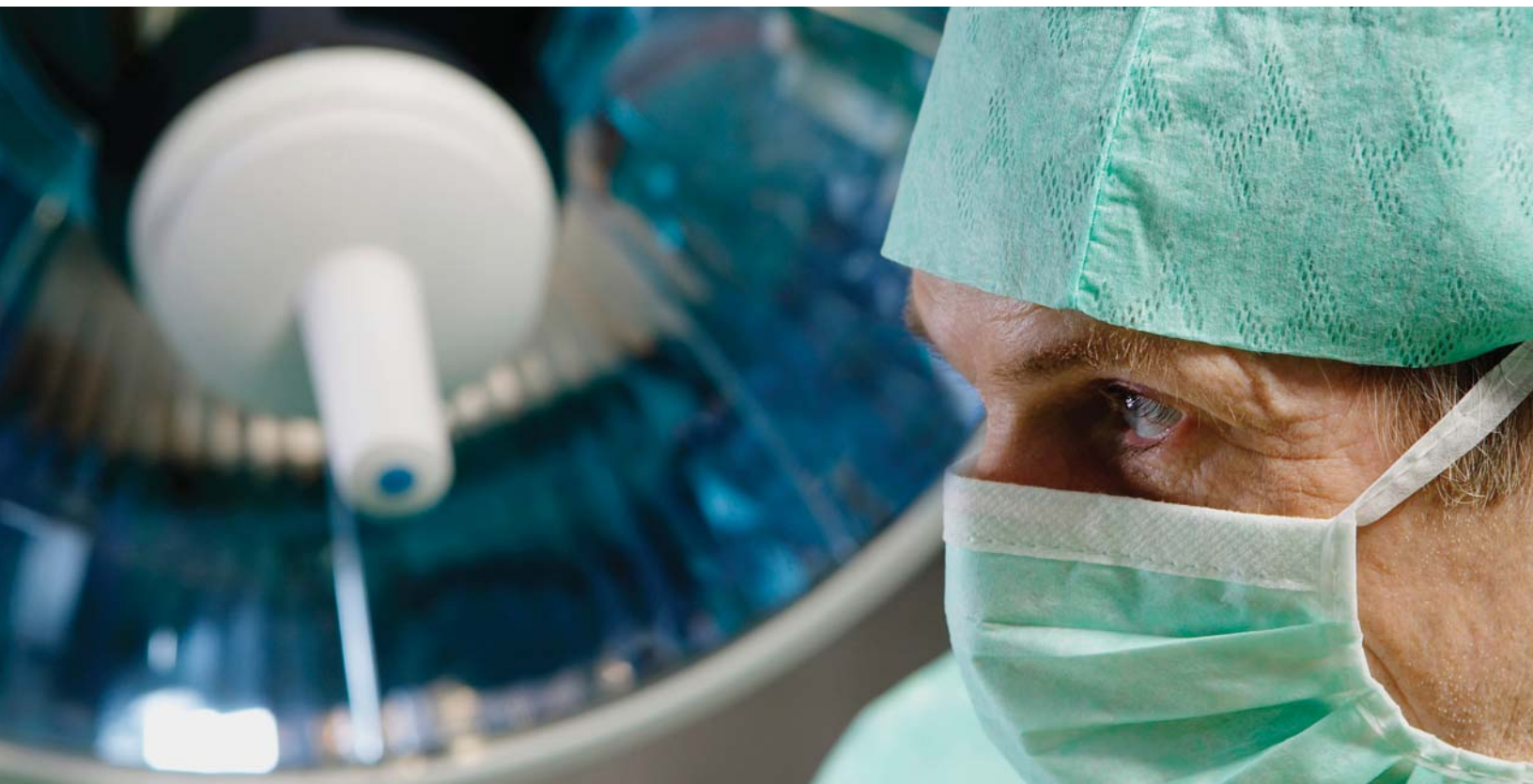


FIND THE UPSIDE™

MARSH



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GUY CARPENTER OLIVER WYMAN



Managing Your Risk in HEALTH CARE

Every organization faces risks. While some are shared across all industries, others arise from the unique circumstances within a particular sector. All need to be fully addressed to create effective risk management strategies.

At Marsh, we understand that finding the opportunity behind the risk means knowing just as much about *your* industry as we do our own. That's why we have over 550 dedicated professionals in our HealthCare Practice. By applying this focused expertise, we help our health care clients move beyond simply managing risk and begin using it to create strategic advantages.



HealthCare Practice At a Glance

- Specialties including:
 - Academic Medical Centers
 - Hospitals
 - Integrated Delivery Systems
 - Long-Term Care
 - Senior Housing
 - Managed Care
 - Pharmacy Benefit Managers
 - Physicians
- Thousands of health care clients including:
 - 22 of the top 50 integrated health networks
 - 11 of the top 20 managed care organizations
 - 10 of the top 20 assisted living chains
 - More than 190 health care captives
- Educational publications
- Leadership in national forums
- Tailored training programs

Strategic Industry Perspective: The Health Care Makeover

Health care is undergoing an abrupt makeover, changing the way it has looked for the last 50 years. A number of long-term trends have emerged, creating unsustainable stresses in the system. In many respects, the crisis in health care represents a classic problem of demand and supply. And of course there's the looming question: *"Who's going to pay for it all?"*

Booming Demand

The demand for health care services is booming. Incredible advances in medical care have contributed to increased longevity. With this benefit comes the pressure of delivering more services and the skyrocketing cost of care. And, with more patients requiring more care over longer periods of time, the increase in malpractice lawsuits will undoubtedly continue.

Further complicating the situation is the growing number of uninsured people in the United States, currently estimated at 47 million. Our legal system provides individuals with the right to receive treatment, regardless of their ability to pay. As a result, booming demand does not automatically translate into increased revenues.

Stressed Supply

Rising costs, pay-for-performance (P4P) initiatives, and a disconnected array of state-by-state programs create a challenging picture for the supply of health care services.

Most significantly, the Centers for Medicare & Medicaid Services (CMS) and The Joint Commission have been rolling out performance measures for the past several years. These include both process and outcome measures of patient care which soon will be joined by customer perceptions of care.

Legislation requires CMS to expand this effort and develop a true P4P program by its 2009 fiscal year. As a result, hospitals' financial risks will continue to mount. In addition, this performance information is becoming more transparent to health care consumers every day, leading to the emergence of "consumer-driven" care.

The stress of meeting the burgeoning demand for service becomes apparent as you add to these facts the shortage of qualified nurses and physicians.

Select Health Care Issues and Solutions

The challenging health care environment has given rise to new risks and heightened concerns with traditional risks. We continue to be innovators in responding to the emerging trends in the industry.

Selected Issues	Solution Highlights
P4P	Our clinical consultants provide gap analyses on quality activities, patient safety culture assessments, and procedural improvements. The end goal is to help you protect your revenue.
Accreditation	Our clinical consultants provide mock surveys, training, procedural design, and guidance on Joint Commission compliance initiatives. We also review high-risk operational and macro-level accreditation issues to assist you in obtaining or renewing your accreditation.
Data Security and Privacy	We provide security analysis, pre-data breach guidelines, and post-breach activities for identity theft notification, monitoring and repair, as well as public relations management. Our objective is to help you maintain your reputation and assist you with HIPAA compliance.
Nurse and Physician Shortages	Our management consultants provide compensation studies and design benefit programs based on an assessment of the local market value for professional staff. Using these services, we can help you attract and retain the talent you need.

In addition to these solutions, we combine our insurance placement expertise with the industry knowledge found in our HealthCare Practice to provide you with the coverage you need at a competitive price.

We also provide an inventory of benchmarking reports so that you can make informed decisions for your organization. These reports can be customized to reflect your specific peer group and address a wide range of coverage types including professional liability, executive liability, casualty, workers' compensation, property and environmental.

Of particular interest, our *Hospital Professional Liability Benchmarking Report* can help you better understand the source, frequency and severity of your claims.

A Dynamic Approach

Helping you address the challenges you face starts with looking at the world from *your* perspective. We seek to understand your overall business challenges as well as your financial and operational objectives. We identify and prioritize the risks faced by your organization. Then, we work with you to build sensible and comprehensive solutions to help you effectively manage those risks today and in the future.

The result is a complete solution incorporating not only coverage and services but also the internal policies, tools and procedures you may want to put in place to construct a risk governance architecture. It's a dynamic approach that is mindful of both long-term strategy and short-term needs.

A Comprehensive Suite of Services

Insurance Brokerage				
<ul style="list-style-type: none"> ■ Health Care Professional Liability ■ HMO Reinsurance ■ Provider Excess Loss 	<ul style="list-style-type: none"> ■ Managed Care Errors and Omissions Liability ■ Equipment Maintenance ■ Property 	<ul style="list-style-type: none"> ■ Casualty ■ Workers' Compensation ■ Directors and Officers 	<ul style="list-style-type: none"> ■ Employment Practices Liability ■ Health and Benefits ■ Environmental 	<ul style="list-style-type: none"> ■ Surety ■ Captives
Advisory & Risk Management Solutions				
<ul style="list-style-type: none"> ■ Voluntary Attending Physician (VAP) Programs ■ Patient Safety Consulting ■ Pandemic Planning ■ Clinical Risk Consulting ■ Business Continuity and Emergency Response Planning ■ Behavioral Health Solutions 	<ul style="list-style-type: none"> ■ Claim Services ■ Identity and Data Protection ■ Intellectual Property Protection ■ Security Systems Analysis ■ Enterprise Risk Management 	<ul style="list-style-type: none"> ■ Property and Environmental Consulting ■ Alternative Risk Transfer ■ Forensic Accounting 	<ul style="list-style-type: none"> ■ Crisis Management and Communication ■ Brand Development ■ Reputation Protection ■ Insurance-Related Merger and Acquisition Due Diligence Services ■ Organizational Transformation 	<ul style="list-style-type: none"> ■ Background Screening ■ Work-Force Management Strategies ■ Leadership Development ■ Safety Consulting ■ Employee Communications ■ Compensation Evaluation ■ Employee Benefits Due Diligence

Marsh

Marsh is the world leader in delivering insurance brokerage, risk management, and related advisory services and solutions to clients of all sizes across the United States and internationally.

Marsh is an operating company of Marsh & McLennan Companies, Inc. (MMC). The MMC operating companies include Marsh, Mercer, Kroll, Oliver Wyman and Guy Carpenter. All are leaders in their fields, recognized globally for providing quality service, value and expertise.

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