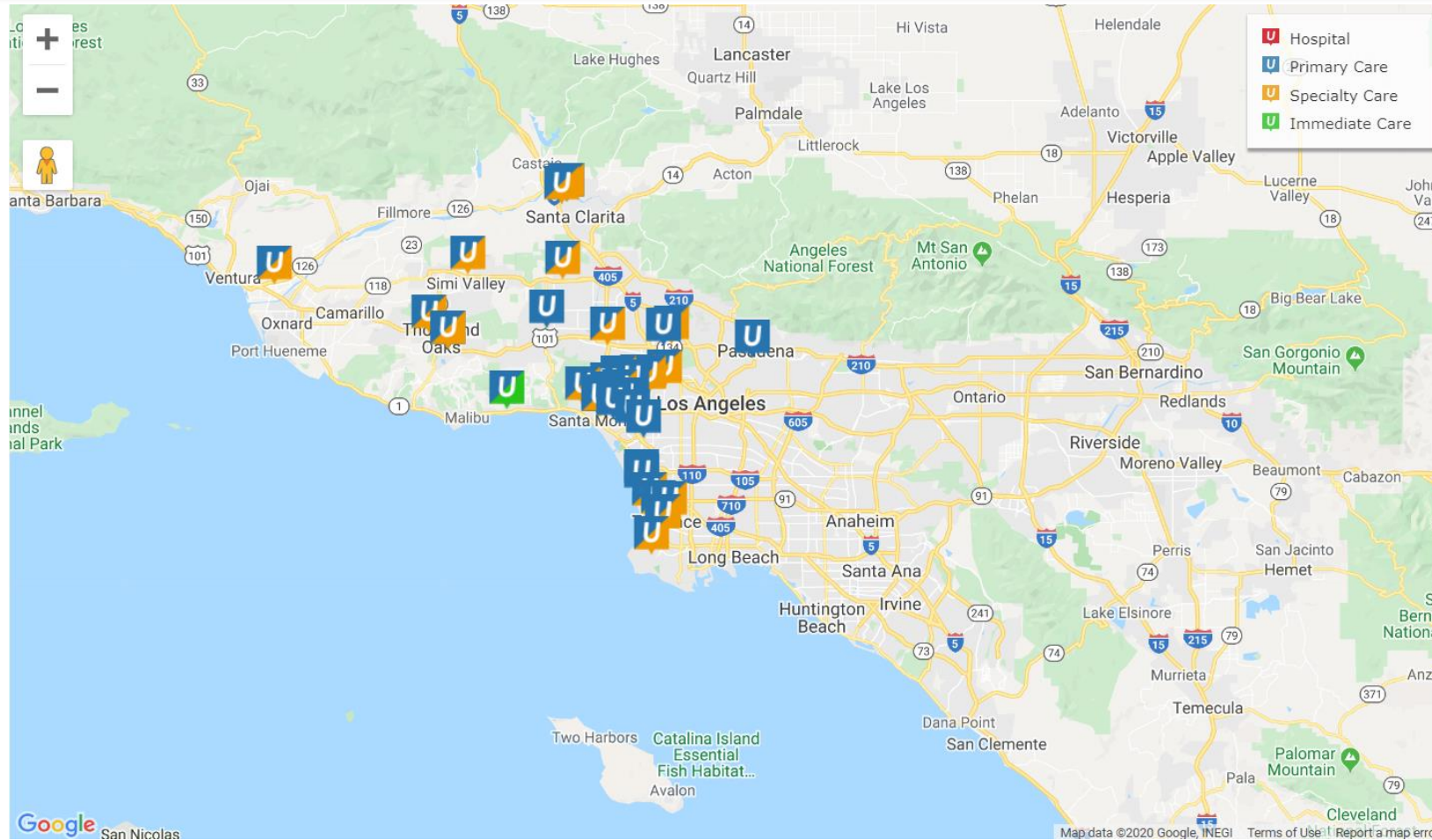
Using the public relations/marketing/expansion teams from UCLA Health to initiate the direct-to-employer partnership with Wescom



# Appendix N. UCLA Health – Hospital Locations (4)

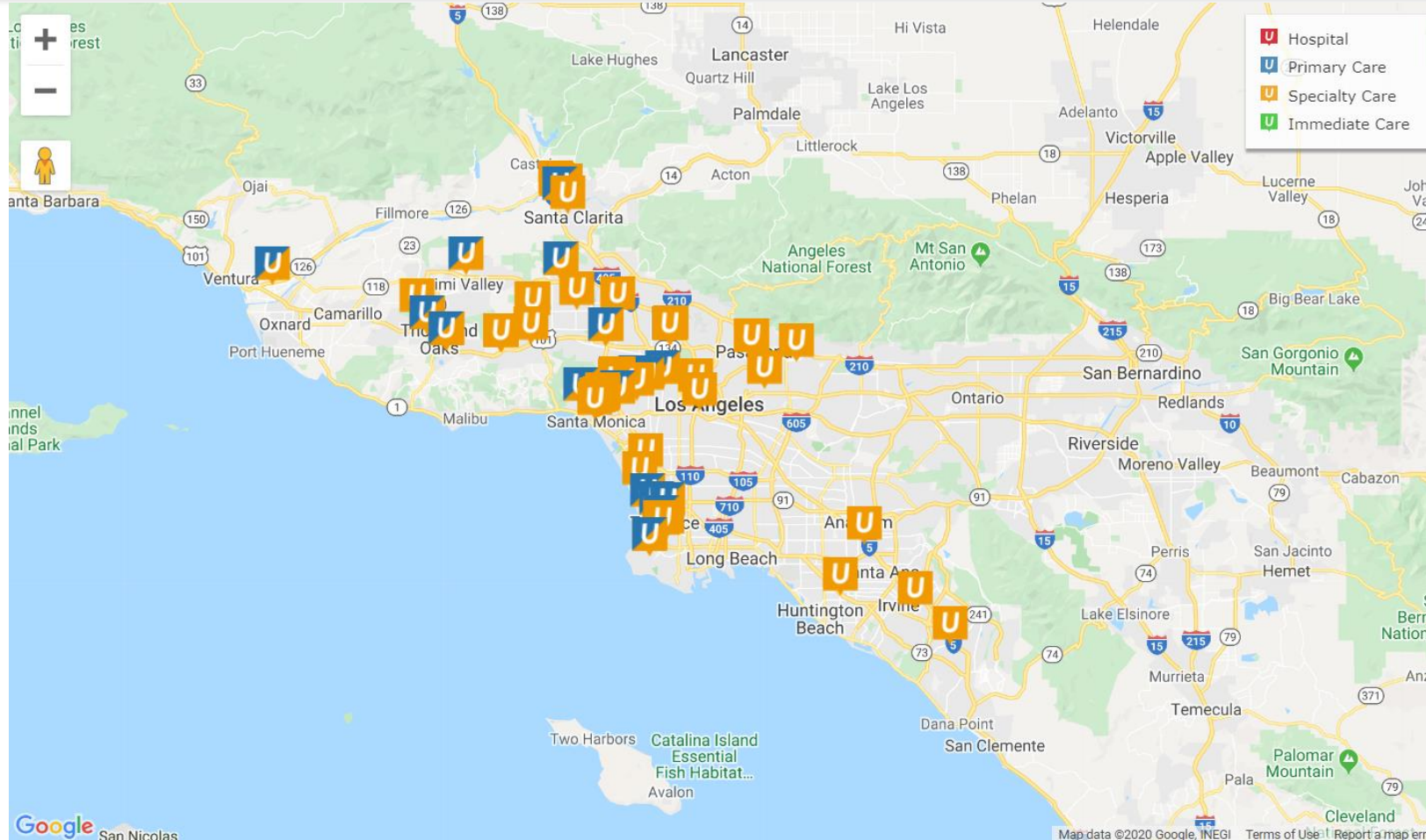


## Appendix O. UCLA Health – Primary Care Locations (55)

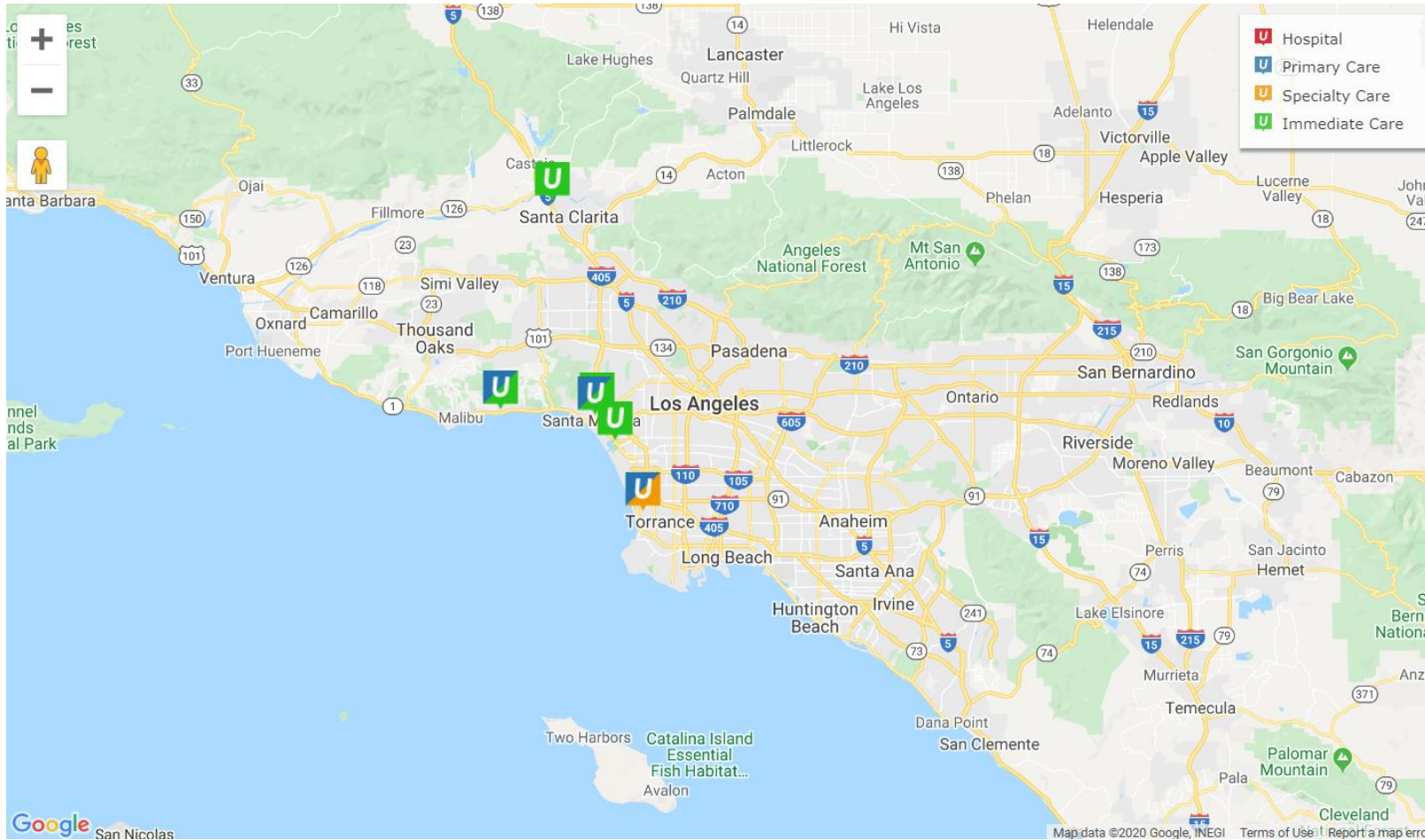




# Appendix P. UCLA Health – Specialty Care Locations (144)



# Appendix Q. UCLA Health – Immediate Care Locations (6)





# Appendix R. Assumptions

- Wescom is interested in cutting out third party insurance from their benefit package
- UCLA Health will continue their open staff model for the foreseeable future
- Wescom employees and dependents totals to 1,200 individuals
- UCLA Health providers do not live within 20 miles of Ronald Reagan Medical Center or other UCLA Health Hospitals
- Wescom employees live within a 10-mile radius of the Wescom branch they work for
- 2-3 UCLA Health providers live within a 10-mile radius of a potential partner hospital and are willing to work part-time at said partner hospital rather than commuting to a UCLA Health hospital
- Current Wescom contracts with Blue Shield of California and Kaiser Permanente will end within 5 years
- Wescom demographics will stay relatively stable for the foreseeable future (majority of employee makeup will remain under 40)

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