

Straight Talk

A weekly update from management on the issues that matter most



June 12, 2008

Dear Friends and Colleagues,

As I noted in a previous *Straight Talk*, two critical components for any healthcare organization are Quality and Finances. Losing focus on either can put you out of business. So let me update you on where we stand at NCH on both these essential elements.

I'm pleased to report that our **Quality** is very good in terms of clinical outcomes and volume – particularly orthopedics. The area we can always improve on is patient satisfaction. And that's our goal – to improve patient satisfaction – in introducing our new Hourly Rounds and the new Express Admit Service.

- Hourly Rounds will start next week. Every patient will be seen every hour and checked for pain, positioning, care plans, toileting needs, and other care needs. Obviously, if someone is sound asleep, we'll let that patient rest – which is equally important for recovery.
- The Express Admit Service is in its fifth week and evolving nicely. Patient feedback has been excellent. This service takes directly admitted patients from the ER to a quiet area staffed by two telemetry nurses, a care technician, and a unit secretary from 11 a.m. to 11 p.m. The patient's initial orders are completed including medications, diagnostic testing, and other preparations before going to their hospital room. Patients enjoy the quiet atmosphere and quick service, while receiving nurses are presented a fully-evaluated patient – more like a transfer than a new admission. This idea, by the way, was advanced by our incoming CNO Linda Gipson, during a recent visit. We're looking forward to Linda joining us later this month, and you'll learn more about her then.

As to our **Finances**, while the news here is less-than-ideal, we are working hard to get back to a break-even situation. For the first two-thirds of the year, we were down approximately \$960,000 from hospital operations. When we include non-inpatient affiliates such as the partnerships we have at the Bonita Health Care Center and Naples Diagnostic Imaging Center, and the wholly-owned Marco Urgent Care Center, the loss is greater. So we still have a ways to go to improve our revenues from operations.

The better news is that we have benefited from several one-time events that have added cash to our bank account and bolstered our balance sheet. These events include generous community philanthropic donations, the sale of DSI, and the clinical partnership with our oncologists. This clinical partnership is most valuable because it enables us to provide care on or near our downtown campus with 17 cancer specialists, including both medical oncologists and radiation therapy physicians. Cancer patients benefit by receiving all their care at "one stop." We are working with our cancer specialists to enhance this partnership even further.

Net/net, as the economists say, although NCH shares the economic stresses which all health care faces, we have a strong financial reserve position and an even stronger cadre of dedicated professionals to serve our community. With your continued support and best efforts, we will continue to serve the community – and support our NCH colleagues – for years to come. We are all in this for the long haul.

Respectfully,

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

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