

Straight Talk

A weekly update from management on the issues that matter most



October 6, 2011

Dear Friends and Colleagues,

We did it! Working together, 3,750 colleagues— along with our spouses and insured children—have bent the healthcare cost curve downward. We have better health, better health benefits, and, as a result, ***no increase in the cost of our health insurance!***

In fact, all of us are now spending less for healthcare than we did in 2008. Compare that to the national average annual healthcare premium for family coverage, which is rising 9% a year—with many places around the nation experiencing double-digit increases. Meanwhile, here in Naples, our costs are down, and our colleagues enjoy access to the best care locally available, and we are objectively healthier.

How did we do it?

I am pleased to share our story as viewed by our partner Willis, a risk manager and insurance company (www.Willis.com), who collaborated with former Chief Human Resources Officer **Brian Settle**, Chief Financial Officer **Vicki Orr**, Chief Nursing Officer **Michele Thoman**, Chief of Staff **Kevin Cooper**, Chief Operating Officer **Phil Dutcher**, and the whole benefits team, which orchestrated our coverage.

Two-and-a half years ago, our team recognized that people working in hospitals and medical offices have physically and emotionally demanding jobs. They confronted a challenging environment for reimbursement. And they were motivated by the ideal that we in healthcare should be a model for the community we serve.

We also understood from the Department of Health and Human Services study in 2007 that 87.5% of health care claims costs are due to an individual's unhealthy lifestyle. So we focused on "*keeping the well people well*"; helping the chronically ill improve; ensuring the sick had good and quick access to care; and screening all who volunteered with age and gender-specific tests to detect occult disease early. As I think you'll agree, all common sense solutions.

Results have been heartening. More than 88% of our colleagues, spouses and insured children see a health coach, don't use tobacco, and have undergone basic screening tests such as height and weight ratios, waist to hip ratios, simple blood tests, and, when appropriate by nationally accepted guidelines, mammograms and colonoscopies. As expected, the first year saw a large increase in spending, driven by the cost of testing and treating abnormalities which if left untreated would have evolved into cancer or worse. Indeed, 43% of colleagues had polyps removed when they had colonoscopies. Mammography services increased by 21%, and there was a 19% increase in individuals establishing a relationship with a physician. Initially, reports of diabetes increased significantly; but with treatment the number of emergency room visits for diabetes dropped, and we've improved overall outcomes for diabetics by avoiding diabetic complications.

Year-over-year results reflect more than a 17% reduction in cost and a savings—more than \$6.5 million over the past year and that saves us from having to increase employee's insurance costs. Starting this month we are no longer hiring those who use tobacco. NCH is becoming the prime example of a community already recognized for having the nation's longest life span for women and second longest for men, according to University of Washington studies (http://sph.washington.edu/news/article.asp?content_ID=1243). And we want to keep it that way—and bend that healthcare cost curve even further.

Respectfully,

A handwritten signature in blue ink that reads "Allen".

Allen S. Weiss, M.D., President and CEO

P.S. Feel free to share *Straight Talk* by emailing me at allen.weiss@nchmd.org to be added; and join us on Facebook at www.facebook.com/nchflorida.