

June 3, 2010

Dear Friends and Colleagues:

CNO **Michele Thoman** and I heard an interesting perspective on healthcare at a conference last month, from an unlikely source—former Speaker of the House and historian Newt Gingrich. The former congressman cited four trends weighing on the future of healthcare, all of which have a bearing on our planning at NCH.

- Trend #1: New science will grow between four and seven times over the next 25 years.

 To picture the magnitude of such change, imagine you are in the 17th century looking forward to today's sophisticated science and medicine. That's equivalent to the gap between now and the year 2035, accepting that four to seven times multiple. NCH is poised for this science acceleration with our quality culture, robust information technology systems, and continuous cycle of improvement. We also are expanding our educational outreach, currently including collaboration with Edison State College nursing, FGCU, Wolford Certified Anesthesia, Nova University Physician Assistants, Nova Osteopathic, and others. Chief Medical Officer Dr. Aurora Estevez is exploring graduate medical education opportunities (interns and residents), either on our own or in concert with established national programs.
- Trend #2: Globalization is for real as a growing number of Americans travel abroad for health care, including open heart surgery and total joint replacement.
 Medical tourism is growing because of cost savings, with some employers and insurance companies even encouraging out-migration. The good news for NCH is that we have in-migration of about 7% of patients from outside southwest Florida for joint replacements and just slightly less coming to us from around the country for cardiac care. Our new, state-of-art Naples Heart Institute should accelerate this positive trend of attracting outsiders. We're also developing Centers of Excellence for Oncology, Women's Care, Wellness/Prevention and Psychiatry, in collaboration with Hazelden and David Lawrence.
- Trend #3: Governments will be the next bubble to fail, due to poor financial management.

 First it was the technology bubble, then sub-prime mortgage failures, and now entire states, like California, and countries, like Greece, are suffering enormously. We must learn from such imprudent financial management to continue to focus on productive use of our resources and control of our spending. We should be proud that our balance sheet is strong, and our income stable, as we manage to Medicare and our seasonal variations. We should also be grateful to our philanthropic community whose generosity over the decades has allowed us to care for everyone with demonstrated quality. We are productive and efficient but can't afford to let down our guard.
- Trend #4: The most venerable are the most vulnerable.

 Gingrich noted that entrenched industries, institutions and individuals, even successful ones, have the most to lose and consequently are the most resistant to change. The healthcare industry is one such resistant industry, having grown to consume over 17% of the gross domestic product. But the name of the game today is "value"—defined as quality divided by cost. We've focused on value at NCH, applied rigorous quality metrics to our activities, and accumulated nearly 100 awards for quality in the process.

Mr. Gingrich's views may or may not be correct, but one thing is irrefutable. If NCH is to continue to improve as our community's premier healthcare provider—and we fully intend to be just that—then the one thing that will remain "constant" is continuous, positive change.

Respectfully,

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

P.S. Feel free to share *Straight Talk* and ask anyone to email me at <u>allen.weiss@nchmd.org</u> to be added.