

Straight Talk

A weekly update from management on the issues that matter most

April 15, 2010

Dear Friends and Colleagues:

This past Saturday, our new NCH Board Chairman **Joe Perkovich** led our 22-member Board through an educational and organizational retreat focusing on our *plan* to accomplish our *vision* of *achieving national excellence*.

The key to realizing that vision is demonstrating undisputed healthcare quality buttressed by solid finances. All of us have confidence that our team of 3,575 colleagues, 630 physicians and more than 1,200 volunteers are up to the task.

- On **QUALITY**, we have most recently received *HealthGrades* award for being among the Top 5% in Women's Health Care. Internally, we have embraced the Lean Six Sigma discipline to improve the quality of process outputs. We are led in that effort by black belts **Sue Manning**, **Jodi Swarthout** and **Chris Vasta**, who help our more than 100 green and yellow belts on many collaborative efforts. These include sepsis, central line infection prevention and a Joint Commission hand hygiene pilot study. We will also be using the comprehensive Thomson Reuters criteria to measure performance on mortality, complications, patient safety, core measures, length of stay, expense per discharge, profitability, cash/debt ratio and patient satisfaction. Our goal is to rank among the top 100 hospitals in our large community hospital peer group within the next four years. We have work to do, but we are within striking distance.
- On **FINANCE**, even in the face of a difficult economy, we have more than doubled our reserves during the past three-and-a-half years. Our profit margin has remained thin but positive over this same period. Adding to our challenge is that Medicare payments represent 60% of our income, and we must manage to our seasons, with the more than doubling of our census from summer nadir to winter peak. We've orchestrated a successful financial plan, including trimming non-core assets such as DSI; growing clinical partnerships with our oncologists; developing symbiotic relationships with our information technology partner, Cerner; and most recently, a game changer of "physician integration," starting with nine cardiologists. All of this has resulted in our "shadow bond rating"—an unannounced rating of our bonds by outside agencies—being raised from "B" to "A." We're proud of this accomplishment, particularly in a recession, but we can't afford to get overconfident. Ultimately we have a vision of building a "fortress balance sheet" to benefit patients, colleagues, and the community we serve.

This is all possible, of course, because of our wonderful people. We serve patients, physicians and each other in so many ways—from **Mike Riley**, who has organized our dynamic strategic plan to attain national excellence; to **Beth Jameson**, who leads our two prevention-oriented Wellness Centers; to **Mary McElligott** at our von Arx Diabetes & Nutrition Center, who help diabetics improve their own care; to **Dr. David Lindner**, Critical Care physician, who volunteered to help me serve Easter dinner a week ago Sunday in the downtown cafeteria.

Of our patients for total joint replacements, 7% come from outside southwest Florida. As they share the NCH story and tell their friends about the compassionate and competent care they receive here, the attainment of our vision of national excellence will become closer.

The Board is on board and leading the way. Our community supports us philanthropically, and we support the community's health. Working together, being adaptable, and sharing the vision will make the journey both satisfying and successful for all of us.

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.