

Straight Talk

A weekly update from management on the issues that matter most

June 30, 2011

Dear Friends and Colleagues,

“No outcome, no income.”

That’s the prevailing refrain in today’s healthcare. Literally translated, it means that in order to prosper financially, healthcare providers must assure excellent patient outcomes. This is an update on the old phrase *“No margin, no mission.”* CNO **Michele Thoman** reminded me of that updated refrain as she returned from the prestigious three-week J&J/Wharton Fellows Program in Management for Nurse Executives.

The importance of improved patient outcomes was very much on the minds of the directors, chief medical officers and CEOs at the Florida Hospital Association (FHA) quality meeting I attended recently. We all agreed that we must demonstrate improved outcomes in order to remain financially viable. Moreover, with decreasing reimbursement by both commercial and government payers—starting tomorrow, Medicaid payments decline by \$10.6 million for the next year—we now face the added burden of profit margin squeeze.

The FHA Quality Committee’s goal is to improve the state of our state’s health by sharing best practices, benchmarking, and sharing best health practices with every person in the state. The National Healthcare Quality Report shows improvement in Florida, with hospital care measures rising from low “average” for the baseline year to a solid “strong” for the most recent year. (<http://statesnapshots.ahrq.gov/snaps10/dashboard.jsp?menuId=4&level=0&state=FL>)

As a state, Florida is better than average in terms of adult admissions for appendicitis, heart attack death, congestive heart failure deaths, pneumonia, obstetrical trauma, post-op abdominal wound breakdowns, and overall mortality. Our state must improve in such facets as communication with physicians and nurses, stopping antibiotics after surgery within 24 hours, post-operative infections, selected infections due to medical care, and starting antibiotics within six hours of coming to the hospital with an infection.

Medicare will start a Value-Based Purchasing program in fiscal year 2013, based on hospital performance beginning tomorrow. Basically, this program will withhold payments to hospitals that do not deliver high quality care. Since Medicare payments account for more than 60% of our total revenue and Medicaid reimbursement has been lowered by more than 12%, performing well on these designated metrics becomes mission critical for NCH. Specifically, these metrics are related to acute heart attacks, heart failure, pneumonia, healthcare associated infections, surgical prophylaxis, and patient satisfaction—which alone accounts for 30% of the total value.

(http://www.cms.gov/QualityInitiativesGenInfo/downloads/VBPRoadmap_OEA_1-16_508.pdf)

Our goal is to rank among the approximately one-third of hospitals receiving full payments and not fall among the third who will be penalized 1% with decreased payments.

NCH possesses all the elements for continued success: Great people delivering wonderful care, a strong information technology backbone, and an extraordinary community interested in and supportive of our institution. We intend to be completely transparent as we face this new challenge. I have always believed that if you do the right thing often enough, you get the right result. At NCH, we will continue to *do the right thing*.

Respectfully,



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

P.S. Feel free to share *Straight Talk* by emailing me at allen.weiss@nchmd.org to be added; and join us on Facebook at www.facebook.com/nchflorida.