



# Center for Healthcare Economics and Policy



EXPERTS WITH IMPACT™



**THE IMPORTANCE OF HEALTHCARE ECONOMICS**

Healthcare economics is the application of empirical techniques and analytical theory to questions concerning how best to provide healthcare services to meet the needs of a population.



# FTI Consulting's Center for Healthcare Economics & Policy

In a time of innovation, resource scarcity, excess demand, risk, and uncertainty, choices must be made about strategic prioritization, resource management, and operational viability. Health economists illuminate these opportunities and provide guidance for the health sector to determine ways of judging the success of health policies, interventions, and new technologies.

The Center for Healthcare Economics and Policy applies cutting-edge economics and quantitative methods to assist clients to develop and implement solutions across a wide spectrum of healthcare and life science industry activity. We customize our advanced modeling and economic analytical capabilities using extensive proprietary and public data, regulatory and policy expertise and our diverse team of PhD economists, analytic consultants, and industry experts to address complex client issues.

## **Our People**

Center experts include PhD economists with specialized health economics expertise across many applications with private and public sector experience, supported by analytic consultants and expert modelers. We benefit from an Advisory Board of industry leaders and the ability to draw on practitioners and professionals from across FTI's strong multidisciplinary practices.

## **Our Expertise**

The Center specializes in economically-sound, evidence-based analytics applied to complex issues of healthcare delivery and transformative change, competition, disputes, market access, and regulatory change for a wide range of clients. We use causation analysis and predictive modeling accounting for uncertainty and risks to quantify effects of actual or proposed changes across healthcare and life sciences industry. These proactively frame opportunities to optimize resources in a practice international in scope with tested applications and locally relevant data to yield strategies and solutions informed by sound economic principles.



**ECONOMIC ADVISORY SERVICES**

As challenges facing the healthcare and life sciences industry continue to grow, our experts work together to provide evidence-based and strategic approaches to address critical client issues.



## — Overview



M&A, Antitrust & Competition



Disputes



Regulatory Policy



Modeling & Transformation



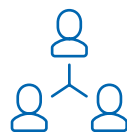
Health Economics & Outcomes  
Research & Market Access



Strategic & Management  
Consulting



Enhanced Community  
Healthcare Assessments &  
Economic Impact Analysis



Our Team

# M&A, Antitrust & Competition

Our economics team brings unique insights and advanced analytics from extensive experience on M&A transactions and competition issues across healthcare, life sciences, and other industries contributing expert solutions to complex investigatory, transaction, regulatory, and litigation matters. Our economic analyses inform expert testimony in the U.S. and internationally, supported by economic and industry research and advanced modeling, using extensive data sources.



## Antitrust and Competition Expertise

We bring experienced economic experts and right-sized teams to assist clients and law firms before U.S. and international agencies and courts – for privileged consulting, disputes, and expert testimony on mergers, business practices, contracting, class certification, damages, and pricing.



## Economic Analyses of M&A

U.S. & International: We analyze competitive effects and consumer benefits on hospitals, physicians, devices and pharmaceuticals from pre-merger to ongoing review; our comprehensive economic analyses of potential risks and benefits of affiliations across all industry levels responds to increased antitrust scrutiny.



## Regulatory Contexts: CON, COPA, Market Inquiry

We provide comprehensive economic analyses on benefits, risks or conditions to advise clients on Certificate of Need (CON) or Certificate of Public Advantage (COPA) cases and assist clients in government market inquiries.



## Benefits of Transformational Change and Consulting for Health Systems and Payors

We bring advanced analytics on transformational changes in infrastructure, location of care, new payment models, compliance, and proactive evaluation of transactions for competitive risk and benefit. Our analyses assist clients seeking to optimize health systems with limited resources to evaluate realignment, investments, and outcomes to show value.



## Economic Research, Healthcare and Industry Trends, and Modeling

We're committed to industry and economic research and advanced economic modeling for complex merger and market situations. Our experts publish extensively in peer-reviewed literature on mergers, healthcare transformation, integrated and new care models, health economics research and participate actively in professional associations.



# Disputes

Clients engage our antitrust, healthcare, and industrial organization expert economist teams to provide economic testimony and privileged consulting in matters involving class certification, liability, market dynamics, and damages in litigation and arbitration matters before U.S. and international dispute forums.

## Our Services

Our experts provide written and oral testimony and privileged economic consulting on antitrust, regulatory, and commercial disputes before Federal, state and other courts and arbitral bodies, and before regulatory and administrative authorities in the U.S. and internationally.

## Our Experience

We offer unparalleled depth in providing expert testimony, economic analyses and quantification of economic impact to many issues. Our deep expertise and experience mean we understand our clients' problems and the interaction between economic evidence and the legal process. No two matters are truly alike, and our expert analyses align in each case to relevant facts, economic environment and intended audience. Our intention is to deliver compelling analyses not only about issues we are asked to address, but why our evidence fits the facts and context at hand.

### — AREAS OF EXPERTISE

Our areas of expertise for disputes:

- Antitrust and Competition
- Mergers and Acquisitions
- Monopolization and Abuse of Dominant Position
- Class Certification
- Damages and Valuation
- Regulatory and Public Policy
- Population Health
- Realignment, Transformation, and Convergence
- Health Economics Research

# Regulatory Policy

The pace of change in healthcare is unlike any other industry. Policies and regulations are constantly being proposed, implemented and later amended to address issues of access, cost and quality. FTI Consulting's Center for Healthcare Economics and Policy team brings the expertise to estimate and has published reports studying the impact of proposed as well as current policies on the healthcare system.

## Our Services

The Center for Healthcare Economics and Policy examines both proposed policies and regulations.

- **Qualitatively** providing background and context to the proposal
- **Quantitatively** evaluating the magnitude of potential effects of the proposed policy change

Our analysis focuses on providing unique insights to policymakers and companies to help inform decision-making.



## — OUR EXPERIENCE

### Studies on the Effects of

- State & Federal Public Option Plans
- Medicaid Expansion
- Marketplace Reforms

### Effects Studied:

- Enrollee Premiums
- Overall Insurance Coverage
- Source of Coverage
- Hospital Finances
- Supply of Physicians or Nurses

## Our Approach

### Context

- How is the industry functioning currently?
- What are the problems being targeted?
- How will conditions interact with policy?

### Research

- What has previous research shown?
- What does economic theory predict?
- What unintended consequences might result?

### Analysis

- Identify the best data
- Employ the most appropriate and informative techniques



# Modeling & Transformation



Because providers, insurers, and governments operate in a dynamic healthcare environment, simple trend extrapolation may not suffice for sound predictions. The Center’s microsimulation models are appropriately detailed for economically sound estimates – able to assess change initiatives while explicitly accounting for changes in population, diversity, and economic growth.

## Quantifying the Impact of Innovative Models of Care on Health Status and Costs

Quantifying the impact of innovative care models requires modeling diverse populations and linkages of changes in population growth and diversity, disease incidence/prevalence, care delivery, provider resources, and utilization. Evaluating the impacts of changes proposed by providers, health plans and accountable care organizations is made possible by our comprehensive and customizable models [see graphic], linking **three core modules**: base population, healthcare resource, and forecasting.

## Questions We Can Help Answer

- Which strategic efforts will have the greatest effect in reducing healthcare inequalities?
- What effect will a particular investment have on the needs of patients with specific chronic conditions?
- Will my organization or area have the health, mental, and social care resources to meet future needs?
- How will reform affect demand, utilization, and the mix and supply of providers in my area?
- How does utilization vary within my region, and will that variation change over the next five to 10 years?
- What impact will greater provider integration have on resource utilization?
- How will prevalence of certain health issues or chronic conditions change over the next 5 to 10 years?





# Health Economics and Outcomes Research & Market Access

Center economists have expertise generating state-of-the-art health economics & outcomes research (HEOR) evidence to support life science products' commercialization.



## Policy Analysis

**Shift the debate.** Change how payers, health systems, and policymakers view a disease area or treatment using FTI's experience developing robust evidence and applying innovative thinking.



## Value Measurement

**Capturing your product's full value.** FTI professionals have developed cost-effectiveness models across a variety of disease areas, from rheumatoid arthritis to oncology. Our team provides state-of-the-science approaches for quantifying treatment value broadly.



## Real-world Evidence

**Making it real.** FTI's team of researchers has broad skills working on a variety of data sources including health insurance claims data, electronic health records, laboratory data, patient registries, and others.



## Patient-centered Research

**Putting patients front and center.** Being patient-centered means not only understanding what patients want but examining how they make tradeoffs across treatment attributes. Center staff are leaders in conducting discrete choice experiment surveys to quantify the value patients, caregivers, physicians, and other stakeholders place on different treatment alternatives.



## Market Access

**Translating evidence to access.** FTI Consulting engagement strategies ensure a favorable launch environment, including innovative market access, pricing, and reimbursement models and companion diagnostics. Our team has extensive experience conducting market landscape analysis and stakeholder insight generation.

# Strategic & Management Consulting

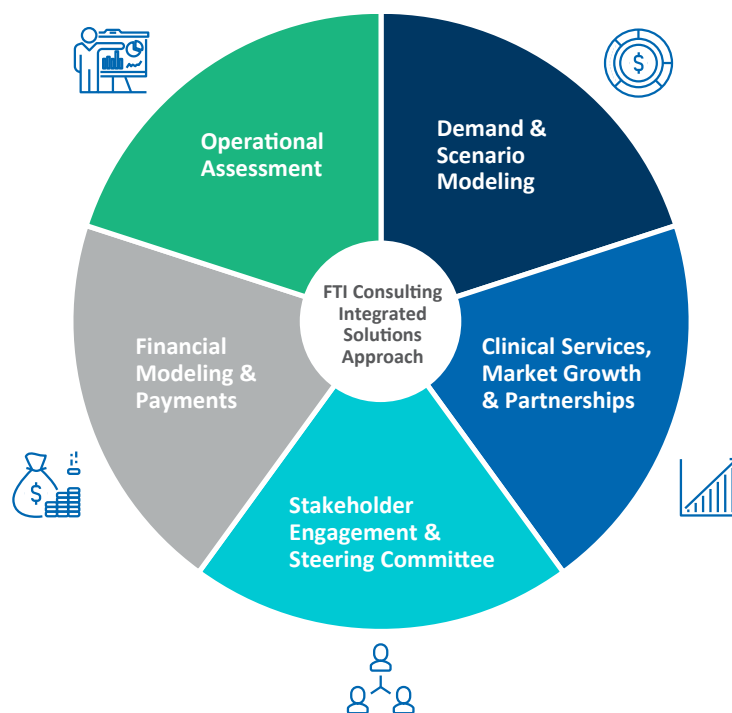
Center economists bring advanced analytics and industry expertise to help clients solve their most pressing challenges – current and future demand, optimizing or reconfiguring system assets, and assessing outcomes and benefits from change. Our rigorous, proactive analyses of investments in technologies or facilities or changes in services or capacity help identify strategic choices, regulatory risks, and benefits.

## Methodologies

- **Discrete Choice Modeling:** Provides insights into many different supply changes and the predicted changes in consumers' choices
- **Gap Analyses:** Provide tools to examine service offerings, capacity, or physician staffing and how they align with current and future demands
- **Demand Projections:** Use data-based methods and microsimulation models incorporate changes in population, disease conditions, behaviors, and interventions
- **Scenario Testing:** Assesses hypothetical interventions or changes to project outcomes and costs to support decisions or shifts to risk-based contracting

## Applications

- **Siting Decisions:** Expected patient volume at potential new facilities; competitive impact
- **Network Expansion:** Identify which health system changes align with patient demographics, demand, and competition
- **System Reconfigurations:** Measure the impact of new health system technology or facilities; determine which services are optimal candidates for capacity realignment; model patients respond.
- **Facility Closures:** Determine whether health systems will retain patients, and if not, where they would go.





Our economic experts bring extensive health-related expertise to address client needs across the healthcare and life sciences industry and as proven partners on work and regulatory reviews before U.S. and international agencies. Our consulting work includes advising private equity clients on M&A and regulatory issues, market sizing, profitability analysis, and creating the value proposition for healthcare products and services.



#### Market Assessment

We evaluate marketplace disruptions and new technology for estimates of market size and expected changes. Our team of PhD economists and econometricians develop empirical models to appraise demand and produce reliable forecasts for healthcare products and services.



#### M&A, Antitrust and Competition Assessment

We conduct risk analysis to evaluate threats to regulatory approval and scenario analysis of alternatives to address concerns. We apply deep experience on competitive effects and consumer benefits of transactions before global agencies in the healthcare and life science industry.



#### Customer Assessment

We design and conduct bespoke surveys to gather information on customer satisfaction, willingness to switch and brand perception to support sound future business projections. We bring a global team of healthcare and communications experts to work with clients to assure results align with needs and timelines.



#### Value Proposition Development

We work with clients to develop compelling value propositions for products. Where payoff is unknown we quantify payoff with economic, data-driven approaches supported and leveraging existing studies.



#### Financial Assessment

Pressure-testing company financial models aids in making go/no-go decisions – we evaluate assumptions, sensitivities, reasonableness, and offer alternatives when appropriate.

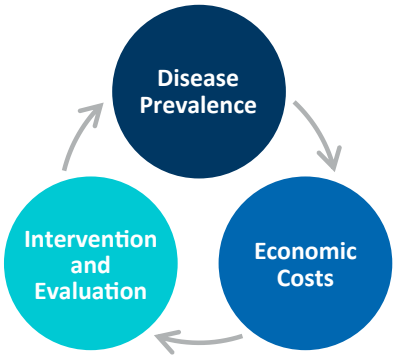


#### Enhanced Profitability Analysis

Cost centers used in accounting may be too broad to allow for robust product or market-level profitability analysis. We layer critical detail onto P&Ls to allocate costs and identify avoidable costs, providing key information needed to streamline a business.

# Enhanced Community Healthcare Assessments & Economic Impact Analysis

Improving the health of local populations requires evidence-based strategies to address the economic and health impacts of chronic disease conditions. Our cutting-edge modeling informs the extent of chronic health burdens and improves effectiveness of interventions to reduce them. Our Center team applies advanced methods to assist clients in their community health impact and action reviews; and advanced analytics to quantify economic impact and community benefit.



## Enhanced Community Healthcare Assessments

Economic prosperity and health are linked: poor health challenges the vitality and competitiveness of businesses and cities. The Center provides clients – health systems, multi-sector collaboratives, payers, and business leaders – with customized modeling, locally relevant data, and extensive national experience working with stakeholders across sectors to identify issues, apply actionable data, and find best practices for impactful courses of action.

## Integrated Economic Impact Studies

We use state-of-the-art methods and customized reports to assist clients seeking to measure the full economic and community benefits of their operations and investments. Our approach incorporates economic value created by health systems and organizations. We assist clients across many sectors by assessing economic impact of construction, technology, or investments.

### METHODOLOGIES

- **Disease Prevalence:** We leverage demographic and prevalence data for comparative local health status analytics across disease conditions and peer areas.
- **Intervention and Evaluation:** We combine data science and customized scenario models and informatics analysis to assess care and payment model interventions.
- **Economic Costs:** Using unique evidence-based models and data sources, we quantify utilization costs and economic costs from lost productivity.
- **Cites, Regions, Systems:** We bring a robust collection of health and economic data for extensive peer city and system comparisons and customizable modeling.

# Our Team

The FTI Consulting's Center for Healthcare Economics and Policy team brings unique insights and solutions to complex problems across the entire healthcare and life science industry. Our practice is global with common principles and modeling applied across varied local healthcare contexts. Our client services and ability to respond to client needs are enhanced by our ability to bring in experienced professionals from across FTI Consulting. The Economics team has global reach with experts who have worked in healthcare across North America, Latin America, UK, European Union, Asia, the Middle East, and Africa with private sector and government clients.

## — OUR TEAM INCLUDES:

### Ph.D. Economists

Deep expertise delivering testimony, expert reports, publications, and thought leadership to an array of audiences and stakeholders

### Econometricians

Skilled in the advanced application of quantitative methods to analyze large, disparate datasets

### Healthcare Leaders

Experienced in process improvement and healthcare transformation management

### Forecasting and Demand Modelers

Intuitive in operational modeling and financial performance brought about by policy change

### Former Department of Justice Senior Economist

Equipped with contextual regulatory perspectives and robust examination of critical dispute components

### Data and Health Policy Analysts

In-depth qualitative analyses cut through complex issues, and present findings in a manner that is most impactful for our clients



Margaret Guerin-Calvert

Margaret (Meg) Guerin-Calvert has over 30 years of experience as an economist in the public and private sectors with expertise in competition and regulatory policy, mergers, intellectual property, and litigation.

Ms. Guerin-Calvert leads the Center's comprehensive economic, health, and health disparities impact studies for health systems and regional multi-sector collaboratives.

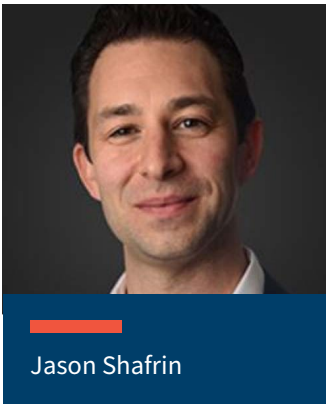
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Susan Henley Manning, Ph.D. has over 30 years of economics and litigation consulting experience, including extensive expertise in antitrust and competition issues, mergers and acquisitions, and regulatory policy analysis.

Dr. Manning uses microsimulation and other economic models to assess the demand for healthcare services and resources, including advanced methods for treating cancer.

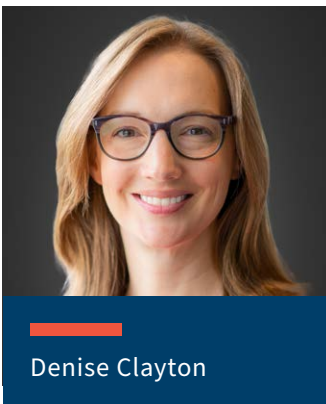
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Jason Shafrin, Ph.D. has over 15 years of health economics research experience serving as trusted advisor and expert to a variety of life sciences companies, governments, and NGOs. An expert in applied health economics and research.

Dr. Shafrin has developed novel methodological approaches to measure the value of new health technologies for the world's largest life science companies as well as the U.S. government. Dr. Shafrin is a lecturer at the University of Southern California and the founder and editor of the Healthcare Economist blog.

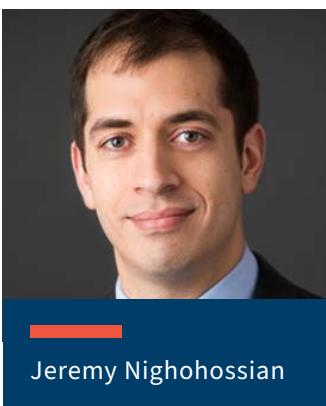
Senior Managing Director | [jason.shafrin@fticonsulting.com](mailto:jason.shafrin@fticonsulting.com) | +1 858 366 3983



Denise H. Clayton, Ph.D. has over 15 years of healthcare economics and analytics experience serving as trusted advisor to healthcare payers, providers, life sciences organizations, and governments.

Dr. Clayton is an expert in health economics with a specialty in impact analysis and program evaluation, health equity, risk adjustment, and quality measurement. Her experience includes cost-benefit analysis, mixed methods program evaluation, real-world data analysis, policy impact analysis, and supply and demand forecasting.

Managing Director | [denise.clayton@fticonsulting.com](mailto:denise.clayton@fticonsulting.com) | +1 919 749 7163



Jeremy Nighohossian, Ph.D. is an expert in analytics and modeling, supporting clients on issues related to health economics and public policy.

Dr. Nighohossian conducts analyses using discrete choice methods in antitrust analysis to estimate bargaining power, damages analysis to calculate revenues lost from changes in payer networks, and in areas where falling demand threatens to close hospitals.

Managing Director | [jeremy.nighohossian@fticonsulting.com](mailto:jeremy.nighohossian@fticonsulting.com) | +1 202 589 2389



# Our Advisory Board includes Health Plan, Government, and Policy Leaders



Michael W. Cropp, MD



President & CEO, Independent Health



George J. Isham, MD, MS



Senior Fellow, HealthPartners Institute



Bill Purcell, JD



Former Mayor of Nashville



Counsel, Frost Brown Todd LLC



W. David Helms, PhD



Senior Associate, Bloomberg School of Public Health, Johns Hopkins University



Former President & CEO, AcademyHealth



# About FTI Consulting

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes. Due to our unique mix of **expertise, culture, breadth of services and industry experience**, we have a tangible impact on our clients' most complex opportunities and challenges.

Individually, each practice is a leader in its specific field, staffed with experts recognized for the depth of their knowledge and a track record of making an impact. Collectively, FTI Consulting offers a comprehensive suite of services designed to assist clients across the business cycle – from proactive risk management to the ability to respond rapidly to unexpected events and dynamic environments.

## Our Largest Industry Groups



Transportation & Logistics



Financial Services



Real Estate



Healthcare & Life Sciences



Energy, Power & Products (EPP)



Mining



Telecom, Media & Technology (TMT)



Retail & Consumer Products



Insurance



# Experts with Impact™

With offices in every major financial center and every corner of the globe, we successfully serve our clients wherever challenges and opportunities arise.

Our clients include Fortune 500 corporations, FTSE 100 companies, global banks, major and local law firms and state and national governments and agencies in the U.S. and other countries. In addition, major U.S. and international law firms refer us or engage us on behalf of their clients.

**30**

Countries

**1982**

Year Founded

**6,700+**

Employees

**NYSE:FCN**

Publicly traded

**9/10**

Advisor to 9 of the world's Top 10 bank holding companies

**98/100**

Advisor to 98 of the world's top 100 law firms

**\$4.9B**

Equity Market Capitalization\*

**59**

59 of Fortune Global 100 corporations are clients

*Number of total shares outstanding as of February 17, 2022, times the closing share price as of February 24, 2022.*



# Definitive Expertise



Led the Who's Who Legal Arbitration: **Expert Witnesses list** for the 11th consecutive year (2011-2021)



Named a **Best Firm to Work For** (2018-2021)



Awarded **Investigations Digital Forensics Firm** of the Year (2021)



Named **Global Turnaround Consulting Firm** of the Year (2015-2019, 2021)



Named **Cybersecurity PR Firm** of the year (2021)



**#1 Restructuring Advisor** by The Deal Pipeline for the last 15 years (2008-2022)



Named **#1 Professional Services Firm (America's Best Employers List)**; and Recognized in the annual **America's Best Management Consulting Firms** list (2016-2021)



Named **Pacesetter in Financial Crisis Management** (2021)



Named in Chambers Crisis & Risk Management Guide in the **Business Intelligence & Investigations: Pre-Transactional Advisory** (Investigative Due Diligence) (Global); **Cybersecurity Risk** (Global) (2021)

## EXPERTS WITH IMPACT™

**FTI Consulting** is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities.

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