The Medical Fitness Imperative

PART ONE: WHAT AND WHY?

More than a building, and much different than a “fitness gym”, medically-integrated fitness is an important new department of medicine that will influence the future of healthcare around the world.

Here is the case for expanding the core healthcare business model to embrace the idea that exercise is medicine, that lifestyle choices play a key role in the prevention and treatment of chronic disease, and that prevention is fundamental to the mission of healthcare. This is a comprehensive overview of why hospitals must be in the business of prevention.
Preface

Intent and Purpose
To give the healthcare professional an arsenal of reasons why hospitals must be in this business.

What is Medical Fitness?
More than the programs and services that are typically found in a commercial health club, medical fitness is the synergy that happens when exercise professionals work collaboratively with healthcare professionals to improve the patient care and inform the exercise experience.

What is a Medical Fitness Center?
As the physical headquarters for a hospital’s community health initiatives related to disease prevention, injury rehabilitation and chronic disease treatment, a medical fitness center is the venue for delivery of medically informed exercise and diet.

Medical Fitness Centers offer a diverse menu of exercise-based wellness programming to patients, members and non-members. Highly trained, properly credentialed fitness professionals work in client-focused collaboration with clinical professionals. Centers are financially sustainable because they charge for their services through membership dues, ancillary fees and third-party reimbursements.

A NATIONAL TREND
According to the Medical Fitness Association, an international organization established in 1991, clinically integrated fitness facilities have increased from fewer than 100 in 1991 to more than 1000 centers nationwide in 2009.

DID YOU KNOW?
“Through the guidance of professionally educated fitness staff, wellness aspirations can be achieved in vibrant, energetic and safe medical fitness environments. These are places where patients, members and guests can enjoy the company of friends, neighbors and family.”

Craig Livermore
CEO
Delnor Community Hospital

Tri City Wellness Center - Carlsbad, California
Introduction

“With our health care system continuing to be stressed and the incidence of disease on the rise, the need for a more medically supervised, integrated, outcomes- and accountability-based fitness platform has never been more relevant in our industry than today. The Medical Fitness Association (MFA) is committed to supporting the successful operation or these types of health and fitness centers.”

Ken Germano
Executive Director
Medical Fitness Association

Mission
Bring the health benefits of exercise to the hospital’s constituency through both member and non-member programming.

Vision
Make a measurable difference in the health status of our nation through the promotion of active lifestyles, medically informed exercise and the elimination of unhealthy habits.

Values
» Be financially self sustaining
» Serve members and non-members
» Be more than a building
» Serve a variety of ages
» Respect privacy
» Encourage social connectivity
» Be integrated with outpatient medical services
» Recognize the importance of diet
» Include physician support and oversight

NEW REVENUE STREAM

Far from being a drain on hospital resources, a well-planned fitness center is a new service line that can be a self-sustaining operation and boost your downstream clinical revenue even as it supports other healthy community initiatives.

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The prevention of disease is a powerful idea whose time has come. Every week, at both national and local levels, there is media coverage highlighting the personal accountability that links diet, exercise and good health. Healthcare reform measures focus on the cost effectiveness of accountable care. Numerous best sellers explore the concept of exercise as medicine and focus attention on the importance of doctors concerning themselves with lifestyle problems and the potential of preventive medicine—in the form of exercise prescriptions and dietary guidelines—to prolong and enrich life.

Just as the hospital of today is not complete without a full service pharmacy, the hospital of the future will not be complete without a medically supervised and professionally staffed Fitness/Wellness Center. Given the competition for capital dollars in most healthcare organizations, the arguments for hospitals to make this investment must be compelling… and they are!

» The private sector of commercial athletic clubs and fitness centers is not getting the job done. They all compete for the same 15% of the population that are pre-disposed to exercise - leaving the 85% who are most at risk to fend for themselves in a gravitational field that pulls strongly toward unhealthy lifestyles.

» The public sector of municipal and collegiate recreation centers are similarly ill-equipped to attract and serve this elusive 85%.

» Doctors are doing the wrong job well...that is the treatment of disease, rather than the prevention of it. Medical schools don’t teach treatment of lifestyle problems, corporate interests are often linked to unhealthy commercial influences (such as the prevalence of fast food diets) and insurance companies won’t pay for many kinds of preventive “healthcare” interventions.

» The emergence of Accountable Care Organizations (ACO) will turn healthcare’s traditional “sick care” delivery model upside down. ACOs will be responsible for defined populations and paid on a capitated basis. ACOs will be incentivized to keep their constituencies healthy and minimize their need for expensive medical interventions.

**IMPROVED OUTCOMES**

Hard data is being developed globally by researchers as to how regular exercise reduces health care costs. The findings are compelling. It is clear that the accountable care organizations (ACOs) of the future that choose to include fitness and wellness programming will out-perform ACOs that don’t invest in these types of prevention programs.

**DID YOU KNOW?**

Institute for Healthy Living at Good Shepherd Longview, Texas

If hospitals won’t take the lead on this community healthcare challenge, who will?
Why Medical Fitness?
The Benefits Are Compelling.

Regular exercise and a healthy diet help fight many of the nation’s most prevalent chronic diseases: Heart Disease; Lung Conditions; Hypertension; Diabetes; and Arthritis. Introducing a medical fitness center to your market creates numerous benefits for the community, your employees and your institution:

> **Make money.** A well-executed center will be self-supporting and generate retail revenues outside of normal reimbursement channels that can be used to support important non-profit programs for the hospital.

> **A destination for healthy living.** A successful facility will become the community’s hub for wellness and healthy living. It will also contribute to a more productive workforce. Sixty percent (60%) of medical fitness members have never joined a commercial gym. A hospital’s credibility as a healthcare expert allows it to capture at-risk populations and become a high-profile contributor of health expertise in the local media.

> **An enhanced continuum of care.** An integrated center will improve and expand your rehabilitative services, in turn increasing your staff’s abilities to care for their patients for the entire arc of recovery.

> **Potential for increased clinical revenue.** With a medical fitness center, more people will be attracted to your organization’s other healthcare services. This influx of new customers increases market share, develops brand familiarity, and positions you as a preferred healthcare choice within the community.

> **Growth in patient and brand loyalty.** A medical fitness center will enhance the public perception of your institution as a comprehensive healthcare provider, and increase referral patterns to your hospital.

> **Improve employee health.** Up to 20% of a hospital’s employee base will join and use a medical fitness center, ultimately reducing employee healthcare costs.

> **Central base of operations.** A medical fitness center can become a center for community outreach initiatives that support healthy lifestyles and impact the health habits of the non-member population.

> **Enhance physician recruitment.** These facilities become attractive community amenities. As such, they are assets that offer measurable payback in the form of reduced staff turnover and improved recruitment.

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Chelsea Community Hospital Wellness Center
Chelsea, Michigan

DID YOU KNOW?

**IMPROVED PATIENT RETENTION**

Did you know that members of medical fitness facilities are 25% more likely to choose the affiliated hospital for their medical service provider than another medical facility they know of? *

* survey of Illinois-based medical fitness centers
Why Medical Fitness?

The Tough Questions Answered

“Wellness? Preventive medicine? Sounds good, but eventually, even the most healthy people get old, get sick and then die. 28% of healthcare dollars are spent on a patient’s last year of life. At the end of the day, can any money really be saved?” This means that 72% of healthcare dollars are consumed by non-terminal patients and we know that 70% of those patients are being treated for preventable, lifestyle-related conditions. The potential for savings through preventive interventions and adoption of healthy lifestyles is enormous.

“We're a hospital. Our core competence and income stream is related to caring for the sick and injured. How will we make money by keeping people well?” In an accountable-care, capitated-payment world, prevention of disease might just be the only way to make money in healthcare.

“Membership in a medical fitness center is an expensive luxury that many in our community cannot afford. How do we justify a $15 million investment that will serve, at best, four or five thousand of our most affluent customers?” When these facilities are well-conceived, they will not only be self-sustaining, they will generate profits that can be diverted to support other important hospital health initiatives.

“Hospitals have many demands on limited capital resources. How do we finance this thing?” As with all real estate development, projects with strong business plans and creditworthy backing will attract financial support.

“Where will we get the members?” New members will come from the ranks of deconditioned first-timers, rehab referrals, physician referrals, mainstream exercisers and friends/family of employees.

“How will we keep them as members?” Members will stay for a variety of reasons, including longevity, appearance, vitality, sports performance, social connections (member to member and member to staff), status and need for expertise regarding diet, exercise and safety.

“What are the returns on investment (ROI) for the hospital?” ROI includes community goodwill, brand status, increased brand awareness, new patient referrals, additional revenue/service lines and market share halo-effect, as well as significant new revenue streams and service lines.

Saint Francis Health & Wellness Center
Cape Girardeau, Missouri

THE PATIENT PROTECTION AND AFFORDABLE CARE ACT OF 2010

The Act promises to bring increased access, improved quality and lower health care costs. Hospitals will see both a marked increase in patients and a decrease in reimbursement rates.
Call to Action

THE COMING CRISIS IN HEALTHCARE

• Chronic diseases are responsible for 7 of 10 deaths.
• Chronic lifestyle related diseases account for 81% of hospital admissions, 91% of prescriptions and 76% of physician visits.
• 13.5 million people have coronary heart disease.
• 8 million people have adult-onset diabetes.
• 50 million people have high blood pressure.
• Over 60 million people are overweight.
• Treatment of chronic disease accounts for 75% of healthcare spending.
• Nearly 45% of Americans suffer from at least one chronic disease.
• The increase in chronic disease treatment accounts for 2/3 of the rise in healthcare costs.
• Healthcare costs for people with a chronic condition average 5 x higher than those without the condition.
• The CDC estimates that eliminating the three primary risk factors – poor diet, inactivity and smoking, would prevent 80% of heart disease and stroke, 80% of type II diabetes and 40% of cancers.

DID YOU KNOW?

EVER-GROWING NUMBERS

The industry has experienced a 6% yearly growth rate since 2003. This is coupled with an impressive growth rate in membership numbers, which currently exceed 3.3 million and is poised to surpass 4 million total members in the next 4 years.

The Next Steps

STEP 1  Circulate Part 1 (What and Why) of “The Medical Fitness Imperative”, to Hospital Leadership

STEP 2  Circulate Part 2 (How and Where) of “The Medical Fitness Imperative”, to Hospital Leadership

STEP 3  View an Informative Webinar for Upper Management Stakeholders

STEP 4  Invite The Medical Fitness Alliance to Give an On-Site Symposium for C-Level Officers and Board Members

STEP 5  Schedule a Guided Benchmark Tour of Existing Successful Medical Fitness Centers for Hospital Leadership

STEP 6  Undertake Commercial Engagement of the Development Team

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About The Medical Fitness Alliance

We are an informal multi-disciplinary consortium of believers in and practitioners of medically informed fitness. Each company is independently owned and operates at arm’s length in non-exclusive collaboration. Our areas of focus include business planning, facility design, real estate development, operational management and marketing. Although each company is commercially involved in the medical fitness industry, the overall mission of the Alliance is to promote the industry of medical fitness by raising awareness among healthcare leadership.

The Alliance includes:

Power Wellness - Operations and Programming
Meritage Healthcare Strategies - Feasibility and Business Planning
Ohlson Lavoie Collaborative - Planning and Design
Pratt Marketing Group - Sales and Marketing

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