

July 30, 2009

Dear Friends and Colleagues:

We covered many updates in this week's Board meetings over the past three days, with "*execution, accomplishment and teamwork*" being the watchwords. Here are the highlights:

- CFO **Vicki Hale** began the sessions with a review of June financials and projections for the full year. Financially, we remain stable. We are about 2% busier for the first nine months of our financial year and up until two months ago, were running ahead of budget. We slipped a bit in May and June.

Clearly, we must manage our finances conservatively, especially as unemployment levels have increased throughout southwest Florida. Unemployment translates to "*uninsured patients*," which stresses our financial resources. Hurricanes are another wild card, with business interruption costing about \$1 million per day. The "good news," as Vicki reported, is that the NCH balance sheet—a reflection of our financial strength—remains robust. So we are prepared for any storm—be it natural or manmade from Washington. (So far in the healthcare debate, the biggest cost to us has been a change in Medicare that shifts many previous inpatient admissions to less lucrative outpatient status.)

- **Michael Riley**, Chief Strategy Officer updated the Board on the 2009 business plan, including the metrics of a "*balanced scorecard*," which includes quality parameters, financial measures, people (patient, employee, and physician satisfaction score comparisons over time), market share growth, marketing, and philanthropy. Every few months, we update the metrics, economic indicators, examine the goals, and modify the plan to keep pace with our rapidly-changing environment.
- **Dr. Aurora Estevez**, our CMO, and her team shared some accomplishments on our most important metric— *quality*. Two highlights were the outstanding, preliminary results from Joint Commission's recent survey (see www.NCHMD.org for last week's *Straight Talk*) and the financial reward of \$96 thousand from Centers for Medicare and Medicaid services, for being among the most improved facilities for pneumonia, congestive heart failure and heart attacks. Dr. Estevez also noted that we now phone certain post-operative patients after discharge to review their medical conditions, medications and answer questions. Our patient satisfaction scores were also reviewed with a Press Ganey representative, who enlightened us on best practices and benchmarking.
- Then, COO **Phil Dutcher** reviewed plans to upgrade the 1st and 2nd floors of the downtown campus, the Acudose towers, and the downtown fire alarm system. CNO **Linda Gipson** discussed the recent successful Nursing Boot Camp (see *Straight Talk*, 7/9/09) along with the new nursing structure and past-year accomplishments. CHRO **Brian Settle** shared plans for NCH to go "*smoke free*" in November and implement a new health plan to encourage healthier lifestyles and outcomes. I'll have more to say in an upcoming *Straight Talk* about these plans.

I think the Board was pleased to hear that even in a down economy, the "state of NCH" remains confident and strong. We have accomplished much over the past several years. But we can't allow ourselves to become over-confident.

When I was in private practice, I always reminded myself that I was only as good as my last patient. Likewise, we should be proud of our accomplishments and the progress we've made as an institution, but we must remain mindful that we need to continue to adapt and improve as our healthcare environment changes. As a team, we owe nothing less than continuing our mission of providing the highest quality of care to the communities we serve.

Thanks, as always, for all you do for NCH.

Respectfully,



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.