

# Straight Talk

A weekly update from management on the issues that matter most

June 2, 2011

Dear Friends and Colleagues,

NCH is on a journey to national prominence.

One of every eight patients who spend a night or more in one of our 681 beds (and that will be 715 beds by year-end) comes from outside our five-county region. We are in the midst of six major building and renovation projects, which will pump more than \$35.3 million into our community by year-end. Orchestrating our future is arguably the most important responsibility of NCH's 23-member community Board of Trustees, which met last week.

The Board's discussions covered a broad canvas—our patient-centered culture, quality, finances, 3,750 extraordinary colleagues, growth, market share, image and philanthropy. Our advantages are numerous, among them geographic diversification, improved reputation, market share growth, financial stabilization (through revenue growth), quality improvement, sharing best practices (e.g., information technology), adding leadership talent at all levels (Board, leadership team, director level, physician specialties), growing medical staff, and augmenting philanthropic potential.

The Board also noted that with change comes challenge, in such things as potential loss of autonomy which could limit future opportunities, possible additional layers of bureaucracy disrupting profit margins, philanthropic confusion, increased need for communication, and distraction if the plan veers off track. Thus far, even in the midst of culture change, we are doing well with our execution and are now just reaching our stride.

The Board discussed options to energize our efforts toward national prominence, including partnering with a luminary institution, to achieve leaps in such areas as patient education, expanded patient-centered culture, graduate medical education, third party administration of medical insurance, accountable care organization expertise, supply chain management, and primary care integration (so that patients receive care closer to home even if they need to leave the area for an unusual illness or surgery). To help weigh these options, the Board added two experienced new members—**Frank Linsalata**, past Chairman of the Board of Case Western Reserve and the major force behind Cleveland's Linsalata Capital Partners, and **Robert Moses**, Portfolio Manager and General Partner of RGM Capital.

The Board also examined the progress of NCH Healthcare Group, now 67 physicians and 20 nurse practitioners and physician assistants strong. In that context, I visited one of our premier primary care offices, led by Dr. **Karen Henrichsen** and Nurse Practitioner **Doreen Cassarino**. Their four-person team includes **Courtney Krehling**, **Stacey Osborne**, and medical assistants **Katy Adamson** and **Beth Errigo**. Their newly-renovated space is in the heart of Park Shore on the Tamiami Trail at Neapolitan Way. It is welcoming, spacious and patient-friendly. Ultimately, healthcare will migrate from an inpatient "repair shop" mentality to outpatient preventive success. The office I had the pleasure of observing is the model for the future.

Our Board recognizes, as we all do, that NCH faces daunting challenges going forward, most especially reduced reimbursement from Medicaid, Medicare and most other payers. But we have great confidence that with continued strong leadership, steady focus, and, most of all, superior performance from our dedicated caregivers, we will continue to meet the challenges of the future while continuing to add value to our community every day.

Respectfully,



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

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