

Straight Talk

A weekly update from management on the issues that matter most



October 1, 2009

Dear Friends and Colleagues:

Today is the first day of NCH's new fiscal year. As we close the books on last year, we continue to face a challenging and uncertain financial environment, both locally and nationally in terms of hospitals and healthcare.

Last week was our bimonthly Board of Trustees meeting, and the first issue our **Human Resources Committee** discussed was that of discretionary bonuses and salaries. Our 27-member Board is clearly motivated, along with management, to do as much as we can not only to safeguard employment for a hard-working and greatly successful employee group, but also to provide rewards, despite the softness in our admissions and the uncertain environment.

Accordingly, it was recommended that a 1.5% Board discretionary bonus be awarded to all employees in good standing, who worked a minimum of 500 hours during the fiscal year. The bonus would be distributed later this fall, after completion of a final, full-year audit. It was also recommended that salaries remain at present levels in light of not only the financial environment but also our competitiveness in the market.

We believe this approach maintains necessary financial realism but also recognizes a staff that has been responsible for numerous accolades, including Joint Commission certification, top 5% for overall clinical quality, low hospital-acquired infection rates, an award-winning fall prevention program, tops in Consumer Choice and many other successes.

The Human Resources Committee also reviewed the progress of the Employee Health and Wellness Partnership, with more than 70% of NCH employees having attended educational sessions and 35% having begun their "Road to Wellness." In the process, 4% have revealed serious medical conditions requiring immediate attention. So the program is already proving helpful and our health, as a team, has already started to improve. RN **Elaine Wade**, Director of School Nurses/Athletic Trainers, shared with the Board, the current status of the school nurse and athletic trainer program. Last school year, 46 specialized caregivers provided more than 100,000 visits and treatments for local school children. I'll say more about this wonderful program in a future *Straight Talk*.

In its review, the **Finance Committee** noted that while the system has turned in a creditable performance in a tough financial year, our payer mix became less profitable. For example, the number of total admissions paid for as so-called "Observations" increased dramatically by 77%. This Observation category pays significantly less than a traditional in-patient admission. With additional payer changes expected out of Washington, it is important we remain prudent fiscal managers.

Strategic Planning reviewed our six overarching goals—Finance, People [patients, employees, and physicians], Growth, Marketing, Philanthropy, and Quality. Strategic planning keeps our focus sharp while continuing to demonstrate execution as we obtain our defined goals. We will remain in a constant state of change.

Quality is why we exist as a healthcare system. The meeting's focus was on anticoagulation which by some accounts for almost a third of all preventable adverse drug events. By standardizing indications, therapies, monitoring, and education we have already lowered complication rates and improved compliance. We will continue with a system wide initiative to continue this improvement.

Such quality-oriented initiatives will continue to reinforce the distinction of NCH as the healthcare leader in Southwest Florida. Thank you all for making it so.

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* and ask anyone to email me at allen.weiss@nchmd.org to be added.