

April 10, 2014

Dear Friends and Colleagues,

Our parents sage advice to my two brothers and me, “*Nothing happens when you stay home,*” again proved true as I learned at last week’s American Hospital Association Regional Policy Board meeting in Atlanta. Colleagues including CEOs of healthcare systems and hospitals of all sizes, Trustees, State Hospital Association CEOs, and others exchanged news and views “*from the front.*”

Here are the highlights from colleagues from Tennessee, south and east all the way to Puerto Rico, who shared best practices centered on these major strategic assumptions:

- **Population health management** is a long-term goal which will change our healthcare system’s focus from a repair shop mentality to one based on prevention; a transition in which NCH is most assuredly “on the case.”
- **Clinical integration** across the continuum of care is key to short-term survival. Accomplishing smooth transitions for patients, from acute care hospital to home, rehab facility, skill nursing, long-term acute care, with a common electronic medical record, including medications, is what clinical integration is all about.
- **Information technology** (IT) with data analytics is critical to accomplishing the above two goals. NCH’s partner, Cerner, is leading the way worldwide with healthcare IT.
- **No one can go it alone**, whether small rural hospital, large healthcare system like NCH, or revered, mega-academic systems like NCH-affiliate Mayo Clinic, with whom we are about to celebrate our second year of connection. NCH also partners with Florida Blue, another innovative organization whose leader, CEO Pat Geraghty, encourages such nontraditional partnerships to benefit patients.
- **Moving from fee for service to capitation a/k/a value-based purchasing** (VBP) is standard for about 11% of our nation, according to CMS Chief Medical Officer Patrick Conway. “*What is the tipping point?*” is the question that remains unanswered. Fee-for-service has been health care’s traditional method of payment but has, unfortunately, encouraged excess utilization. VBP pays caregivers a fixed payment based on the age and health of a patient for a period of time, upon meeting specific quality performance metrics. How to survive and get past the tipping point is top of mind for alert healthcare systems. Some for-profit systems, focused on quarterly stockholder returns, have thrived on fee-for-service by encouraging more utilization. But health promotion, rather than encouraging increased health transactions, is the only long-term healthcare answer in our globally competitive world.
- **Transparency** is here to stay. What other industry has changing prices depending on who is buying the product, or whether a customer has insurance? Many are confused as to their expenses for a procedure or illness. One of our homework assignments for this meeting was to call our own institutions and obtain a price for a shoulder MRI and a total knee replacement. **Jim Brinkert**, an FGCU Masters in Health Administration student with me, took on the challenge. I’m pleased to report he got results on the first call both times with just two transfers from friendly folks at NCH. This was reassuring.
- **Re-purposing bricks and mortar**. No one is building more inpatient capacity, particularly in Florida, the third highest per capita rate state for hospitalization. We will be caring for folks at home in the future with shorter and fewer hospital stays. The question is: Can repurposed hospital floors become day care for memory-care patients, chronic rehabilitation for those in need, or some other useful purpose other than traditional hospital service?

It’s important to “leave home” once in awhile to learn from others in this rapidly changing healthcare environment. Being among others who share common goals opens our eyes to broader and better possibilities.

Respectfully,



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

P.S. DO YOU HAVE A COLLEAGUE OR FRIEND WHO WOULD BE INTERESTED IN THESE UPDATES? Please enter their email address below, and we will add them to our complimentary mailing list. No cost or obligation. And of course they may unsubscribe at any point they find the content uninteresting. Just enter their email address, and we shall send them a "Welcome" note, indicating you have recommended them to receive the newsletter (again, this is free and without obligation of any sort).

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