

University Medical Center, Inc.

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May 9, 2012

**Similar
Organizations:**

**Case Studies &
Best Practices**

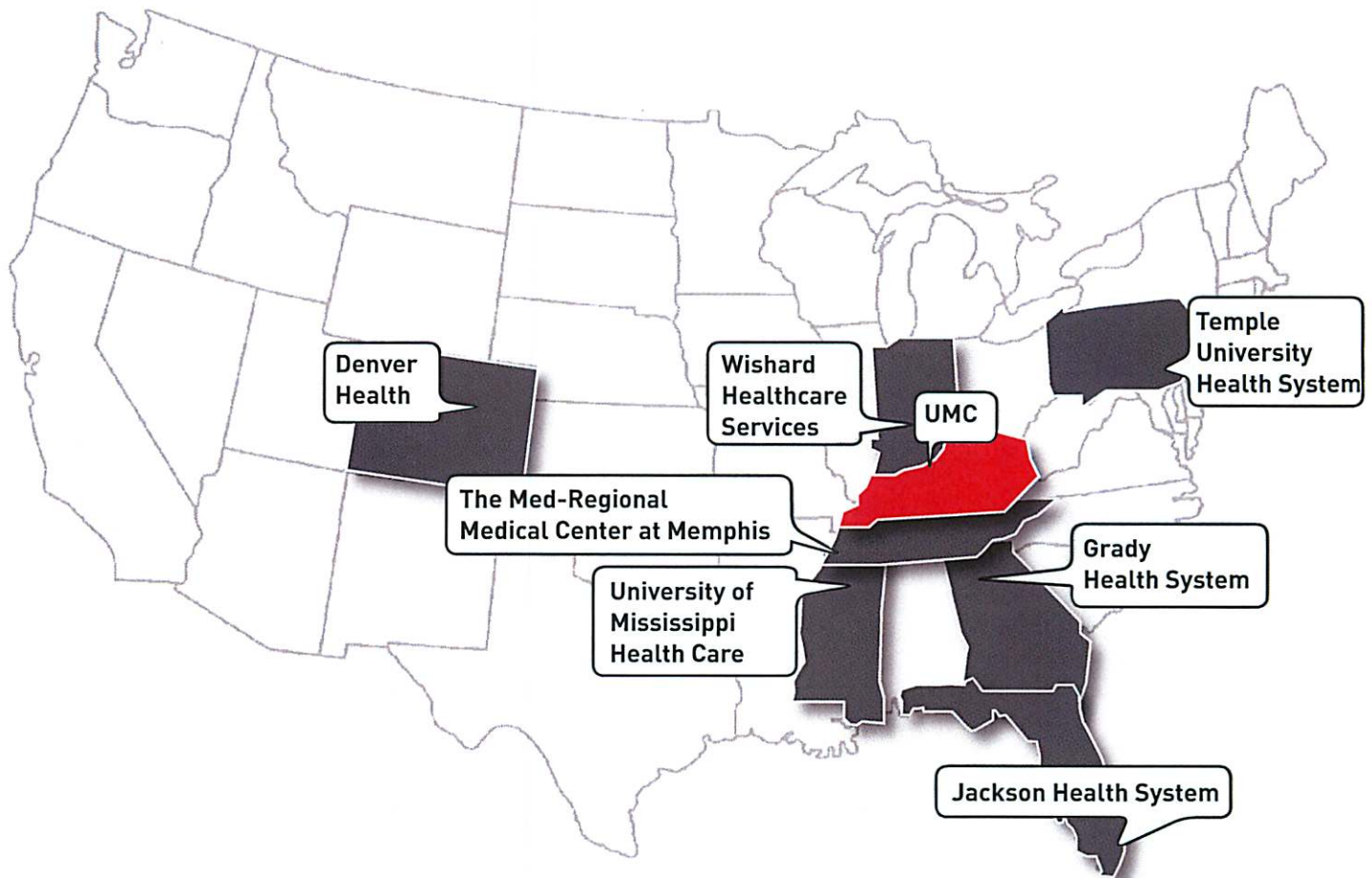
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OVERVIEW

While all hospitals are facing challenges related to the Reform Era, University Medical Center, Inc. (UMC) faces additional challenges related to its mission as a teaching hospital, safety net provider, and area's only Level I Trauma center.

This report outlines 7 similar healthcare providers who face many of the same challenges currently impacting UMC. Not dissimilar to UMC, some of these organizations have faced considerable operational and financial issues. In the following report, each organization is profiled showing its similarities to UMC as well as some of the strategies/improvement initiatives they have pursued to position themselves for success in the Reform Era.



Characteristic	University Medical Center, Inc.	Denver Health	Wishard	Temple Univ. Health System	The MED-Memphis	UMHC	Grady Health	Jackson Health
# of Hospitals	1	1	1	3	1	5	1	3 (+3) ⁵
# of Beds	329	477	339	872	350	722	953	2,139
Net Revenue	\$473 M ¹	\$290 M ²	\$879 M	\$959 M ³	\$308 M	Unavailable	\$704 M ²	\$1.75 B ²
Oper. Margin	2.5% ¹	2.8% ²	-1.8% ²	-4.1% ³	5.7% ⁴	2.3%	-1.2% ²	-5%
Med Staff (Open/ Closed)	Closed	Open	Open	Closed	Open	Closed	Open	Open
Indigent Care %	24% uninsured 29% Medicaid	28% Uninsured, 35% Medicaid	40% Uninsured	42% Medicaid	29% Uninsured	Unavailable	33% Uninsured	43% ⁶
Medical School Ranking*	#75 (Univ. of Louisville)	#35 (Colorado-Denver)	#48 (IU)	#47 (Temple University)	#78 (UT-Memphis)	Unranked	#21 (Emory)	#53 (Miami)

¹2012 Budget (2011 Actual Net Revenue: \$432M, 2011 Actual Operating Margin: -0.4%)

²2010 or previous

³2011 6 months annualized

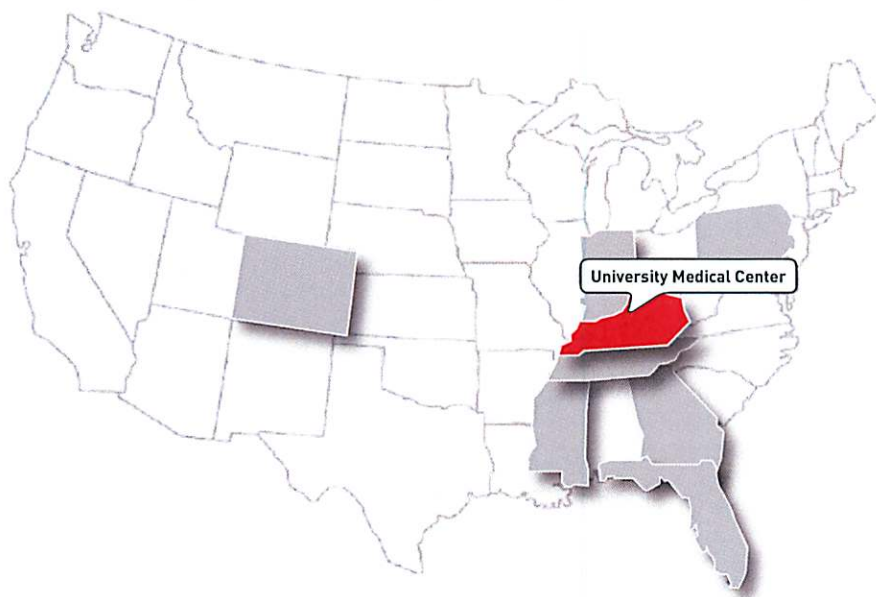
⁴Derived figure; based on a statistic of \$17 M in profits

⁵3 acute care hospitals and 3 specialty hospitals

⁶Defined as Uninsured and Underinsured

*Based on *US News and World Report* - Research

UNIVERSITY MEDICAL CENTER, INC.



Characteristic	University Medical Center, Inc.
# of Hospitals	1
# of Beds	329
Net Revenue	\$473 M ¹
Oper. Margin	2.5% ¹
Med Staff (Open/ Closed)	Closed
Indigent Care %	24% uninsured 29% Medicaid
Medical School Ranking	#75 (University of Louisville)

¹2012 Budget (2011 Actual Net Revenue: \$432M, 2011 Actual Operating Margin: -0.4%)

Summary

University Medical Center, Inc. (UMC) is a healthcare entity that includes the University of Louisville Hospital (ULH) and the James Graham Brown Cancer Center. It serves the greater Louisville, Kentucky community and is particularly well known for its excellent services in trauma, stroke care, high risk obstetrics, diagnostic imaging, and cancer care. ULH, the centerpiece of UMC, is a 329-bed hospital which serves a critical role to the community as a teaching hospital, Level 1 trauma center, and safety-net provider. It is a full-service medical center which offers a broad array of preventative, diagnostic, and treatment services.

Under the Quality and Charity Care Trust formed 30 years ago, ULH provides care to uninsured local residents in return for a fixed annual payment from state and local government. If the cost of caring for uninsured patients exceeds the fixed payment, the hospital must provide the care anyway. Last year, the state of Kentucky paid \$25 million while Louisville Metro Government paid \$7 million. The hospital then received an additional \$36 million from another pool of state funds for indigent care. However, there are serious threats that such funding for indigent care could be cut in the near future.

Lessons Learned

Organizational Mission

UMC's mission has 4 core components

- For our patients
- For the community
- For the at-risk and underserved
- For the University of Louisville Health & Science Center

Outreach

- Trauma outreach efforts at UMC include Trauma education to regional hospitals, duties as host of Regional trauma symposium, and its membership on state trauma committee.
- Care coordination evaluates indigent patients for community resources when directed from the emergency department.
- UMC provides diabetic education regarding medication management with its pharmacists.
- UMC has a "Kangaroo care project" funded by a grant to education birthing centers in the state to increase breast feeding and bonding and decrease obesity.
- As part of UMC's stroke outreach efforts, representatives travel to area hospitals and educate their providers about stroke care and when to transfer.
- Faculty physicians provide consult services at outlying hospitals through remote presence.

Key Service Lines / Service Line Development

- UMC's key service lines are Trauma, Burn, Neuroscience(Stroke, Neurosurgery, Epilepsy) NICU, High Risk OB, Cancer, Psychiatry, and EPS.
- UMC's Level I Trauma Center and Burn Unit are critical given the fact that they are the sole provider for the region.
- UMC's strong cancer program is centered around the James Graham Brown Cancer Center.

Cost Reduction / Operational Initiatives

- UMC has worked on Lean Six Sigma Medication distribution - first 100 feet, last 100 feet reducing waste and inefficiency.
- UMC's emergency department has almost eliminated diversions. To do so, it segregated higher acuity patients to the main ED and increased lower acuity patients in First Care, which increased throughput.
- UMC worked with physicians and vendors to provide major savings in one vendor contract (Stryker) this year.
- Renegotiation of EVS and Food Service Contracts in 2009 created \$2M savings over 5 years.

Quality Performance & Initiatives

- Magnet Journey Quality metrics continue to improve. Core measures are now all above 90%, decreasing RN turnover 10% in 2012 and increasing education of bedside RNs 69% - higher than most academic medical centers.
- UMC participates in the Trauma Quality Improvement Program and in the American College of Surgeons Data Bank.
- UMC has a Certified Stroke Center and is in the process of obtaining Comprehensive Stroke certification.
- Three ICUs are in the final phase of Beacon Award process.
- UMC has developed the Patient and Family Centered Care Program/ Patient Advisory Council which helps improve processes and identify ways to improve communication with patients and families to impact overall health improvement.
- UMC makes phone calls to follow-up with all discharged patients which has helped to decrease readmission rates.

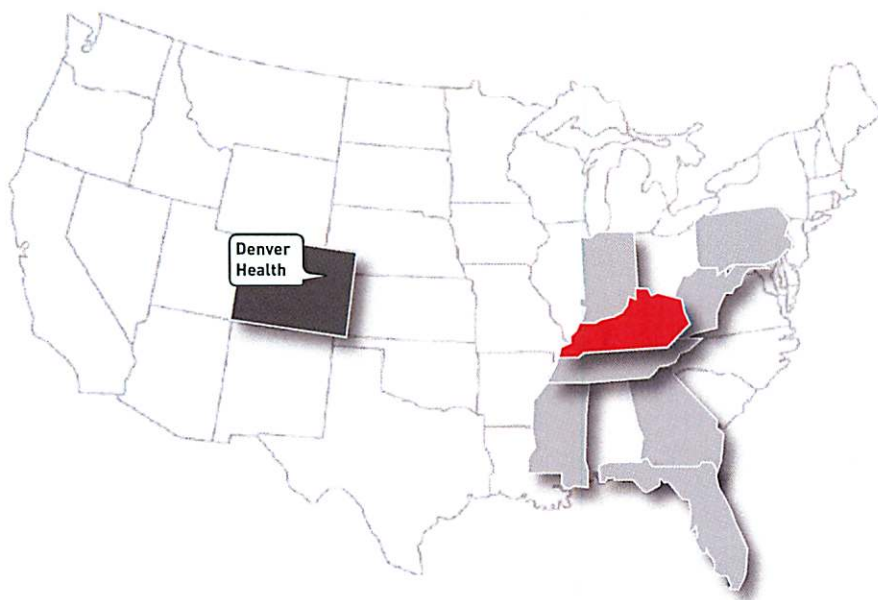
Reform Readiness

- The system does not have a large primary care base and is working to expand it.
- UMC is examining inappropriate use of the ED and working with health centers to try to address the issue.
- UMC believes one of its opportunities for improvement is to improve its data collection and data management; this would allow for population health management, very limited geographic spread, essential no primary care base.
- UMC is developing an organization-wide lean process.

Medical Staff Structure

- Medical staff structure is closed at this time
- Faculty are engaged at various levels at competing health systems

DENVER HEALTH



Characteristic	Denver
# of Hospitals	1
# of Beds	477
Net Revenue	\$290 M ²
Oper. Margin	2.8% ²
Med Staff (Open/ Closed)	Open
Indigent Care %	28% Uninsured 35% Medicaid
Medical School Ranking	#35 (Colorado-Denver)

²2010 or previous

Summary

Denver Health is Colorado's primary "safety net" institution, providing billions of care for the uninsured. Twenty-five percent of all Denver residents, or approximately 150,000 individuals, receive their health care at Denver Health. One of every three children in Denver is cared for by Denver Health physicians. Denver Health is a comprehensive, integrated organization with multiple components including the state's busiest hospital, extensive community health network, trauma center, and close academic ties with the University of Colorado.

While Denver Health does not receive county funding to support its mission, the health system receives significant support from city taxpayers. In 2012, the City of Denver is expected to pay approximately \$54 million in support to Denver Health. Among other things, approximately \$28 million of the total is allocated directly for care to medically indigent patient care.

Similarities

Like University of Louisville Hospital, Denver Health serves several critical purposes – as the area's safety net provider, teaching hospital, and Level 1 trauma center, it faces many of the same challenges as ULH. Given its mission, Denver Health ran into unsustainable cost growth in the mid 2000s. Through significant LEAN initiatives, the organization has become a respected leader among similar institutions.

Lessons Learned

Organizational Mission

- Provide access to the highest quality health care, whether for prevention, or acute and chronic diseases regardless of ability to pay.
- Provide life-saving emergency medicine and trauma services to Denver and the Rocky Mountain region.
- Fulfill public health functions as dictated by the Denver Charter and the needs of the citizens of Denver.
- Provide health education for patients.
- Participate in the education of the next generation of health care professionals.
- Engage in research, which enhances our ability to meet the health care needs of Denver Health system patients.

Outreach

- Denver Health has 8 primary care locations throughout the greater Denver market to bring services closer to its patients.
- Denver Health proactively reaches out to some of the hardest to reach populations - Denver's Latino, African-American and Native-American communities – through the Denver Health Community Voices program. The program is dedicated to ensuring that underserved populations have access to health care.
- Denver Health's School-Based Health Centers provide primary care, health education and mental health care for students at 14 Denver Public School Campus's. These clinics expand access and provide preventive medicine.

Key Service Lines / Service Line Development

- Denver's featured services lines include community health, pediatrics, orthopaedics, trauma, and pregnancy and childbirth services.
- Given its mission to promote public health in Denver, Denver Health also plays an important role in providing occupation health and treatment for eating disorders.

Cost Reduction / Operational Initiatives

- Denver Health stressed "sustainable" cost-saving measures – in other words, they focused on cutting costs they could live without for the long-term as opposed to layoffs, etc. The CFO's four tips on sustainable cost-savings are listed below:
 1. Continually and fully engage organizational leadership on what costs need to be cut and the role each person plays in the process
 2. Review each contract for every vendor annually. Confirm that all things in the contract are necessary and renegotiate (This past month Denver Health saved \$4 M from two vendors)
 3. Install automated programs for electronic invoices and requisitions to maximize the billing system
 4. Focus on the pharmacy, especially for Medicaid managed care members. Average per prescription cost has decreased from \$76 to \$43 in two years, saving Denver Health millions.

Quality Performance & Initiatives

- Denver Health is transparent in quality and cost information on its websites – patients can view Denver Health costs for common DRGs against peer hospitals and can also monitor Denver Health's quality performance across many categories.
- Many of Denver Health's quality achievements are linked to its technology infrastructure – for example, its VaxTrax immunization registry automatically prompts clinical providers, no matter who is seeing the patient, that immunizations are due.
- Another quality initiative powered by Denver Health's technology is the medication administration checking system, which uses bar coding technology integrated with clinical software to support medication administration.

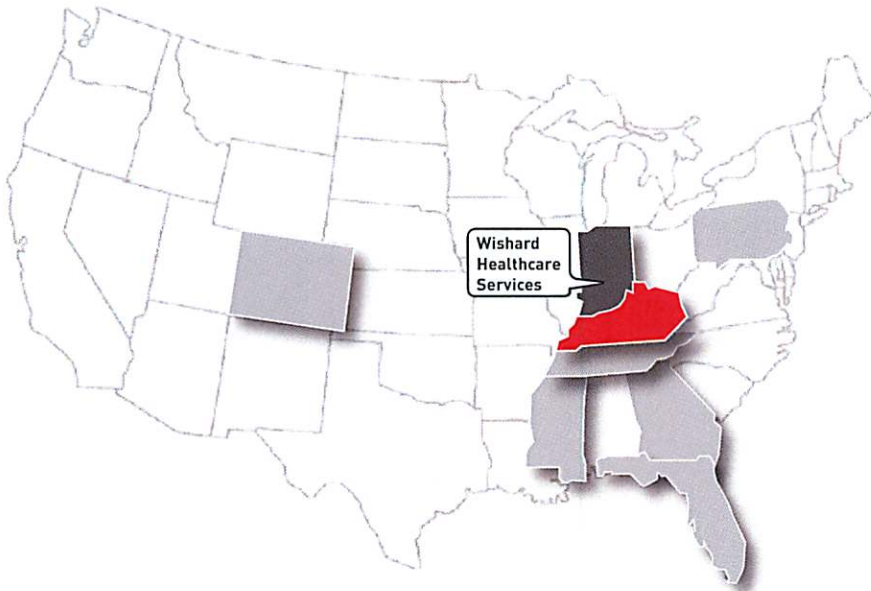
Reform Readiness

- Denver Health has created a "LEAN Academy" to integrate Toyota Production System's LEAN philosophy into daily operations. As the only healthcare organization in the world to be awarded the Shingo Bronze Medallion for Operational Excellence, Denver Health is uniquely positioned for healthcare in the reform era.
- Over the past decade Denver Health has invested over \$350M in technology in 3 phases – robust technology infrastructure, technology to improve financial performance, and implementation of advanced electronic medical records.

Medical Staff Structure

- Denver Health works closely with the University of Colorado to provide educational opportunities for physicians and other health care providers
- While its relationship with University of Colorado is close, its medical staff structure is open.

WISHARD HEALTHCARE SERVICES



Characteristic	Wishard
# of Hospitals	1
# of Beds	339
Net Revenue	\$879 M
Oper. Margin	-1.8% ²
Med Staff (Open/ Closed)	Open
Indigent Care %	40% Uninsured
Medical School Ranking	#48 (IU)

²2010 or previous

Summary

Wishard Health Services is one of America's five largest safety net health systems, providing care in nearly 1.4 million outpatient visits each year. Wishard is one of the leading providers of health care in Central Indiana, with physicians of the Indiana University School of Medicine providing a comprehensive range of primary and specialty care services within its 339-bed hospital as well as 10 community health centers located throughout Indianapolis. Wishard is home to the first of two Adult Level I Trauma Centers in Indiana and the region's only adult burn center. A major donation from the Ezkanazi Family has allowed for construction to begin on a new hospital, and Wishard will soon be known as Ezkanazi Health.

In 2010, Marion County taxpayers paid \$24.1 million in property taxes to support Wishard. Property tax collections have steadily decreased since \$52.7 million in collections in 2004. However, recent debate has surfaced around a potential tax increase due to the new Ezkanazi Hospital which is under construction. Bonds which had been issued to finance a portion of facility costs have recently been downgraded by Fitch. It is uncertain whether the downgrade, and resulting interest rate increase, would result in higher Marion County taxes.

Similarities

Like ULH, Wishard is a large, single hospital safety net provider with a Level I Trauma Center, Burn Center and an academic mission. It is located in Indianapolis, a competitive healthcare market similar to that of Louisville.

Lessons Learned

Organizational Mission

- To advocate, care, teach, and serve with special emphasis on the vulnerable populations in Marion County.

Outreach

- Wishard has focused significant attention on building its primary care network with 10 area locations that provide cost-effective care for patients who might otherwise inappropriately utilize Wishard's emergency department.
- Recently, the Wishard Affiliated Medical Group was developed as a dedicated physician group to staff Wishard's 10 community health centers.

WISHARD HEALTHCARE SERVICES *cont.*

Key Service Lines / Service Line Development

- Wishard's key services are primary care (aided by community health centers), senior care, women & children, burn treatment (region's only adult burn center), and Level I Trauma.
- Within senior care, the Healthy Aging Brain Center is making great strides in research and treatment of cognitive impairment and helping patients and families deal with memory loss
- Wishard has introduced the Wishard Critical Care Recovery Center to care for patients coming out of the ICU deal with physical, psychosocial, and cognitive impairment. The hope is to provide rehabilitative care to prevent unnecessary emergency visits and hospital readmissions.

Cost Reduction / Operational Initiatives

- Wishard is well-known for delivering low cost care, helping it sustain its mission as a safety net provider.
- Wishard's managed care Health Advantage Program, with 52,000 members, helps manage the costs of caring for its uninsured population that cannot qualify for Medicaid.
- Additionally, Wishard is a participant in the Geriatric Resources for Assessment and Care of Elders (GRACE) program, which optimizes the health of older adults and reduces healthcare costs by lowering hospitalization rates in high risk seniors.
- Its network of 10 community health centers is critical for providing diagnostic and follow-up care to patients in lower cost settings and for preventing overcrowding in the emergency department due to improper use.

Quality Performance & Initiatives

- Wishard Health Services became the first fellowship program in the nation to participate in the Practice Innovation and Clinical Excellence (PINNACLE) national cardiac registry.
- Maintained by the American College of Cardiology, it's the largest registry of its kind, measuring 59 metrics of outpatient cardiac care in patients with coronary artery disease, congestive heart failure, atrial fibrillation and hypertension.
- In 2003, the Trauma Center's annual data was approved for inclusion in the American College of Surgeons' National Trauma Data Bank. Currently, the IU/Wishard Level I Trauma Center submits information to the Trauma Quality Improvement Program (TQIP). TQIP provides risk-adjusted benchmarking of verified trauma centers to track outcomes and improve patient care.

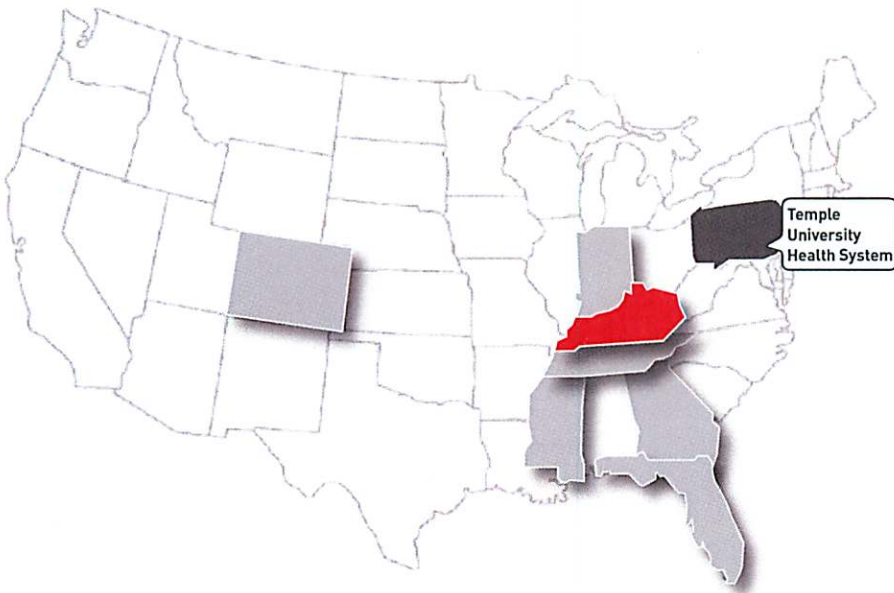
Reform Readiness

- Wishard operates its own Health Advantage Program, a managed care program (currently with 52,000 members) to provide medical care to low-income and uninsured Indianapolis residents who fall below 200 percent of federal poverty level and do not meet requirements of other assistance programs.
- It allows Wishard to manage its growing indigent population appropriately, reducing inappropriate utilization of the emergency department.
- Wishard also participates in the Indiana Health Information Exchange, the nation's largest health information exchange which connects 80 Indiana hospitals as well as outpatient centers, clinics, and rehab facilities.

Medical Staff Structure

- Wishard's medical services are provided by a mix of faculty, residents, and students of the Indiana University School of Medicine.
- Recently, it has announced the development of Ezkanazi Medical Group which will provide care at Wishard's ten community health centers as well as hospitalist care at Wishard Hospital.

TEMPLE UNIVERSITY HEALTH SYSTEM



Characteristic	Temple University Health System
# of Hospitals	3
# of Beds	872
Net Revenue	\$959 M ³
Oper. Margin	-4.1% ³
Med Staff (Open/ Closed)	Closed
Indigent Care %	42% Medicaid
Medical School Ranking	#47 (Temple University)

³2011 6 months annualized

Summary

Created in 1995 to coordinate Temple University's growing array of health care services, Temple University Health System, Inc. (TUHS) has expanded from a single academic medical center in North Philadelphia to a comprehensive health care system that seeks to be both the top health system in the region and the employer of choice in Philadelphia. TUHS consists of Temple University Hospital (TUH), Temple University Hospital—Episcopal Campus, Jeanes Hospital, Northeastern Ambulatory Care Center, Temple Transport Team, and Temple Physicians, Inc. - a network of community-based physician practices.

Temple University is expecting substantial reductions in state operating appropriations after recent plans of Governor Corbett have been revealed. It is unclear how much state funding is allocated to Temple University Health System given that it is legally separate from the university. Other information regarding public funding support to Temple University Health System is unavailable.

Similarities

Similar to ULH's role in the Louisville, Kentucky market, TUHS acts as Philadelphia's safety net provider. TUHS is also the city's only Level I Trauma Center with both a trauma and burn unit. Also like ULH, TUHS will have a dedicated Cancer Center through its recent purchase of the Fox Chase Cancer Center and currently has a primary stroke center at Jeanes Hospital. Finally, TUHS is one of the premier teaching hospitals in its market.

Lessons Learned

Organizational Mission

- Our mission is to provide access to the highest quality of health care in both the community and academic settings.

Outreach

- TUHS operates a large outpatient center called the Northeastern Ambulatory Care Center offering primary care, urgent care, specialty services, and diagnostic testing
- TUHS has a network of community-based physicians (Temple Physicians) in a full range of specialties including primary care.
- Patients are typically treated at these physicians' offices.

However, TUHS does not have an extensive network of outreach clinics (similar to other institutions profiled) to alleviate overcrowding at their main campus.

Key Service Lines / Service Line Development

- Many of the system's service line strategies are targeted at the population at large, to strengthen overall service offerings which will help balance out the high percentage of money-losing Medicaid patients who account for 42 percent of all discharges
- Recently TUHS purchased the Fox Chase Cancer Center in an \$83.8 M deal to bolster cancer care for the system
- TUHS is in the midst of recruiting a dozen high-profile physicians, with a focus on surgery to fill the operating rooms with paying patients from outside the hospital's core market.

Cost Reduction / Operational Initiatives

- In a partnership MedAssets, TUHS used multiple strategies to improve supply chain operations on a sustainable basis.
- Temple University Hospital generated more than \$19 million in documented value-driven savings through development of 70 KPIs for a wide array of operational areas, including item master load, distributor price changes, contract compliance, fill rates and service levels, as well as performance of in-house delivery and distribution systems.

Quality Performance & Initiatives

- Temple Pediatric Care is participating in the Pennsylvania Chronic Care Management, Reimbursement and Cost Reduction Commission's initiative to use clinical information systems to improve the quality and cost of caring for patients with chronic illnesses.
- Given the large population of Latinos served at TUHS, Temple University created the Dual-Role Medical Interpreter Program to train bilingual employees to serve as medical translators.

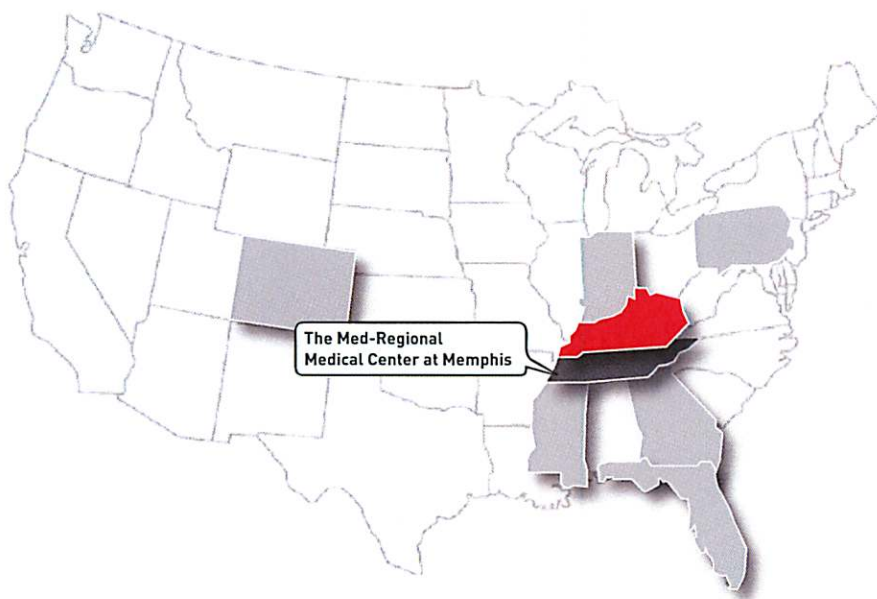
Reform Readiness

- TUHS's leadership believes that growth of its system is important to the delivery of healthcare in the Reform Era.
- The CEO has set a goal of increasing the system's size in terms of net revenue from its current level of approximately \$1 B annually to approximately \$3 B in the future.
- Such growth will allow for the development of more services targeting paying patients and will allow for more favorable contracts with suppliers and payors.

Medical Staff Structure

- TUHS has a closed medical staff structure.

THE MED-REGIONAL MEDICAL CENTER AT MEMPHIS



Characteristic	The MED-Memphis
# of Hospitals	1
# of Beds	350
Net Revenue	\$308 M
Oper. Margin	5.7% ⁴
Med Staff (Open/ Closed)	Open
Indigent Care %	29% Uninsured
Medical School Ranking	#78 (UT-Memphis)

⁴Derived figure; based on a statistic of \$17 M in profits

Summary

Regional Medical Center at Memphis is a regional healthcare system providing accessible, efficient, quality healthcare for individuals throughout a 5-state region within 150 miles of Memphis. Regional Medical Center is a comprehensive healthcare delivery system anchored by highly respected Centers of Excellence including trauma, burn, neonatal intensive care and high-risk obstetrics. In addition to its notable Centers of Excellence, the system provides an array of primary and specialty care services through its Health Loop and outpatient services. It is also an academic medical center and serves as one of the largest medical and surgical teaching sites for the University of Tennessee Health Science Center.

The MED, whose emergency department nearly closed as recently as 2010, receives public funding from a variety of sources. Shelby County and the State of Tennessee provide majority subsidies with nominal funding also coming from Mississippi's Medicaid state funds and from the state of Arkansas. The MED, in a financial crisis in 2010, received a boost of an additional \$40 million in funds from the aforementioned sources to bridge its operational shortfall. As part of that boost, Shelby County agreed to increase its annual funding from \$27 million to \$37 million. Now that the MED has since found its financial footing, it has foregone the extra \$10 million from Shelby County in an effort to help Shelby County reduce its budget deficit.

Similarities

Both ULH and the MED provide similar functions for their communities; each is a teaching institution serving a vital role as a Level I Trauma Center, Burn Center, and safety-net provider. Additionally, the two organizations are similar in size with 1 main hospital of similar bed size. Given unfavorable payor mixes and decreasing reimbursement, both organizations have recently experienced financial challenges.

Lessons Learned

Organizational Mission

- To improve the health and well-being of the people we serve by providing compassionate care and exceptional services.

Outreach

- The MED is focusing heavily on outpatient care, to improve access points for the community.
- Its "Health Loop" includes 4 locations for primary care and walk-in clinics.
- The Med is also emphasizing injury prevention education / trauma and burn outreach; nearly 4,000 individuals participated in this educational outreach efforts.

THE MED-REGIONAL MEDICAL CENTER AT MEMPHIS *cont.*

Key Service Lines / Service Line Development

- With 38 specialties, the MED focuses on 4 Centers of Excellence, each with highly specialized care. They include the Elvis Presley Memorial Trauma Center, Firefighters Regional Burn Center, Sheldon B. Korones Newborn Center (NICU), and High Risk Obstetrics.
- In 2010, the hospital open a newly renovated 14-bed orthopedic unit dedicated to meeting specialized needs of orthopedic patients, including total joint replacements
- To bolster its primary care service line, the Med partnered with Blue Cross Blue Shield to create a “patient-centered medical home” providing services such as a care coordinator, health coaches, and 24-hour on-call medical assistance.

Cost Reduction / Operational Initiatives

- The MED recently experienced a \$32 million shortfall needed to maintain its operations and upgrade its physical plant.
- It solved its financial and operational problems in 5 major areas – revenue cycle, supply chain, productivity, clinic operations, and information technology.
- Highlights of these improvement initiatives included renegotiation of Medicaid managed care contracts, improved electronic billing acceptance, renegotiated supply contracts, implementation of a labor productivity management system, revamped employee benefits package, and transition of IT from an outsourced service to a hospital-based department.
- The Med has recently partnered with MedAssets to help in its efforts to expand and promote efficiency in its Centers of Excellence; supply chain cost reductions and group purchasing will be important components.

Quality Performance & Initiatives

- The MED is an active member of the Memphis Quality Initiative, a unique collaboration of Memphis area hospital executives and medical staff. Best practices are shared to achieve the overall goal of developing and implementing noncompetitive, quality improvement initiatives that can be carried out across Memphis. Initiatives include palliative care, hand hygiene, nursing education, and transitions of care.

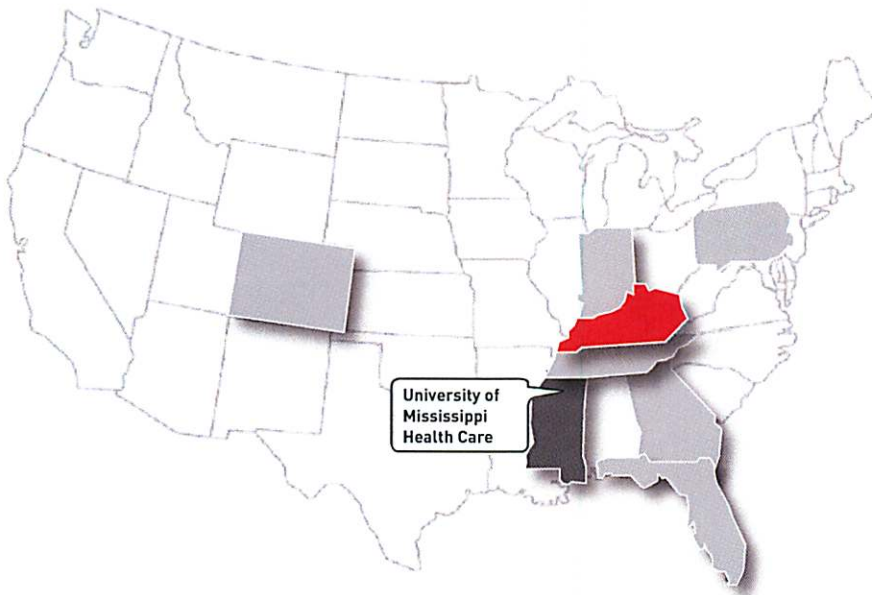
Reform Readiness

- Cost reduction strategies through the MED’s partnership with MedAssets will help prepare the MED for health reform.
- Service Line Analytics are expected to identify opportunities for both cost and resource efficiencies. Other cost reduction areas coming from the new Med Assets tools will be physician preference items, supply chain and pharmacy cost reductions. Finally, the MedAssets relationship will afford the MED access to group purchasing services.

Medical Staff Structure

- Much of the staffing is through the UT Residency Program and UT Medical Group faculty physicians.

UNIVERSITY OF MISSISSIPPI HEALTH CARE



Characteristic	UMHC
# of Hospitals	5
# of Beds	722
Net Revenue	Unavailable
Oper. Margin	2.3%
Med Staff (Open/ Closed)	Closed
Indigent Care %	Unavailable
Medical School Ranking	Unranked (Univ. Miss.)

Summary

University of Mississippi Health Care (UMHC) is an umbrella organization that combines the University Hospitals and Health System (UHHS) and University Physicians (UP), the medical faculty practice plan. UHHS is comprised of the teaching hospitals for all University of Mississippi Medical Center educational programs and serves as a 722-bed diagnostic and treatment referral center for the entire state. Inpatient admissions total approximately 28,000 annually. Outpatient and emergency department visits exceed 250,000 per year.

Specific public funding information was not available for University of Mississippi Health Care. Presumably, the health system receives state funding either directly or indirectly through the University of Mississippi.

Similarities

UMHC and ULH are similar in many ways – both are teaching institutions, and Level I trauma providers that serve a disproportionate share of indigent patients. Additionally, their regional markets overlap slightly given their geographic location. Given their similar missions, both organizations face financial pressures that make efficient care a necessity.

Lessons Learned

Organizational Mission

- The University of Mississippi's mission is to create, evaluate, share, and apply knowledge in a free, open, and inclusive environment of intellectual inquiry.

Outreach

- UMCH's outreach strategy is aided by a robust facility network.
- Outreach facilities include a major outpatient pavilion with 16 clinics and diagnostic outpatient services as well as specialty facilities throughout the market in orthopaedics, cardiology, gastroenterology, dermatology, allergy, cancer, women's care, and more.
- Additional outreach facilities are available in its secondary markets including Louisville and Lexington, MS.

Key Service Lines / Service Line Development

- UMHC's specialties are organized around 8 core services – Cancer, Children's Services, Heart, Neurosciences, Orthopaedics, Sports Medicine, Transplant, and Women's Care. UMHC is also home to Mississippi's only Level I Trauma Center.
- The system has dedicated significant resources to children's and women's healthcare with two dedicated hospitals - Winfred Wiser Hospital for Women & Infants and Batson Children's Hospital.
- UMHC has announced a partnership with HMA which will allow for more training opportunities and settings for UMHC physicians in the Mississippi area and will increase overall access to care for HMA patients.
- UMHC has demonstrated its commitment to providing its excellent emergency and trauma care to area hospitals by developing TelEmergency (telemedicine) competencies in trauma, stroke, and other services (which HMA will also benefit from).

Cost Reduction / Operational Initiatives

- UMHC transformed its supply chain by switching from its previous group purchasing organization to University HealthSystem Consortium's supply contracting company and saved \$2 million in one year.
- The system also commissioned a value analysis team to use hard evidence to make decisions on supply standardization.
- Other cost cutting came in the form of layoffs in early 2012 with over 100 employees being cut due to increases in uninsured and other economic issues.

Quality Performance & Initiatives

- In order to promote leadership awareness of operational and clinical activities, the "Where in the U is..." program allows hospital leadership to job-shadow hospital staff such as nurses and administrative support.
- UMHC is employing the Philips VISICU and eICU Program; Using remote monitoring technology and clinical intelligence, critical care resources are leveraged to enhance specialist access, improve clinical outcomes, and reduce healthcare costs.

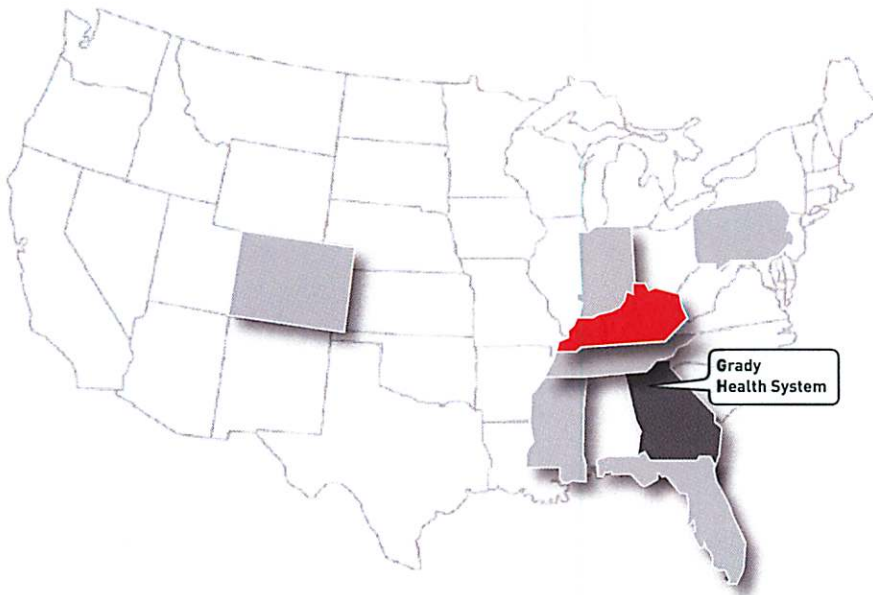
Reform Readiness

- UMHC has created two committees - UMHC Federal Health Policy Working Group and The University of Mississippi Health Care Reform Committee - dedicated to monitor new developments around the Affordable Care Act.
- The UMHC Federal Health Policy Working Group communicates with the state's federal delegation and the governor's office about changes to the healthcare system proposed by the new law (eg. state health exchanges).
- The University of Mississippi Health Care Reform Committee focuses on preparing the health system to successfully embrace the act's changes.

Medical Staff Structure

- University of Mississippi Health Care includes University Physicians, the state's largest medical group representing more than 125 specialties.
- The network of over 450 physicians forms a closed medical staff structure; most physicians also have faculty and research duties.

GRADY HEALTH SYSTEM



Characteristic	Grady Health
# of Hospitals	1
# of Beds	953
Net Revenue	\$704 M ²
Oper. Margin	-1.2% ²
Med Staff (Open/ Closed)	Open
Indigent Care %	33% Uninsured
Medical School Ranking	#21 (Emory)

²2010 or previous

Summary

Opened in 1892, Grady Health System serves the greater Atlanta, Georgia area focusing specifically on care for the indigent. Grady Memorial, the system's flagship hospital with 953 beds, is the fifth-largest public hospital in the United States. The system has one of the nation's busiest Level I Trauma centers and is also known for its Burn Center, Cancer Center, and Stroke & Neuroscience Center. Grady also has grown its primary care network and now has six primary care centers in the community with one main primary care center on the hospital campus.

Grady receives significant county funding from both Fulton and DeKalb counties. In 2011, Fulton County and DeKalb counties contributed \$52 million and \$12.2 million, respectively. Grady also received \$63 million from the state Indigent Care Trust Fund in 2011. A philanthropic fundraising campaign has also helped generate \$319 million since 2008 from sources including the Woodruff Foundation, Kaiser Permanente, and the Marcus Foundation.

Similarities

Grady Health System and UMC share a number of similarities – most notably a large population of uninsured patients who create reimbursement challenges. Other similarities include Level I Trauma Centers, Burn Centers, Cancer Centers, Stroke & Neuroscience Centers, competitive healthcare markets, and recent financial difficulties.

Lessons Learned

Organizational Mission

- Grady improves the health of the community by providing quality, comprehensive healthcare in a compassionate, culturally competent, ethical and fiscally responsible manner. Grady maintains its commitment to the underserved of Fulton and DeKalb counties, while also providing care for residents of metro Atlanta and Georgia. Grady leads through its clinical excellence, innovative research and progressive medical education and training.

Outreach

- Grady has a primary care residency program and considers primary care one of its 6 core services.
- There are 7 primary care health centers located throughout the greater Atlanta market.
- Grady is known for its outreach efforts through free health-related screenings, seminars, community fairs and educational conferences.

Key Service Lines / Service Line Development

- Emergency & Trauma – One of the busiest Level I Trauma Center in U.S.
- Stroke & Neuroscience – Marcus Stroke and Neuroscience Center to bring more regional prestige and differentiate trauma offerings.
- Burn – Revamped burn unit.
- Cardiology – Opened a cath lab in 2009, renovated outpatient cardiology center in 2010, and added new cardiologists to deal with high percentage of diabetes patients.
- Primary Care – Have focused on outlying primary care centers to use the network to alleviate ED overcrowding.

Cost Reduction / Operational Initiatives

- Many of the hospital's operational problems arise from an overcrowded emergency department with indigent patients seeking non-emergent care.
- Grady has made great strides in getting non-emergent patients to seek routine care (often for free) at their primary care centers and nearby urgent care locations.
- They've leveraged an EMR, better technology, and developed a revolving "frequent flyer" patient list to divert them to appropriate settings for care.
- Grady has pursued an "agency free initiative." Previously, Grady had many agency nurses and other agency staff throughout the organization.
- Aggressive recruiting of a dedicated staff has saved millions and increased commitment to the mission.

Quality Performance & Initiatives

- Grady is part of VHA Georgia, a consortium of health systems and hospitals committed to improving patient outcomes and to collaborating to share best practices to improve healthcare.
- Other initiatives Grady is involved in include a fall prevention program, pressure ulcer prevention, a pain resource team, and a "You Speak, We Listen" campaign to engage families.

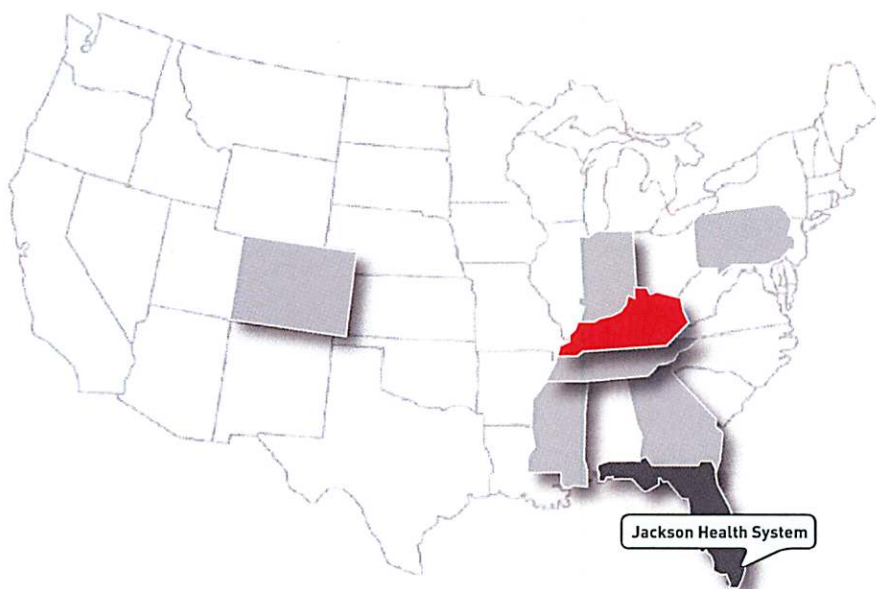
Reform Readiness

- Grady recently went through a conversion to Epic electronic health records system to integrate primary care physicians, specialists, and the entire continuum of care.
- Grady has improved the access to primary care to meet additional demand for services and off-load some of its ER volume.
- In expectation of reimbursements cuts, the CEO wants to focus on excellence in several clinical services to bring in more "paying patients" to subsidize the mission. An example has been the development of the Stroke and Neuroscience program to improve regional prestige.

Medical Staff Structure

- Grady has an open medical staff structure.
- Emory University School of Medicine faculty physicians and residents provide much of the care at Grady.

JACKSON HEALTH SYSTEM



Characteristic	Jackson Health
# of Hospitals	3 (+3) ⁵
# of Beds	2,139
Net Revenue	\$1.75 B ²
Oper. Margin	-5%
Med Staff (Open/ Closed)	Open
Indigent Care %	43% ⁶
Medical School Ranking	#53 (Miami)

²2010 or previous

⁶Defined as Uninsured and Underinsured

Summary

Jackson is an academic health system comprised of six hospitals (four acute care hospitals). It is also home to the Ryder Trauma Center, Miami-Dade County's only Level I adult and pediatric trauma center; and the UM/JM Burn Center, one of the leading burn treatment centers in the nation and the only one in South Florida. Jackson also serves as Miami-Dade's only public health system, which brings the responsibility of care for uninsured and underinsured.

Annual funding provided to Jackson Health System by Miami-Dade County is more than nearly any county support to a health system in the nation. Miami-Dade tax payers pay a half-penny sales tax and a matching amount in property tax – equaling approximately \$350 million per year.

Similarities

Like University of Louisville Hospital, Jackson Health System plays an important community role as a teaching hospital and safety net provider. Jackson Health is also similar to ULH in that both are Level I Trauma Centers and Burn Centers, and both have experienced financial difficulties in past years.

Lessons Learned

Organizational Mission

- To build the health of the community by providing a single, high standard of quality care for the residents of Miami-Dade County.

Outreach

- Jackson Health has made a commitment to outreach services and has divided its outpatient centers into two types – centers focused on primary care and centers focused on specialty care.
- Centers focused on primary care include North Dade Health Center, Rosie Lee Wesley Health Center, and Jefferson Reaves Sr. Health Center.
- Centers focused on specialty care in the community include Biscayne Medical Plaza, Downtown Medical Center, Jackson North FIU Multispecialty Physicians Practice, and PET Center.
- An underlying theme with these outpatient centers is the education of or the appropriate utilization of clinic facilities as opposed to the emergency department.

JACKSON HEALTH SYSTEM *cont.*

Key Service Lines / Service Line Development

- Jackson organized its care around 9 “Centers of Excellence” - Orthopedics, Cardiovascular, Women & Children, Transplant, Trauma, Burn, Neurosciences, Oncology and Geriatrics.
- Jackson is focusing particularly in growing its programs in Cardiovascular, Orthopedics, and Women & Children services in the future.

Cost Reduction / Operational Initiatives

- Jackson has organized a “Clean Claims Task Force” which has made huge strides in revenue cycle through improving accuracy of claims and speed at which hospital is paid.
- Jackson has realized cost savings through labor agreement restructuring.
- Jackson has also restructured annual operating agreements with University of Miami and Florida International University.
- Other savings have come through supply cost reduction, reduction in overtime and temp agency expenses, and layoffs.

Quality Performance & Initiatives

- Jackson had made it a priority to monitor community health status and understand health issues facing the community.
- Jackson is creating a Strong Community Outpatient Strategy that will become the foundation of the Overall Integrated Delivery System to deliver necessary care in the most cost effective and proper setting:
 - PCP / Medical Homes are the overall integrated delivery system care coordinators.
 - Jackson Specialty Clinics ensure cost effective specialty care.
 - University of Miami is engaged when high end specialization is required.
 - Outreach and Home Health are key to deliver care outside ED and reduce acute crisis.
 - Urgent care reduces pressure on ED while improving speed of care.
 - Ambulatory Centers provide first level acute care in proper settings.
- Jackson is also focused on:
 - Transitional care which is essential to follow up the acute care episode and coordinate the longer term setting, either PCP / Medical Home or Longer Term Care.
 - Community long term care which provides a more cost effective and higher quality long term care.
 - Institutional Nursing or Palliative Care which is still being developed.

Reform Readiness

- Jackson is preparing to implement a medical home model.
- Jackson has made significant efforts to review government payment reform (Medicaid) and identify new ways to subsidize indigent care.
- Jackson understands its need to take advantage of newly insured patients through Medicaid expansion and must improve facilities and programs to compete for these patients with other local hospitals.

Medical Staff Structure

- Jackson has an open medical staff structure and affiliations with University of Miami School of Medicine and Florida International University School of Medicine.
- Jackson is in the process of working out a new contractual relationship with University of Miami which is expected to include an arrangement where Jackson “leases” certain U of Miami doctors to work exclusively for them.
- Additionally, Jackson is working to promote a stronger partnership with Florida International University to reduce dependence on University of Miami.

BEST PRACTICE CONSIDERATIONS

	Best Practice
Outreach	
Service Line Development	
Cost Reduction / Operational Improvements	
Quality Performance & Initiatives	
Reform Readiness	
Medical Staff Structure	

BEST PRACTICE CONSIDERATIONS

	Best Practice
Outreach	<ul style="list-style-type: none"> Given the economic pressures of working with a high percentage of indigent patients, providing care in the most cost-effective settings is critical Most of the profiled institutions have developed strong primary care networks and utilize various outpatient centers and urgent care centers to alleviate overcrowding issues in the emergency department Promoting community access will become even more critical as Healthcare Reform expands insurance to millions
Service Line Development	<ul style="list-style-type: none"> While many of the profiled health systems depend on core services in trauma, cardiology, oncology, and orthopedics, new specialty services are important to bring in paying patients from a larger service area Grady Memorial improved its regional prestige through a stroke/neurosciences center Other providers such as UMHC are using telemedicine to expand their services a broader geographic area
Cost Reduction / Operational Improvements	<ul style="list-style-type: none"> Profiled organizations found considerable savings in through group purchasing, supply chain standardization, and reduction of temp agencies and other outsourced services Revenue cycle was another major area of opportunity, especially in improving the accuracy of claims and collecting even small payments from uninsured payments Other organizations such as Wishard controlled costs for the indigent through managed care plans specifically designed for individuals who would otherwise be uninsurable Information technology and electronic health records was also an opportunity area to keep better track of patient information and direct patients to low-cost settings
Quality Performance & Initiatives	<ul style="list-style-type: none"> Certain specific quality initiatives to address surgical site infections, pressure ulcers, bed falls, hand-washing, and many others have improved specific quality metrics A follow-up patient program to reduce avoidable hospital readmissions has been very successful to proactively address patient issues after discharge Some profiled hospitals have been active in submitting data to national registries in cardiac and trauma care and using benchmarks from these registries for continual improvement
Reform Readiness	<ul style="list-style-type: none"> Establishment of dedicated committees to track the progress of healthcare reform and state government policymakers has helped prepare for change Improving access to primary care is a major focus point for most hospitals as more patients will have access to healthcare services Most profiled organizations have implemented electronic medical records platforms and they will be more critical as population health management progresses Partnerships and affiliations with large health systems may also be critical; UMHC is partnering with HMA to increase training opportunities for physicians in Mississippi while providing better access to HMA's patients
Medical Staff Structure	<ul style="list-style-type: none"> There is no wrong or right answer for a medical staff structure Most of the profiled institutions are tightly affiliated with one medical school, but most are not open staff structures However, Jackson Health has had some success leveraging many physicians from two medical schools – University of Miami and Florida International University