



Organizational Values, Culture and Measurement: Impact on the Bottom Line



Zoom Presentation
November 19, 2020



Center for Rural Health
University of North Dakota
School of Medicine & Health Sciences


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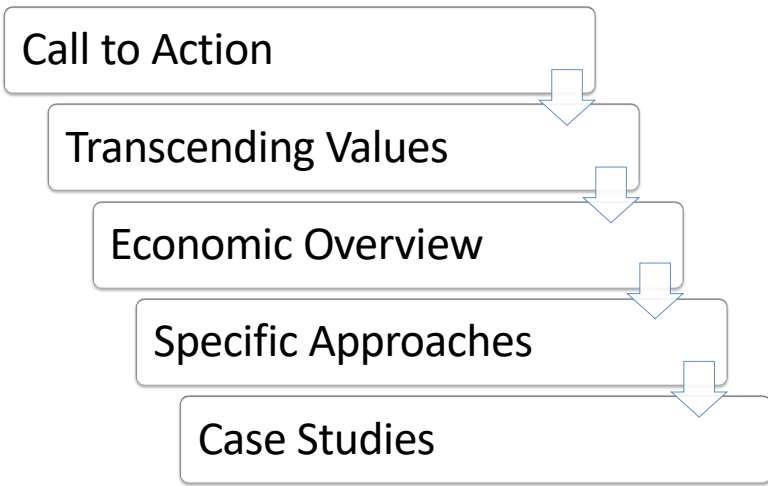


STROUDWATER

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Presentation Overview



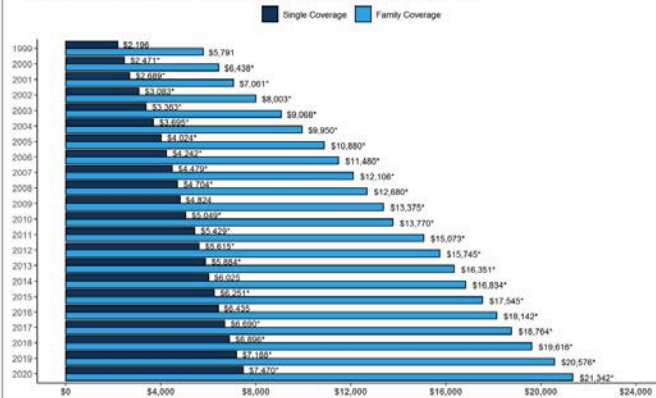


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Call to Action: Insurance Premiums

Figure 1.10
Average Annual Premiums for Single and Family Coverage, 1999-2020



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).

SOURCE: KFF Employer Health Benefits Survey, 2018-2020; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017



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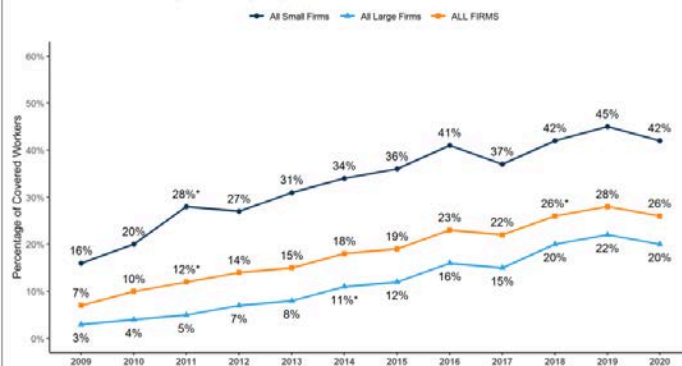
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Call to Action: Growth of High Deductible Plans

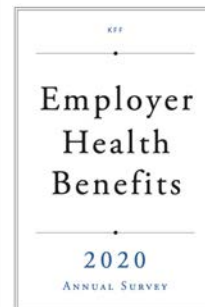
Figure E
Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of \$2,000 or More for Single Coverage, by Firm Size, 2009-2020



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).

NOTE: Small Firms have 5-199 workers and Large Firms have 200 or more workers. These estimates include workers enrolled in HDHP/ISOs and other plan types. Average general annual deductibles are for in-network providers.

SOURCE: KFF Employer Health Benefits Survey, 2018-2020; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017



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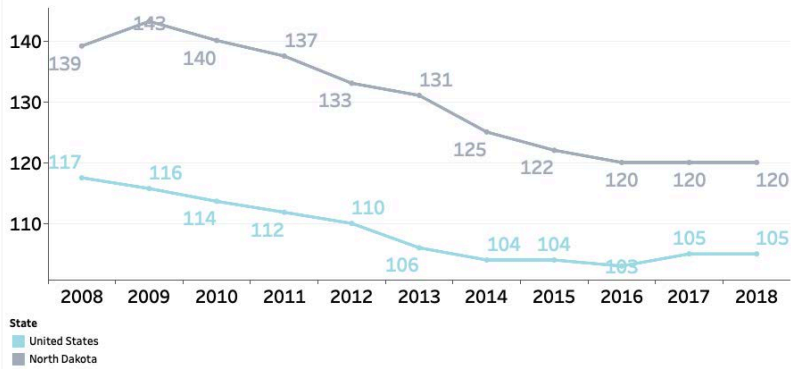
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Call to Action - Declining IP Volume



United States & North Dakota Admissions per 1000



Source: KFF.org

Data are for community hospitals, which represent 85% of all hospitals. Federal hospitals, long term care hospitals, psychiatric hospitals, institutions for the mentally retarded, and alcoholism and other chemical dependency hospitals are not included.

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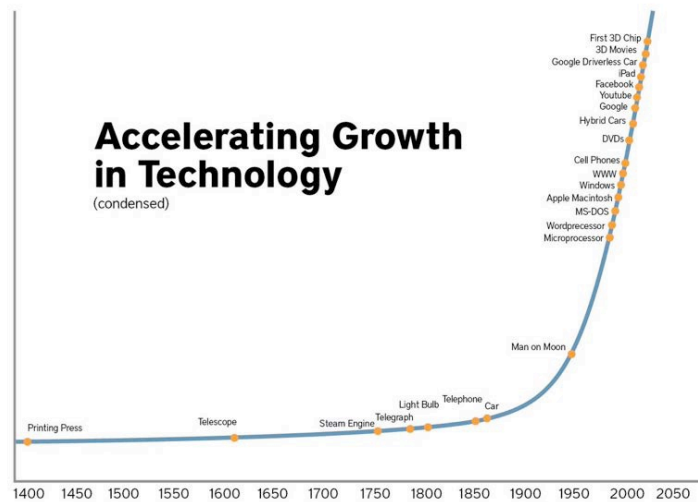
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Call to action: Advances in Technology



Accelerating Growth in Technology

(condensed)



Source: Khalid Hamdan, [Accelerating Growth in Technology](#)

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Amazon Acquires Tech Startup to Power Primary Care Program



- Amazon has acquired healthcare startup Health Navigator, a company that provides technology and services to digital healthcare companies, to help power its primary care program Amazon Cares
- Amazon cares offers employees virtual visits, in-home follow ups if additional care is needed, and prescription deliveries
- Health Navigator is Amazon's first healthcare-related acquisition since it purchased PillPack for \$753 million
- Per an Amazon spokesperson: **"The service eliminates travel and wait time, connecting employees and their family members to a physician or nurse practitioner through live chat or video, with the option for in-person follow up services from a registered nurse ranging from immunizations to instant strep throat detection"**



Source: Becker's Hospital Review, Amazon buys healthcare startup to power primary care program, Ayla Ellison, 10/24/19
<https://www.beckershospitalreview.com/strategies/amazon-buys-healthcare-startup-to-power-primary-care-program.html>

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Substitution - Lab Testing



WHAT'S INSIDE
The Test

- Kit Registration Information for Physician Review
- Easy-to-Follow Instructions
- Sterile Collection Tools
- Pre-Paid Return Shipping
- A Warm Welcome to the EverlyWell Community!



841 views | Apr 16, 2019, 05:18pm

EverlyWell Raises \$50 Million To Make At-Home Lab Testing More Accessible

- Founded in 2015 to offer validated at-home lab tests that are reviewed by physicians at a certified lab
- Offers 35 different types of tests including ones for food sensitivity, hormone levels, Lyme disease, and sexually transmitted diseases
- Tests currently available at Target, CVS, Humana and the EarlyWell website

Source: Forbes, April 18, 2019

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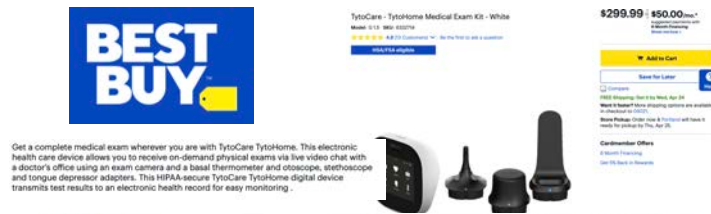
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Best Buy expands reach into digital health space with Tyto Care partnership

- Handheld device that can examine heart, lungs, ears, throat and abdomen as well as measure body temperature to enable remote diagnosis of acute care situations like ear infections, sore throats, fever, cold, flu, allergies, stomachaches, upper respiratory infections and rashes
 - Information sent to a primary care provider for diagnosis through a telehealth platform
- Acquisition in line with Best Buy 2020 Strategy to enrich human lives through technology by addressing human needs



In 2018, US hospital outpatient visits declined for the first time since 1983, specifically in the number of emergency outpatient visits



Per the American Hospital Association's [2020 Hospital Statistics report](#), 6,146 US hospitals delivered 879.6 million outpatient visits in 2018, 0.9% less than in 2017, when they delivered 880.5 million outpatient visits



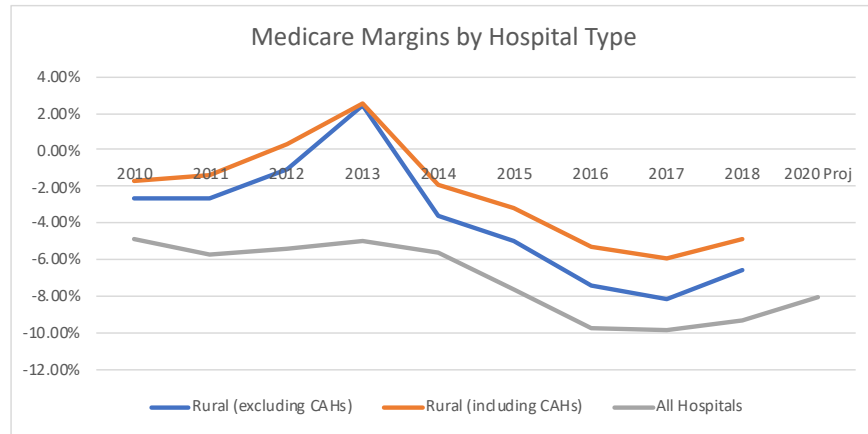
The report cites that the amount of outpatient care delivered has most likely increased, but that care is being delivered in competitive new options such as urgent care centers and retail clinics such as those recently launched by CVS Health



Insurers have contributed to the trend, with UnitedHealthcare recently refusing to pay for certain outpatient surgeries in hospital settings to save money

Source: Modern Healthcare, U.S. hospitals see first decline in outpatient visits since 1983, Tara Bannow, 1/7/20, https://www.modernhealthcare.com/operations/us-hospitals-see-first-decline-outpatient-visits-1983?utm_source=modern-healthcare-am-wednesday

Call to Action: Declining Medicare Margins



Source: MedPac Report to Congress, March 15, 2020

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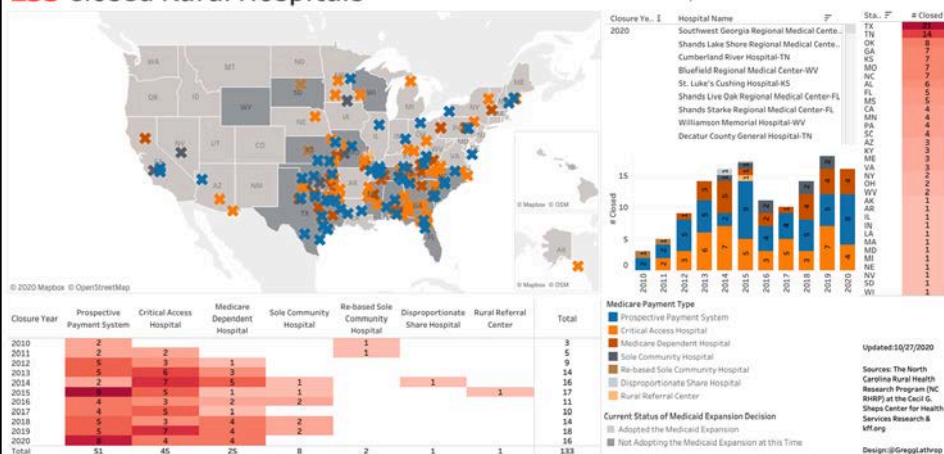
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Rural Hospital Closures

133 Closed Rural Hospitals

There have been 133 Rural Hospital closures since 2010 and 175 since 2005. These counts include those that have closed and re-opened.



Source: NC Rural Health Research Program at the Cecil G. Sheps Center for Health Services and Research and KFF.org

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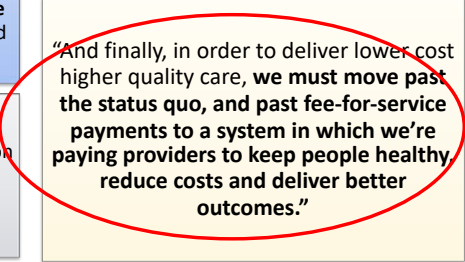
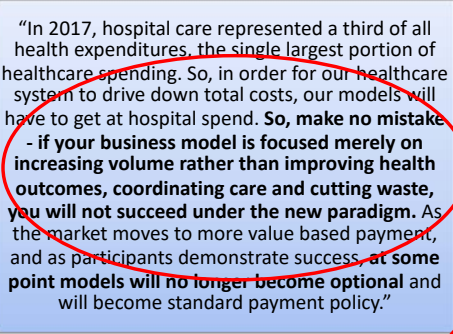

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Remarks by CMS Administrator Seema Verma at the American Hospital Association Regional Policy Board Meeting 9/10/19



"In 2017, hospital care represented a third of all health expenditures, **the single largest portion of healthcare spending**. So, in order for our healthcare system to drive down total costs, our models will have to get at hospital spend. **So, make no mistake - if your business model is focused merely on increasing volume rather than improving health outcomes, coordinating care and cutting waste, you will not succeed under the new paradigm.** As the market moves to more value based payment, and as participants demonstrate success, **at some point models will no longer become optional and will become standard payment policy.**"

"Value-based payment under the Trump administration is the future, and our Administration is **doing everything we can to accelerate the implementation of financial incentives to drive costs down and improve quality.**"

"The data shows that time and again, **providers that take on risk deliver better results, so we want every provider in America to participate in value-based payment.**"

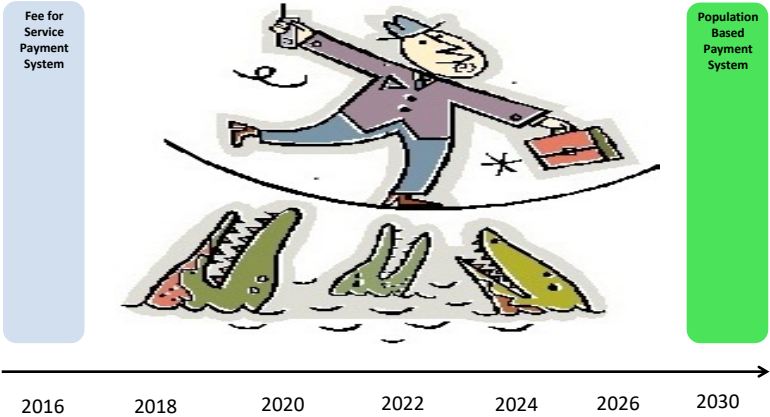
"And finally, in order to deliver lower cost higher quality care, **we must move past the status quo, and past fee-for-service payments to a system in which we're paying providers to keep people healthy, reduce costs and deliver better outcomes.**"

Sources: CMS.gov Newsroom, Remarks by Administrator Seema Verma at the American Hospital Association Regional Policy Board Meeting
<https://www.cms.gov/newsroom/press-releases/remarks-administrator-seema-verma-american-hospital-association-regional-policy-board-meeting>

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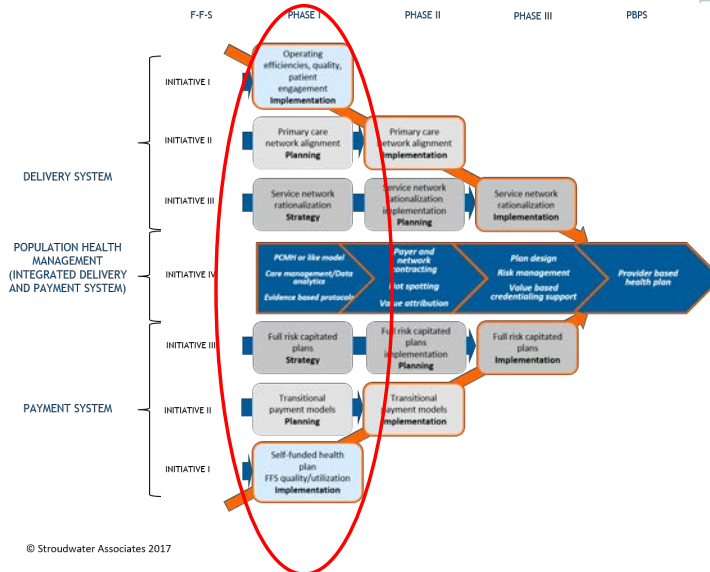
The Challenge: Crossing the Shaky Bridge



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Transition Framework - What Is It?



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Transcending Individual and Organizational Values

- Impact
 - Leave better than before
- Interdependence
 - We before me
 - Small cog in a larger system
- Respect
 - For oneself, others, environment, etc.
 - Golden Rule
- Abundance
 - Stephen Covey coined the idea of abundance mentality or abundance mindset, a concept in which a person believes there are enough resources and successes to share with others.
 - This is contrasted with the scarcity mindset (i.e., destructive and unnecessary competition), which is founded on the idea that, if someone else wins or is successful in a situation, that means you lose; not considering the possibility of all parties winning (in some way or another) in a given situation (zero-sum game).

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Economic Philosophy



- Understand difference between contribution margin and profit on fully allocated costs
 - Variable Cost
 - Definition: Expenses that change with changes in activity
 - E.g.: *Pharmaceuticals, reagents, film, food*
 - Fixed Cost
 - Definition: Expenses that do not change with changes in activity
 - E.g.: *Salaries and benefits (??), rent, utilities*
 - Rural hospitals have inordinately high fixed costs relative to revenue (E.g., ER Standby, acute care nursing costs, etc.)
 - Unit contribution margin
 - The amount from each unit of service available to cover fixed costs and provide operating profits
 - Example - If Department X's unit service price is \$200 and its unit variable cost is \$30, the unit contribution margin is \$170 ($\$200 - \30)
 - A rural hospital is made up of 1000s of Unit Contribution Margins

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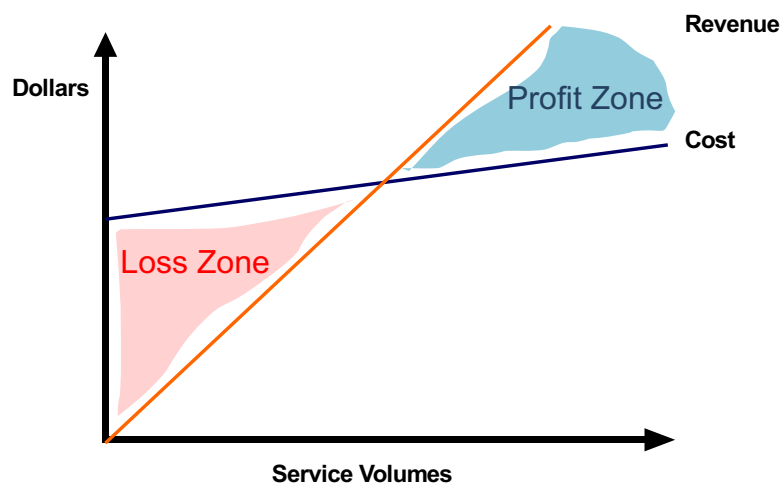
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Rural Hospital Cost Structure



- Profits and Losses



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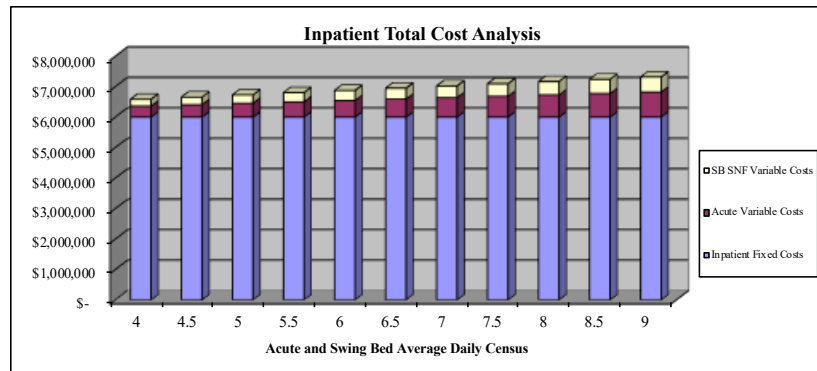
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Economic Model: Inpatient Total Costs

- Hypothetical example (continued)**

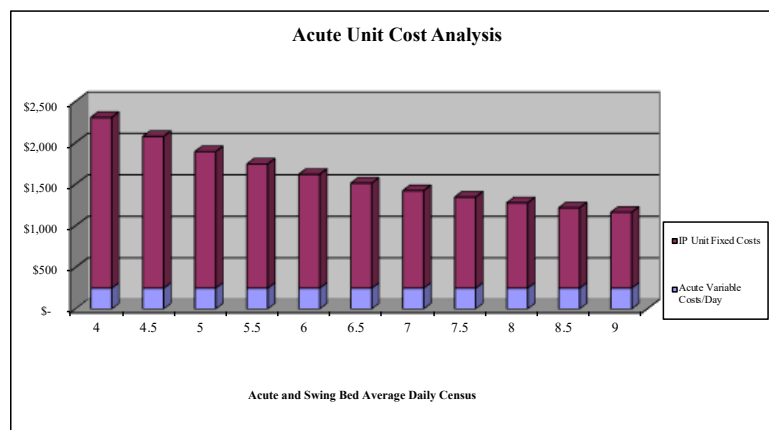
- Acute Variable Costs = \$250/day
- Swing Bed Variable Costs = \$150/day
- Fixed Costs = \$6,000,000



Economic Model: Inpatient Per Unit Costs

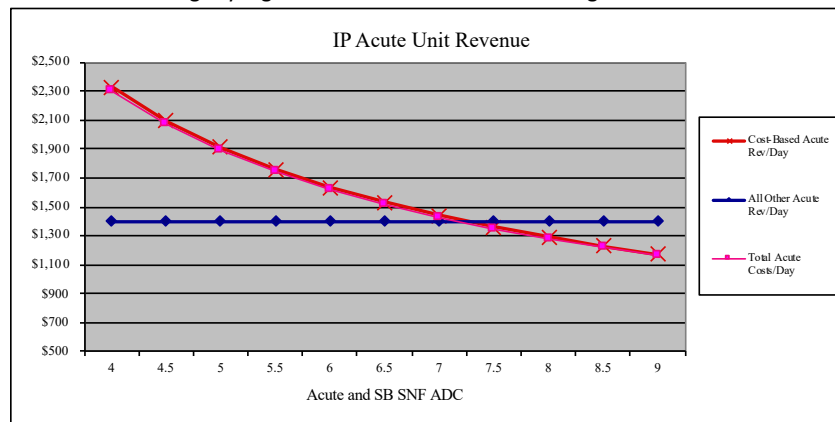
- Hypothetical example (continued)**

- As volume increases, fixed costs are allocated over large base
- Result → lower Unit Cost



Acute Per Unit Revenue

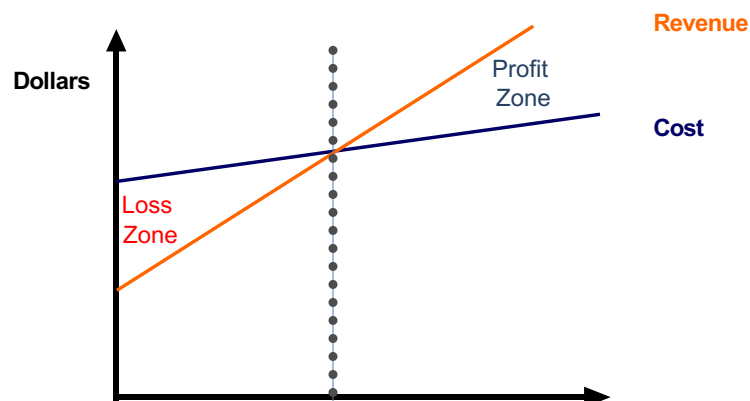
- **Hypothetical example (continued)**
 - Non Cost-Based Per Diems > Cost-Based Per Diems once Acute unit cost falls below \$1400
 - Note: Slightly higher acute variable costs cause higher breakeven



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Successful Profit Strategies

- **Strategy 1: Decrease Expenses**
 - Fixed Nature of standby costs, regulatory costs, etc. often make this a difficult option - Most rural hospitals have expenses right
 - Reducing expenses reduces a portion of total revenue

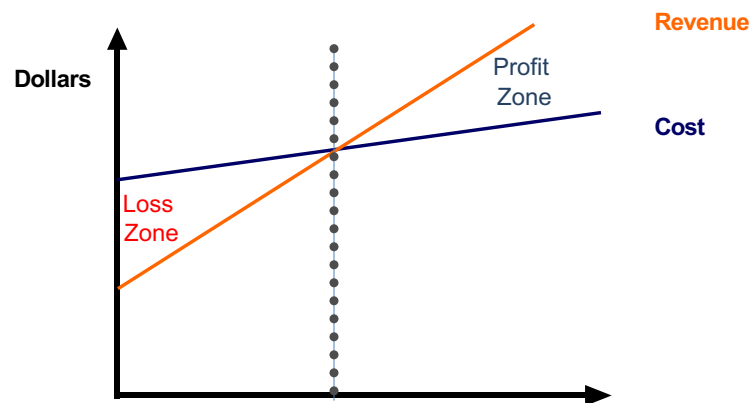


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Successful Profit Strategies



- **Strategy 2: Increase Fees**
 - Charge master update
 - Renegotiate third party contracts
 - Better Revenue cycle functions



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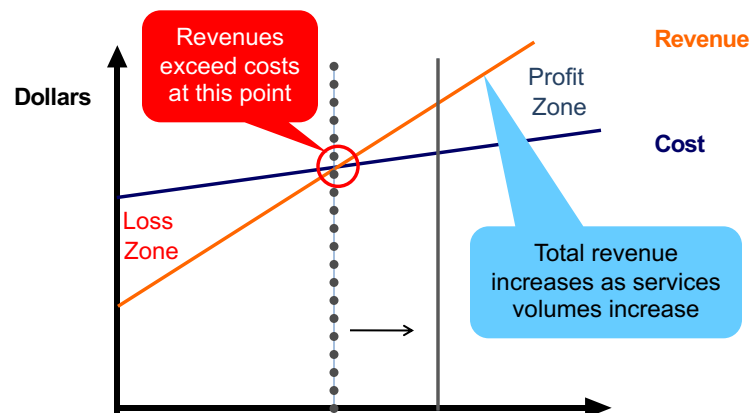
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Successful Profit Strategies



- **Strategy 3: Increase Volume or Improve Service Mix**
 - More volume reduces the average cost per unit of service by spreading the high fixed costs over more patients



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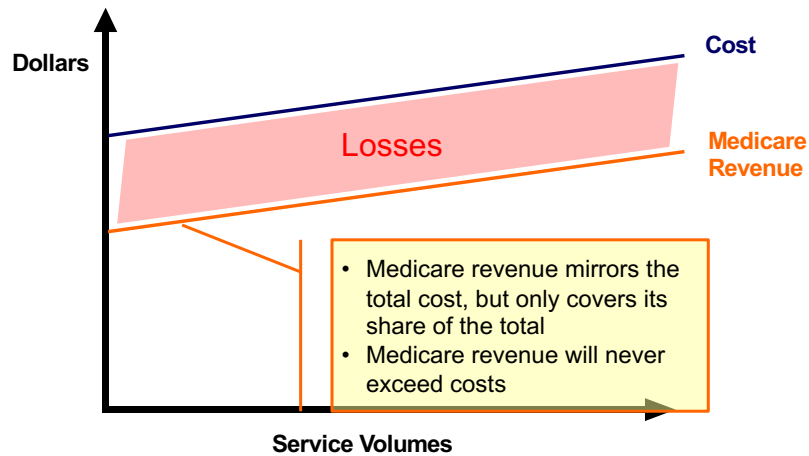
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Successful Profit Strategies



- **Strategy 4: Grow Non-Medicare Business**
 - Strategy assumes incremental margin on non-Medicare offsets reduction in Medicare per unit revenue



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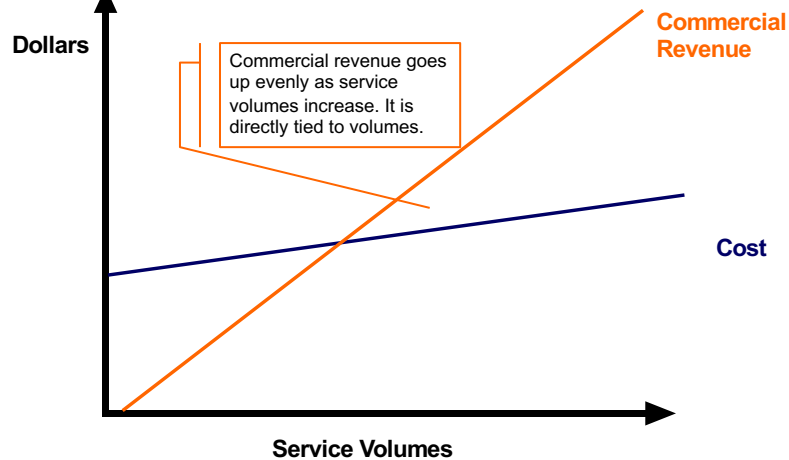
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Successful Profit Strategies



- **Strategy 4: Grow Non-Medicare Business (continued)**
 - Commercial revenue is the only potential source of profit
 - Overall services must be increased to exceed unit costs



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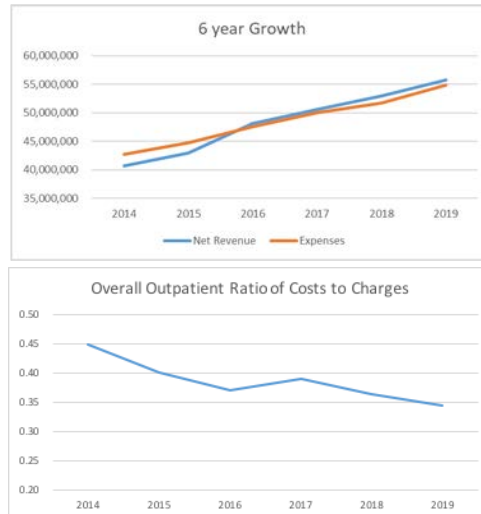
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Successful Profit Strategies - Example



- Example CAH in NY
 - Focus
 - Cost Report Accuracy
 - Revenue Growth



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Operating Efficiencies, Patient Safety and Quality



- Hospitals not operating at efficient levels are currently, or will be, struggling financially
- “Efficient” is defined as
 - Appropriate patient volumes meeting needs of their service area
 - Revenue cycle practices operating with best practice processes
 - Effective organizational design
 - Expenses managed aggressively
 - Physician practices managed effectively



Graphic: National Patient Safety Foundation

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Volume and Payment



- Grow FFS patient volume to meet community needs
 - ***“Catching to pitching”***
 - Opportunities often include:
 - ER Admissions
 - Swing bed
 - Ancillary services (imaging, lab, ER, etc.)
- Increase efficiency of revenue cycle function
 - Adopt revenue cycle best practices
 - ***Effective measurement system***
 - “Super charging” front end processes including online insurance verification, point of service collections
 - Education on necessity for upfront collections
 - Ensure chargemaster is up to date and reflects market reality

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Organizational Design



- Have an effective organizational design that drives accountability into the organization
 - Decision Rights
 - Drive decision rights down to clinical/operation level
 - Education to department managers on business of healthcare
 - Avoid separation of clinical and financial functions
 - Performance Measurement
 - Department managers to be involved in developing annual budgets
 - Budget to actual reports to be sent to department managers monthly
 - Variance analysis to be performed through regularly scheduled meetings between CFO/CEO and department managers
 - Compensation
 - Recognize performance in line with organizational goals

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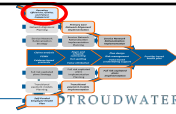
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Management Accounting



- Hospital has developed a best practice process where all department managers actively participate in working with CFO/Controller to set department budgets
- Reported that on a monthly basis, department managers receive “Responsibility Reports” which report actual month and year-to-date revenue and expense compared to budget and prior year
 - Managers are required to report variances from budget and have access to monthly financials through the shared drive and are supposed to report variances from budget of greater than \$500 or 10%
- Hospital has also developed a program where all managers are required to develop plans to either increase revenue or decrease expenses by 5%
- Best performing peer rural hospitals establish the following practices to foster a culture of accountability: managers participate in budget development, financials are distributed monthly with expectation of variance monitoring/reporting, departmental performance dashboards are established, Department Operations Reviews (DORs) meetings are held monthly with managers to ensure accountability for performance

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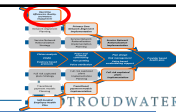
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Staffing Efficiencies



- Increase monitoring of staffing levels staffing to the “sweet spot”
- Staffing education for DONs/Clinical managers
- Salary Survey/ Staffing Levels/ Benchmarks that are relevant

Department	Performance Indicator	FY 2019 Volume	Hourly Standard ¹	FTEs @ Standard	Actual FTEs	Variance
Nursing - Med Surg	Per Patient Day	2,314	12.00	13.35	16.09	2.74
Inpatient Subtotal				13.35	16.09	2.74
Nursing - Surgery - Major	Per Case	84	11.00	0.44	10.60	10.16
Nursing - Surgery - Minor	Per Case	885	5.50	2.34	-	(2.34)
Nursing - Endoscopy/GI Lab	Per Case	575	3.60	1.00	-	(1.00)
Nursing - Recovery Room	Per Case	1,544	3.30	2.45	-	(2.45)
Surgery Subtotal				6.23	10.60	4.37
Emergency Room	Per Visit	7,850	2.75	10.38	11.08	0.70
Nursing Home - Nursing Staff	Per Day	-	4.70	-	-	-
U/R/Case Mgmt/Soc Ser	Patient Days	2,314	0.75	0.83	7.06	6.23
Nursing Administration	Per Adj. Admissions	7,423	1.75	6.25	2.14	(4.11)
Subtotal Nursing				37.04	46.97	9.93
Radiology	Per Procedure	20,967	1.40	14.16	9.66	(4.50)
Lab/Blood Bank	Per Test	117,585	0.25	14.13	9.87	(4.26)
Physical Therapy	Per Treatment	29,766	0.50	7.16	9.02	1.86
Occupational Therapy	Per Treatment	3,893	0.50	0.94	0.49	(0.45)
Speech Therapy	Per Treatment	16	1.00	0.01	-	(0.01)
Cardio/Pulmonary	Per Procedure	6,025	1.22	3.53	1.41	(2.12)
Subtotal Ancillary				89.92	30.45	(59.47)
Subtotal - Clinical				76.96	77.42	0.46
Hospital Administration	Per Adj. Admissions	7,423	1.65	5.89	4.13	(1.76)
Information Systems / Telecom	Per Adj. Admissions	7,423	1.36	4.85	4.53	(0.32)
Human Resources	Per Adj. Admissions	7,423	1.10	3.93	-	(3.93)
Marketing/Public Rel/Volunteers	Per Adj. Admissions	7,423	1.03	3.68	0.84	(2.84)
General Accounting	Per Adj. Admissions	7,423	1.23	4.39	3.98	(0.41)
Security	Gross Square Feet	98,009	0.02	0.94	-	(0.94)
Patient Accounting	Per Adj. Admissions	7,423	3.00	10.71	18.79	8.08
Admitting/Patient Registration	Per Adj. Admissions	7,423	3.79	13.51	18.25	4.74
Medical Records	Per Adj. Admissions	7,423	3.00	10.71	7.23	(3.48)
Cent Supply/MTI Mgmt/Sterile	Per Adjusted Day	31,592	0.20	3.04	3.11	0.07
Housekeeping	Net Square Feet	73,507	0.25	8.83	6.22	(2.61)
Dietary	Meals Served	29,601	0.20	2.85	5.19	2.34
Plant Ops/Maintenance	Gross Square Feet	98,009	0.08	3.77	5.45	1.68
Subtotal Support				77.09	77.72	0.63
				154.05	125.14	1.09

¹ Hourly Standards based on Stroudwater sample of hospitals
² FY 2019 internal information provided by hospital administration

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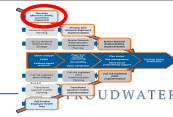
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Provider Complement Matching Demand



Physician Shortage/Surplus				
Adjusted Service Area Population: 23,616				
	Supply Study	Existing ¹	(Shortage)/Surplus	
Primary Care	Range		Range ²	
Family Practice	3.2 - 11.1	6.60	(4.5) - 3.4	
Internal Medicine	2.8 - 6.6	0.00	(6.6) - (2.8)	
Pediatrics	1.8 - 2.8	1.55	(1.3) - (0.3)	
Physician Primary Care Range	12.6 - 15.7	8.15	(7.6) - (4.5)	
Non-Phys Providers	1.6 - 5.4	3.40	(2.0) - 1.8	
TOTAL Primary Care Range	15.7 - 21.1	11.55	(9.6) - (4.1)	
Medical Specialties				
Allergy	0.2 - 0.3	0.00	(0.3) - (0.2)	
Cardiology	0.7 - 0.9	1.22	0.4 - 0.5	
Dermatology	0.4 - 0.6	0.00	(0.6) - (0.4)	
Endocrinology	0.1 - 0.3	0.00	(0.3) - (0.1)	
Gastroenterology	0.5 - 0.6	0.00	(0.6) - (0.5)	
Hem/Oncology	0.5 - 0.5	0.20	(0.3) - (0.3)	
Infectious Disease	0.1 - 0.2	0.00	(0.2) - (0.1)	
Nephrology	0.3 - 0.4	0.00	(0.4) - (0.3)	
Neurology	0.4 - 0.7	0.00	(0.7) - (0.4)	
Pulmonary	0.2 - 0.5	0.00	(0.5) - (0.2)	
Rheumatology	0.2 - 0.3	0.00	(0.3) - (0.2)	
Surgical Specialties				
ENT	0.1 - 0.7	0.10	(0.6) - (0.0)	
General Surgery	1.4 - 1.7	2.40	0.7 - 1.0	
Neurosurgery	0.2 - 0.2	0.10	(0.1) - (0.1)	
OB/GYN	1.8 - 2.5	2.00	(0.5) - 0.2	
Ophthalmology	0.9 - 0.9	0.23	(0.7) - (0.6)	
Orthopedic	1.0 - 1.6	0.27	(1.4) - (0.7)	
Plastic Surgery	0.2 - 0.5	0.00	(0.5) - (0.2)	
Urology	0.6 - 0.7	0.00	(0.7) - (0.6)	

¹ Physician FTEs calculated as 5 days per week = 1.0 FTE or 18 days per month = 1.0 FTE
² See Appendix for detail of Supply Studies.

Findings and Analysis

- Primary care current needs analysis, based on adjusted service-area population, indicates a deficiency of between **(4.1)** and **(9.6)** primary care provider FTEs
- Reported that two Family Practice providers have expressed interest in the service area
- Specialty Care needs analysis suggests shortages in most listed specialties with the highest need in OB/GYN, Orthopedics, and Ophthalmology

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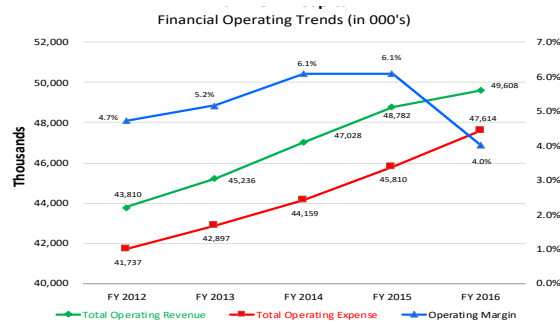
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Case Studies - Abundance and Measurement



- CAH in North East



- Long Standing CEO
 - Abundance based - Growth focus
 - Improved relationship with medical staff
 - Engaging all staff in improvement

CALL TO ACTION

VALUES

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Case Studies - Abundance and Measurement



• CAH in North East (continued)

U.S. HHS Hospital Compare Measures	National Avg.	MA Average	Fairview Hospital	Berkshire Medical Center	Baystate Medical Center	Columbia Memorial Hospital	Sharon Hospital	Saint Peter's Hospital	Brigham and Women's Hospital	Mass General Hospital	Albany Medical Center	Charlotte Hungerford Hospital	Baystate Noble Hospital	St Elizabeth Medical Center
Patient Survey Summary Star Rating:			5	3	3	2	4	3	3	4	2	3	4	3
Patient Satisfaction (HCAHPS) Average:	71%	70%	84%	68%	66%	61%	73%	67%	71%	74%	64%	65%	72%	69%
Nurses "Always" communicated well:	80%	80%	82%	81%	75%	72%	84%	77%	80%	83%	75%	77%	82%	79%
Doctors "Always" communicated well:	82%	81%	90%	78%	77%	74%	84%	76%	80%	82%	70%	75%	84%	79%
"Always" received help when wanted:	68%	66%	88%	64%	59%	58%	71%	59%	69%	65%	62%	60%	72%	69%
Pain "Always" well controlled:	71%	71%	83%	73%	68%	70%	72%	70%	69%	72%	65%	69%	73%	74%
Staff "Always" explained med's before administering:	65%	64%	78%	64%	61%	56%	69%	59%	61%	66%	58%	58%	68%	60%
Room and bathroom "Always" clean:	74%	72%	90%	73%	67%	63%	78%	63%	66%	72%	66%	72%	74%	69%
Area around room "Always" quiet at night:	62%	53%	68%	46%	48%	45%	60%	47%	56%	54%	43%	40%	57%	50%
YES, given at home recovery information:	87%	89%	94%	89%	88%	82%	85%	87%	89%	90%	83%	91%	90%	87%
"Strongly Agree" they understood care after discharge:	52%	53%	70%	50%	49%	41%	51%	49%	51%	59%	46%	47%	52%	52%
Gave hospital rating of 9 or 10 (0-10 scale):	72%	70%	88%	65%	65%	53%	73%	69%	80%	82%	65%	60%	69%	68%
YES, definitely recommend the hospital:	71%	74%	91%	65%	73%	50%	72%	76%	84%	90%	70%	61%	71%	71%

Source: www.hospitalcompare.hhs.gov
Date: 10/1/2014-9/30/2015

- Robust quality reporting supported by system
- Monthly quality committee meetings of multidisciplinary groups, which includes frontline staff and department managers utilizing departmental dashboards to drive focus and direction for quality improvement
 - All departments track QI/QA items, and conduct daily quality-related huddles
 - Quarterly employee forums that highlight quality information and Board of Trustees receive quality reports

CALL TO ACTION

VALUES

ECONOMICS

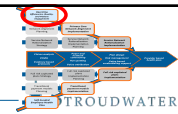
APPROACHES

CASE STUDIES

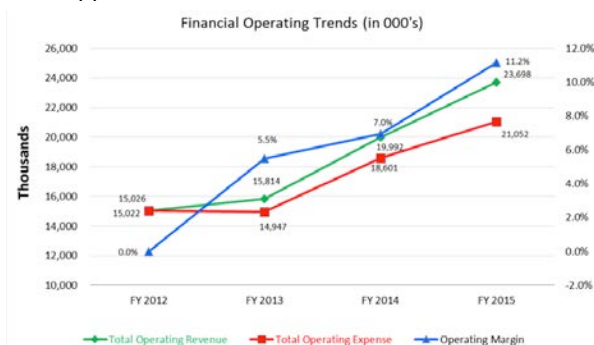
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Case Studies - Abundance and Measurement



• CAH in Upper Mid West



- Former CFO turned CEO
 - Abundance based - Growth focus
 - Improved relationship with medical staff
 - Engaging all staff in improvement

CALL TO ACTION

VALUES

ECONOMICS

APPROACHES

CASE STUDIES

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Case Studies - Abundance and Measurement



• CAH in Upper Mid West (continued)

COMMUNITY HOSPITAL

★★★★★

U.S. HHS Hospital Compare Measures	National Avg.	Nebraska Avg.	Pender Community	Mercy Medical Center	St. Francis Memorial	UnityPoint Health St. Lukes	Providence Medical Center	Nebraska Medical Center
Patient Survey Summary Star Rating:	3.9	5	3					
Patient Satisfaction (HCAHPS) Average:	71%	75%	83%	69%	83%	68%	77%	71%
Nurses "Always" communicated well:	79%	83%	91%	76%	85%	75%	81%	79%
Doctors "Always" communicated well:	82%	85%	92%	79%	87%	76%	89%	79%
"Always" received help when wanted:	68%	74%	82%	61%	79%	65%	85%	63%
Pain "Always" well controlled:	71%	73%	79%	70%	75%	68%	80%	70%
Staff "Always" explained med's before administering:	65%	66%	70%	60%	83%	61%	73%	64%
Room and bathroom "Always" clean:	74%	80%	90%	73%	82%	71%	73%	74%
Area around room "Always" quiet at night:	62%	66%	81%	56%	75%	50%	57%	57%
YES, given at home recovery information:	86%	88%	89%	89%	98%	87%	89%	89%
"Strongly Agree" they understood care after discharge:	52%	56%	64%	51%	70%	52%	54%	56%
Gave hospital rating of 9 or 10 (0-10 scale):	71%	76%	85%	70%	86%	69%	88%	74%
YES, definitely recommend the hospital:	71%	77%	87%	72%	88%	74%	74%	79%

Source: www.hospitalcompare.hhs.gov
Date: 7/1/2013-6/30/2014

Highest Score: 83% (Pender Community)
Above State Avg.: 83% (St. Francis Memorial)
Below State Avg.: 68% (UnityPoint Health St. Lukes)
Lowest Score: 50% (Area around room "Always" quiet at night)

- Quality and outcomes performance improvement processes are priority areas, with Quality staff working to integrate quality improvement culture
 - Quality counsel meets quarterly and includes department managers, quality improvement manager, DON, CEO, and CMO, as well as a "preventing patient harm" committee that meets monthly and includes various department managers
 - Studer Group engaged and Leader Evaluation Manager (LEM) implemented for leadership team including department managers
 - 10 goals in place for department managers and leadership
 - Quality scores presented to the board annually and LEM goals are presented monthly

CALL TO ACTION

VALUES

ECONOMICS

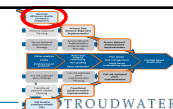
APPROACHES

CASE STUDIES

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Case Studies - Abundance and Measurement



- CAH in Upper Mid West (continued)
 - Department managers involved in operational financial management through departmental budget preparation; managers are responsible for revenue, expenses and capital expenses
 - Reported that managers feel accountable and have ownership of budgeting process and financial management of their departments
 - Each department manager has 4-6 goals as part of a best practice group incentive program
 - Reported that goals are tied to the hospital's pillars (people, service, quality, finance, growth and community) in addition to incorporating Studer's LEM to drive down accountability within each department
 - To incentivize staff to reach goals, an employee bonus system is in place where monetary rewards are provided when goals are met or exceeded
 - Reported that the incentive program has created teamwork throughout the organization

CALL TO ACTION

VALUES

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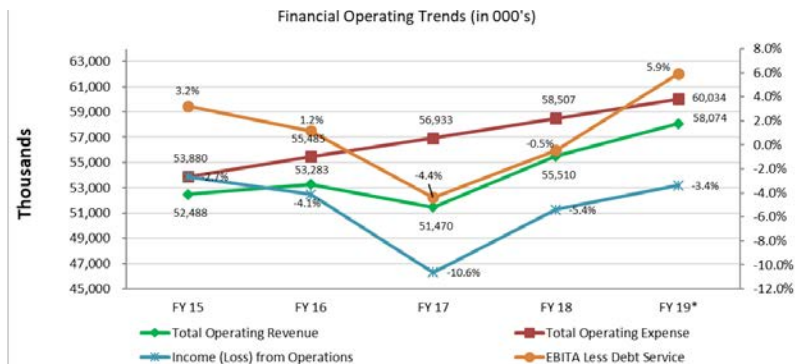
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Case Studies - Abundance



- CAH In Midwest



- New CEO March 2018
 - Abundance based - Growth focus
 - Worked with medical staff to set clinic volume expectations
 - Significantly improved revenue cycle functions

CALL TO ACTION

VALUES

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Case Studies - Abundance and Measurement



- CAH in Mid West (continued)
 - Financial Management
 - Department managers provided with Profit and Loss (P&L) statements that compare actual results with budgeted numbers
 - Department managers engaged in setting revenue and expense budget

CALL TO ACTION

VALUES

ECONOMICS

APPROACHES

CASE STUDIES

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Summary and Conclusions



- Now is the time for change!
 - “Column 1” focus to position for “Column 2”
- Key Strategies
 - Values - Abundance focused mindset
 - Understand basic economic fundamentals
 - Volume is critical
 - Organizational design that promotes accountability
 - Effective measurement system

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Discussion

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