Washington Healthcare News

wahcnews.com

Articles, Interviews and Statistics for the Healthcare Executive

VOLUME 5, ISSUE 2

FEBRUARY 2010

Lean in 2010: Are Healthcare Systems There Yet?

By Nora Haile
Contributing Editor
Washington Healthcare News

Best known as the driving force beyond car manufacturer Toyota's success, Lean production practices "consider the expenditure of resources for any goal other than the creation of value for the end customer to be wasteful, and thus a target for elimination." (Wikipedia) In healthcare organizations, using a car manufacturer's method, however successful, to address operational issues may have once seemed like trying to fit a square peg in a round hole. That's no longer the case.

When you apply Lean practices to healthcare, the patient is the end customer. So, any resource expenditure not creating value for the patient is wasteful. Furthermore, improving quality saves not only dollars, but helps prevent harm to patients. Following are examples of how healthcare organizations are putting the elimination of waste at the heart of their approach to quality and patient care.

Making Change Palatable

Change is a challenge in any situation, especially when what most employees hear when you say, "improve processes" is "more work." For Portland, Oregon-based Legacy Health System, however, a longtime culture of CQI (Continuous Quality Improvement) helped ease the way for Lean practices. Sonja Steves, Legacy's Senior Vice President of Human Resources, explained, "Having that cultural foundation helped pave the way for Lean. The organization wanted to focus on more employee-engaged problem solving, which Lean methods support."

Dr. Richard Mandsager, Chief Executive at Providence Alaska Medical Center in Anchorage, said that the Providence system's decision to go with Lean methods several years ago stemmed from the desire to have the same improvement philosophy across an entire system. "We wanted to use the same tools, handling deployments one way instead of just applying the flavor of the year." He added that there was a natural inclination toward standardization, given that headquarters is in Seattle, where standardized process methodologies are prevalent at companies such as Boeing and Microsoft.

Virginia Mason took the bull by the horns some years ago, adapting Lean's production methods into what they've named the Virginia Mason Production System (VMPS). Dr. Kim Pittenger, Section Head and Medical Director at

Please see> Lean, P4

Inside This Issue

Washington Healthcare News
wahcnews.com | *Articles, Interviews and Statistics for the Healthcare Executive*

Publisher and Editor
David Peel
Contributing Editor
Nora Haile
Contributing Writer
Roberta Greenwood
Business Address
631 8th Avenue
Kirkland, WA 98033
Contact Information
Phone: 425-577-1334
Fax: 425-242-0452
E-mail: **dpeel@wahcnews.com**
Web: **wahcnews.com**

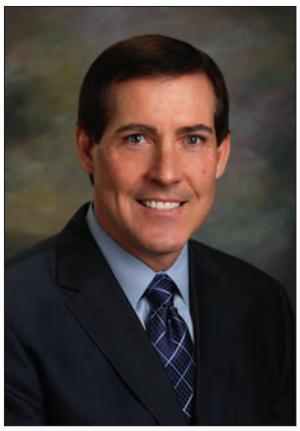
TO GET YOUR COPY

If you would like to be added to the distribution, go to our web site at www.wahcnews.com, click on the "subscribe" tab at the top of the page and enter all information requested. Be sure to let us know whether you want the hard copy or the web version.

LETTERS TO THE EDITOR

If you have questions or suggestions regarding the News and its contents, please reply to dpeel@wahcnews.com.

Letter from the Publisher and Editor



Dear Reader,

At least two factors lead me to believe we will soon enter an unprecedented period of high patient utilization.

- Healthcare reform is here. Millions of patients with new insurance coverage, private and public, will be seeking medical care.
- As our population has aged, medical service demand has increased exponentially. Many more will be aging into Medicare programs.

At the same time, reimbursement will be flat or at lower per capita levels given much of the new utilization will come from expanded public programs and their expected real reduction in reimbursement levels.

The need for strong healthcare leadership will be even more important. Finding the best managers will increasingly mean "shaking the trees" regionally rather than locally.

10,000 West Coast healthcare leaders now receive Healthcare News publications. All receive our monthly Career Opportunities email announcement. Please consider this as you plan your 2010 recruiting strategy.

David Peel, Publisher and Editor

Washington Healthcare News 2010 Editorial Calendar

Month and Year	Theme of Edition	Space Reservation	Distribution Date
January 2010	Clinics	December 1, 2009	December 21, 2009
February 2010	Human Resources	January 2, 2010	January 19, 2010
March 2010	Hospitals	February 1, 2010	February 23, 2010
April 2010	Insurance	March 1, 2010	March 23, 2010
May 2010	Clinics	April 1, 2010	April 20, 2010
June 2010	Human Resources	May 3, 2010	May 25, 2010
July 2010	Hospitals	June 1, 2010	June 22, 2010
August 2010	Insurance	July 6, 2010	July 20, 2010
September 2010	Clinics	August 2, 2010	August 24, 2010
October 2010	Human Resources	September 1, 2010	September 22, 2010
November 2010	Hospitals	October 1, 2010	October 19, 2010
December 2010	Facilities	November 1, 2010	November 23, 2010

EVERYONE BENEFITS FROM SOUND LEGAL ADVICE

OUR BREADTH OF EXPERIENCE keeps our clients focused on their mission—providing quality care to their patients. Serving health care clients for over 75 years, we provide sound and practical advice to health care professionals, clinics, and institutions in such areas as labor and employment, risk management, regulatory compliance and licensing, business transaction and litigation services.

FOR MORE INFORMATION CONTACT JUDD LEES: 206.233.2893

WILLIAMS™ KASTNER

SEATTLE . TACOMA . PORTLAND and affiliated offices in SHANGHAI . BEIJING . HONG KONG ◀ • • • • • *Practicing law with greater resolve™*

Does your staff retirement plan need some help?

Perhaps its time for a second opinion.

- McHenry provides **investment risk and asset management services** to corporate employers and not-for-profit institutional investors
- Even if you have an existing brokerage or advisory relationship, our **benchmarking** services can help ensure that your policies and practices are both **effective** and **efficient**

We can help.

800 638 8121

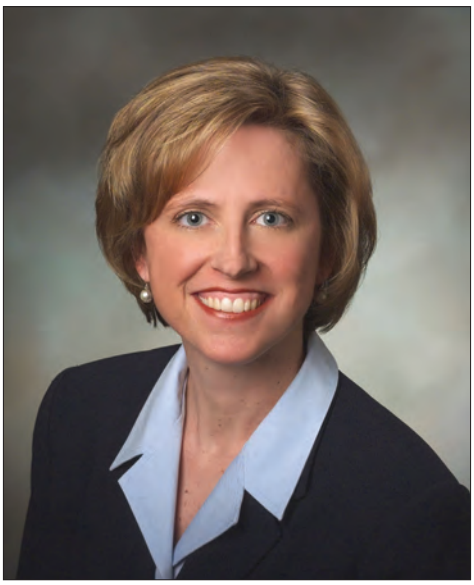
McHenry PARTNERS

<Lean, from P1

Virginia Mason Kirkland, said it grew from an organizational desire to make working on quality the method to improve the overall system. He explained, "Over seven years ago, like many other medical groups, we were without a method to cope with an adverse reimbursement environment, plus concerned with errors within the system. We wanted something that could be used across an entire system." Finding a lack of consistency, they rejected tools other groups had used, instead turning to the manufacturing environment, taking a page from the transformational Lean production success of Boeing's 757 line.

Creating Success from the Front Line

The most sustainable changes have buy-in from the front line. Knowing this, Legacy System involved Legacy Emanuel Medical Center staff at the outset of its Lean-inspired efforts. Once care givers realized that the message truly was about adding capacity, not adding tasks, negative connotations disappeared. As Steves said, "Our (front line) staff has the best ideas on how to make things better in their daily work."



"Our (front line) staff has the best ideas on how to make things better in their daily work."

Sonja Steves
SVP, Human Resources
Legacy Health System

"We began with a patient flow initiative to analyze the entire process," Steves continued. "From entry to the ED, admission to the unit, all the way to discharge, we looked for waste." They involved nurses, doctors and all support services to improve the movement of patients from one part of the process to the next. The team wanted to broaden capacity, reduce wait times and increase patient satisfaction.

The project eliminated operational waste through rapid, low cost, incremental changes and improvements. For instance, it examined everything involved in the process of turning a room, from where sup-

plies were located in relation to the care area to how far the nurse had to walk to locate an item. "Overall, we were able to make significant strides," Steves enthused. The campus saw:

- 90% reduction in overall Divert hours over the last 12 months
- Improved clinical team time with patients
- Main Adult Emergency Department at zero hours for the last six months of 2009

Transforming Care at the Bedside

Providence Alaska Medical Center worked under the premise that the project would be staff driven. Training brought greater understanding of the change processes and rapid cycle improvement. Janet Hagensieker, RN and clinical manager of their Medical-Surgical Unit, said the atmosphere was positive and accepting. "The majority felt the changes were coming from within rather than from above."

"We were aiming for patient satisfaction..."

Richard Mandsager, MD
Chief Executive Officer
Providence Alaska Medical Center

Mandsager further clarified that improved clinical diagnostic processes weren't the primary goal. "We were aiming for patient satisfaction through the improvement in the percentage of nurses' time spent at the bedside. The project was to be experience-focused."

They decided on a Unit-specific project (Medical-Surgical Unit and Pediatrics) that would both improve communications between the nurse, the patient and the family, and improve care giver workflow. "The goals had to be meaningful to the staff – and they wanted more patient time; to feel like they were giving ever better care," Hagensieker explained.

The team kicked off the project in January 2009, and by April saw noticeable changes. As the summer progressed, so did improve-

Please see> Lean, P6

<Lean, from P5

ments. Physically, linens and supplies were closer – every action taken with the intent to bring care to the bedside as much as possible. The "hunt and gather" that nurses traditionally dealt with decreased, and the patient received more actual care time.

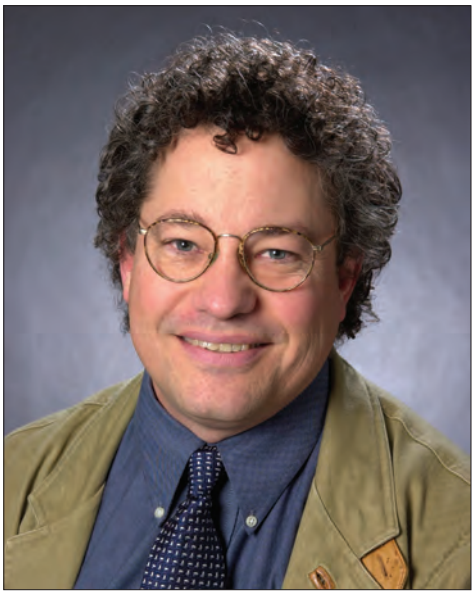
In a Unit of traditionally high turnover, where nurses moved on to other specialty areas, Mandsager and Hagensieker proudly pointed to some of the improvement measures:

- 100% retention rate for the past year on the Medical-Surgical Unit
- 17% improvement (2009) on the ProvVoice employee satisfaction survey for the question "My ideas and suggestions count"
- Increase from between the 50th and 70th percentile range to between the 75th and 90th in 2009 for the nursing job enjoyment scale (National Database for Nursing Quality Indicators)

Value-driven, Not Cost-driven

System-wide, Virginia Mason employed VMPS consistently and with strong positive results. "Everyone in the whole institution approaches improvements the same way," stated Pittenger. "We look at all care processes as a value stream, not a cost, trusting that if we reduce the number of steps and time something takes, then it will save us money as time goes by."

Example: Virginia Mason Kirkland conducted rapid process improvement around what they called the clinical "junk drawer" of emails, phone calls, lab results and pharmacy issues that accumulate over a typical clinic day. As Pittenger explained, "For a doctor, any time not spent with a patient is junk time." Habitually, doctors left the junk drawer (indirect care) until the end of the day, inevitably spending several hours plugging through the batched administrative work. It delayed information to patients and resulted in late nights. He continued, "You're calling a patient at 6:30 p.m. whose potassium was known to be off at 10:30 a.m. Also, the patient called twice that day to find out results, so there's a voicemail build-up."



"We look at all care processes as a value stream, not a cost..."

Kim Pittenger, MD
Section Head and Medical Director
Virginia Mason Kirkland

The flow production experiment looked at a single provider's day and calculated the ratio of indirect care pieces (60) to the number of patients seen (20). The calculations showed that completing three pieces between each patient would theoretically take care of the work.

After two days of participation,

the doctor was enthusiastic. She was leaving at the end of the day, on time, with all tasks completed, while her colleagues slogged through their junk drawers. She's since seen an increase of up to 30 patients per day and boasted a 92% patient satisfaction rating on Virginia Mason scales, while continuing to go home at a reasonable time. "It's better quality care. Waiting until the end of the day meant details were lost. And issues get addressed in a more timely manner, so patients are safer," said Pittenger.

Virginia Mason Kirkland then tackled each process within that process with several notable results:

- Patient survey showed Phone Access up from 40% Very Good to 80% in one year
- Overall patient satisfaction hit a top grade of 92%
- Center went from a $300K per year loss (2003) to a $700K margin (2009)

System-wide Sustainable Success

Each organization wanted a system-wide change with employee buy-in. All recognized the necessity of involving front-line staff, physicians and nurses, medical assistants and business offices, from the outset. Working to develop the solution with the people who are actually going to implement the change has created an environment of sustainable success.

In 2009, Legacy Health System officially adopted Lean as their process improvement method, and has since trained over 300 motivated, excited employees. Providence Alaska Medical Center has continued to raise clinical performance and has moved on to business applications. The Virginia Mason system continues to live and breathe VMPS, much to the benefit of patients, providers and care givers.

Lean in 2010? Definitely well underway.

Washington Healthcare News thanks Sonja Steves (Legacy Health System, Portland), Dr. Richard Mandsager (Providence Alaska Medical Center) and Dr. Kim Pittenger (Virginia Mason Kirkland), for sharing their valuable time and organizational success stories. For more on each healthcare organization, please visit their respective web sites at www.legacyhealth.org, www.providence.org or www.virginiamason.org.

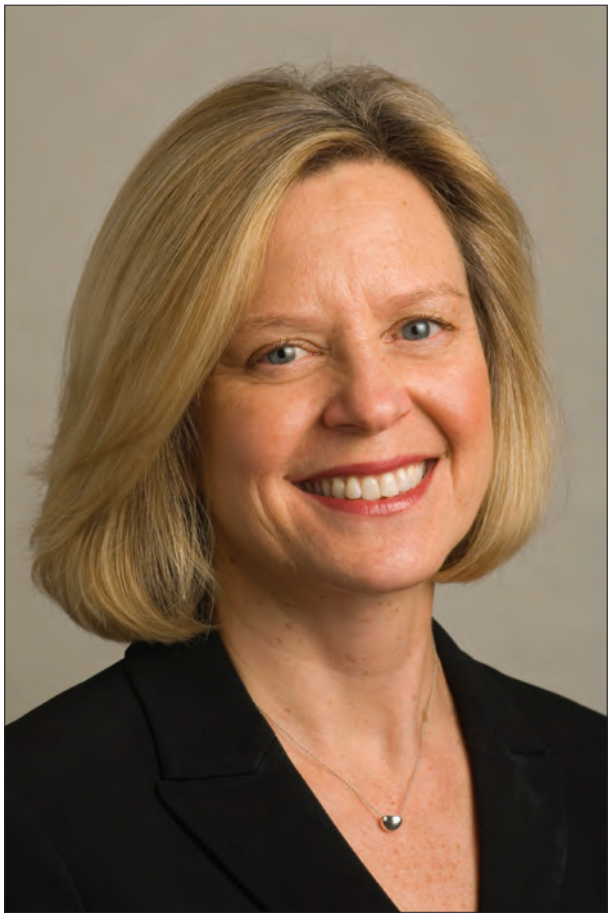
Nora Haile can be reached at nora@nhaile.com or 206.650.3308.

An Interview with Joyce F. Jackson, President & Chief Executive Officer of Northwest Kidney Centers

Since 1998 Joyce F. Jackson has led Northwest Kidney Centers as president and chief executive officer. Her organization delivers 80 percent of dialysis in King and Clallam counties, about 200,000 treatments each year. Northwest Kidney Centers (NKC) provides dialysis to people with kidney failure, who require the treatment to stay alive, in 14 centers, 11 hospitals and 210 homes. NKC also conducts an active public education program called LivingWell with Chronic Kidney Disease™ and was the instigator of the Kidney Research Institute, a collaboration with UW Medicine. With $83 million in revenue for fiscal 2009, NKC is one of the area's largest nonprofits. David Peel, Publisher and Editor of the Washington Healthcare News, asked Ms. Jackson a few questions in this December 2009 interview.

Q: Northwest Kidney Centers has a long and storied history. According to your Web site, www.nwkidney.org, it was established in 1962 as the world's first outpatient dialysis treatment center. What are the most significant changes to your sector of healthcare since then?

A: When we began, the world's eyes were on Seattle because we were the first to replace an organ in the body with a machine that isn't in the body. The biggest change since then is the significant growth in dialysis therapy to address kidney disease, which is now an epidemic because of the growing rate of obesity and diabetes, the most prevalent causes.



"We define quality not just in terms of clinical outcomes, such as whether somebody lives longer, but also quality of life."

The second area that's changed is medication therapies. For example, Epogen, made by Amgen, is now used to treat severe anemia, which affects almost everyone on dialysis. NKC participated in clinical trials for Epogen. Having dialysis keeps people alive and gets them back on their feet. Epogen gives them the energy that they need to do other things.

Unfortunately, however, dialysis itself isn't that different today than it was when we invented it. It's shocking that our field hasn't advanced much as far as changing the outcomes for people with kidney failure. We can help them stay alive, but we still have to do an intensive and expensive therapy three or more times a week for life.

The only alternative to dialysis for people with kidney failure is an organ transplant but, unfortunately, we don't have enough kidney donors. Only 6 percent of kidney patients nationally receive transplants. In our community the rate is higher, at 9 to 9.5 percent, but a quarter of our patients are waiting for a kidney transplant and the gap is growing because kidney disease is increasing.

We're committed to working to change this situation. NKC, in collaboration with UW Medicine, founded the Kidney Research Institute last year. So far it has secured $11 mil-

lion in public grant funding to conduct clinical research to improve patients' lives and slow the progression of kidney disease. We're excited to think that the next generation of people with kidney problems will have a therapy that works better than today's dialysis or transplantation. We also founded the LivingWell with Chronic Kidney Disease™ program to reach out to people before they need dialysis or transplantation to teach them about strategies to slow the progression of kidney disease and to prepare well for dialysis therapy if they need it.

As a nonprofit, we are owned by the community. Our nonprofit status drives our focus on education and research, as well as patient care. We're not only the nation's first outpatient dialysis program, but we've carried the flag of nonprofit healthcare in our field, which today is dominated nationwide by for-profit companies.

Q: You were recently named the recipient of Washington's 2009 Warren Featherstone Reid Award for Excellence in Healthcare. What thoughts can you share with our readers about providing exceptional quality and value in the delivery of healthcare services, the focus of this award?

A: We define quality not just in terms of clinical outcomes, such as whether somebody lives longer, but also quality of life. We take the patients' perspective. We help them make sure their extensive care is covered by insurance. We have a pharmacy staffed with renal-specialist pharmacists, something that's unheard of. We have two special care units – in Seattle and Kent – with special nurses and special beds to keep people out of the hospital. Our patients are hospitalized 20 percent less than the national average. Our survival statistics are 10 percent better than the national average. We have one of the nation's largest home dialysis programs, which was the first in the country.

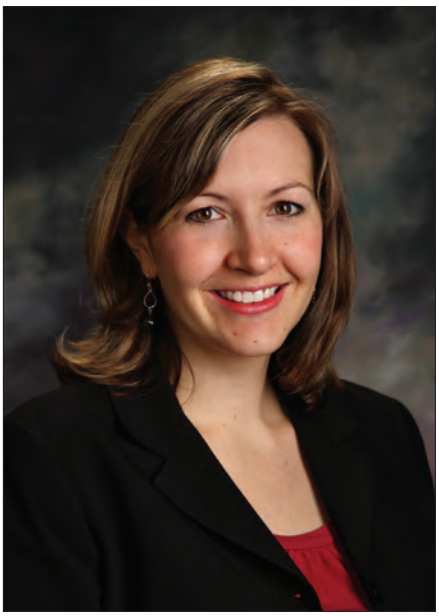
Q: What other information would be important for our readers to know about you or Northwest Kidney Centers?

A: Kidney disease is common and harmful, but it's treatable. As we look ahead over the next five years, our focus will be to bridge gaps in care to improve outcomes and efficiencies. We're inviting partners from the community to collaboratively improve the flow of information and services. Our Web site is full of information, and our team can advise and help people get resources. We're Northwest Kidney Centers, the go-to resource for fighting kidney disease.

Mental Health Parity Arrives

How a Pro-active Approach Can Alleviate Potential Risk to Health Plan Dollars

By Lindsay Harris
Manager of Disease & Wellness Programs
Healthcare Management Administrators, Inc.



On October 3, 2009, the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (the Act) took effect. How it affects ERISA-sponsored plans is well documented. What's not so obvious is how health plan sponsors can minimize the risk to their health plan dollars.

Why a Well-Intentioned Act Poses Risk

To understand why the potential for spiraling costs exists, let's look at the requirements. The Act doesn't require plans to provide coverage for Mental Health (MH) and Chemical Dependency (CD), aka behavioral health coverage. However, if the plan does offer such coverage, then now it must be equivalent to the predominant medical coverage offered. So, no differences can exist between treatment limits or cost sharing (deductibles, coinsurance, co-pays and so forth). The laudable intent is to improve behavioral health coverage, bringing it closer in line with other types of coverage.

For most plans, it would be difficult and undesirable to make major changes to medical coverage solely to adjust to the new behavioral health requirements. Without that option, plans face eliminations of the benefit caps that protected them from extensive costs related to behavioral health treatment.

While there isn't extensive data on exactly how great the impact will be to health plans without utilization management programs in place, in the Pacific Northwest, where state parity laws are already in play, industry experts anticipate that plan sponsors will probably see increases in behavioral health utilization. It stands to reason that richer benefits increase the prospect of (1) longer lengths of inpatient stays, (2) more visits per plan participant for outpatient treatment, and (3) more overall behavioral health program participation. All three add up to plan risk, in terms of both increased claim dollar outlay and the potential for claimants to hit stop-loss thresholds.

Proactive vs. Reactive or Passive Options

There are a few options for plan consideration. The most drastic, and probably the least feasible and desirable, would be to eliminate behavioral health coverage altogether. Medical opinions hold that behavioral health treatment is as crucial as any other, and that excluding it can simply shift treatment dollars to other areas.

Another option is to modify the plan design to be in compliance, yet leave the benefit unmanaged. For many plans, this expands the behavioral health benefit, but in a parity environment, this also elevates the risk to the sponsor. Most plans have minimal utilization management, if any, because benefit design has typically been limited. For example, with a $10,000 mental health limit, once plan participants hit that threshold, there was no more coverage, so plan risk and the need for closely monitored service utilization was low. Parity exposes the plan to paying for more services – some of which may not be entirely necessary or appropriate.

The last and best option is for plans to choose to modify the design for compliance, as well as to manage the benefit to control utilization, ensuring services rendered are medically necessary before plan coverage kicks in. To do this, plans can implement utilization management of behavioral health – often called managed behavioral health or MBH. Though MBH implementation means an additional administrative fee, consider that fee

to be a cost-containment investment. It ensures a trained clinician pays close attention to the treatment that plan participants receive, making sure services are appropriate and preventing the plan from paying for unnecessary care. In the best case, this clinician will have the behavioral health experience and expertise needed to effectively manage these cases and bring them to resolution expeditiously. Well-rounded MBH programs also provide a case management function that carefully monitors potentially high dollar cases and works with providers to monitor services rendered. While no program eliminates large claimants, careful MBH oversight ensures medically necessary benefit use.

Managed Behavioral Health Made Simple

Full-service third party administrators should offer behavioral health program options. At Healthcare Management Administrators (HMA), we partner with experts at Reliant Behavioral Health so our clients can add a fully integrated, robust managed behavioral health program onto their administered services at any time. Our program incorporates utilization management (inpatient and outpatient) as well as case management for more complex cases that have high dollar potential. HMA sees this service as a way for clients to manage their risk simply and proactively.

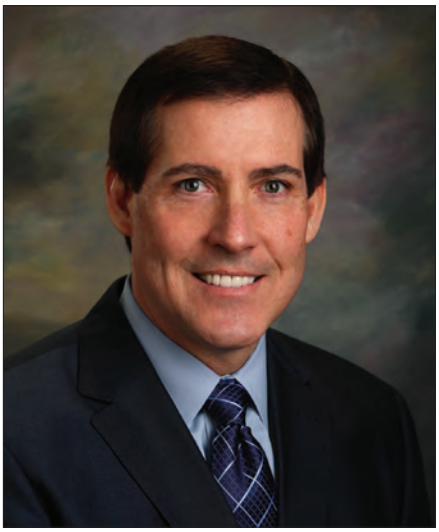
Our approach goes beyond just offering the MBH service. HMA prefers a consultative method that offers clients support in determining how to comply with parity and providing ongoing utilization data so they can monitor the impact of parity.

Proactive rather than reactive or passive solutions save health plan sponsors time and money, mitigating risk while promoting positive outcomes for plan participants. That positive parity is what HMA strives to achieve for our clients.

Lindsay Harris is the Manager of Disease & Wellness Programs at Healthcare Management Administrators, Inc. (HMA), a third party benefits administrator based in Bellevue, WA. She oversees health management programs administered by vendor partners, including the Managed Behavioral Health program that HMA offers in partnership with Reliant Behavioral Health. HMA currently administers over 600 benefits plans and offers self-insured employers a full complement of benefit products and services. Contact HMA by calling 800.869.7093 or emailing proposals@accesstpa.com.

Washington Hospitals Report Strong Margins Through September 30, 2009

By David Peel
Publisher and Editor
Washington Healthcare News



For Washington hospitals, 2009 is turning out to be a very good year. Figures compiled by the Washington Healthcare News from January 1, 2009 through September 30, 2009, show healthy margins for nineteen of the twenty largest hospitals. The largest margin, in terms of dollars, was reported by Swedish Medical Center with $116 million. Multicare Good Samaritan led hospitals in terms of percentage (margin/total revenues) with a 13.5% margin.

Is this good news unique to Washington State? Apparently not.

According to a national analysis of four hundred hospitals by Thomson Rueters[1], the median profit margin of U.S. hospitals increased from near zero in the third quarter of 2008 to more than eight percent in the second quarter of 2009. The study noted liquidity had improved significantly with the median days-cash-on-hand increasing from 90 days in the first quarter of 2009 to 146 days in the second quarter. Labor costs were down approximately 2.25 percent in the second quarter of 2009 due to a reduction of patient lengths

Washington State Hospital Financial Information[1]

Year-to-Date 09-30-09

Hospital Name	State	Total Charges YTD 09-30-09	Total Margin YTD 09-30-09	Total Margin/ Total Charges 09-30-09	Total Discharges YTD 09-30-09	Total Days YTD 09-30-09
Swedish Medical Center - Seattle	WA	$1,854,435,795	$115,825,492	6.2%	24,078	102,100
Providence Sacred Heart Medical Ctr.	WA	$1,354,238,408	$31,294,667	2.3%	23,573	120,537
Providence Everett Medical Center	WA	$1,011,552,766	$26,560,274	2.6%	19,406	75,757
St. Joseph Medical Center - Tacoma	WA	$1,362,138,632	$54,479,162	4.0%	17,604	76,842
Overlake Hospital Medical Center	WA	$647,180,119	$31,645,041	4.9%	16,169	55,174
University of WA Medical Ctr.	WA	$936,698,635	$47,879,688	5.1%	15,739	76,467
Providence St. Peter Hospital	WA	$849,138,747	$20,972,541	2.5%	15,413	67,721
Harborview Medical Center	WA	$1,058,655,000	$6,983,000	0.7%	15,075	102,382
Tacoma General Allenmore Hospital	WA	$1,352,275,806	$49,104,867	3.6%	14,259	66,118
Virginia Mason Medical Center	WA	$1,049,353,714	$22,517,690	2.1%	12,668	63,063
Valley Medical Center	WA	$658,906,881	$12,987,579	2.0%	12,235	42,302
Harrison Medical Center	WA	$577,129,103	$9,078,073	1.6%	12,224	47,088
PeaceHealth St. Joseph Hospital	WA	$522,843,633	$9,043,409	1.7%	11,572	45,959
MultiCare Good Samaritan	WA	$594,668,355	$80,572,913	13.5%	11,442	43,065
Yakima Valley Memorial Hospital	WA	$405,423,662	$10,120,586	2.5%	10,775	38,466
Kadlec Medical Center	WA	$414,587,305	$26,659,980	6.4%	9,066	37,719
Seattle Children's[2]	WA	$784,854,005	$57,364,005	7.3%	9,052	55,531
Deaconess Medical Center	WA	$434,836,755	-$7,371,984	-1.7%	8,927	45,833
Legacy Salmon Creek Hospital	WA	$314,202,126	$1,120,514	0.4%	8,175	29,997
St. Francis Hospital	WA	$522,750,649	$30,706,687	5.9%	7,629	26,416

[1]Source: Washington State Department of Health, Center for Health Statistics, Hospital Data. Southwest Washington Medical Center and Evergreen Healthcare rank in the top 20 but had not reported third quarter results at press time so their figures were not included.[2]Seattle Children's provided Total Margin YTD 09-30-09 figures directly to the Washington Health News that are different than Washington State Department of Health figures.

of stay. At the same time, mean patient discharge volumes moved into positive territory in the second quarter of 2009.

"U.S. hospitals are on track to come out of the recession in better financial shape than they were in when the downturn began," said Gary Pickens, PhD, chief research officer at Thomson Reuters and one of the study's authors. "When we published our first analysis of hospital economic health in the fall of 2008, hospitals were facing unprecedented economic stress and staring down a real crisis. Now, by taking aggressive measures to reduce costs, the majority of hospitals are positioned for a strong recovery."

In Washington State, financial leaders at several hospitals shared the factors contributing to their financial results.

Jeannine Grinnell, Vice President of Finance, for Valley Medical Center in Renton said, "Valley Medical Center was profitable through September 2009 and it has continued through December. For 2010, we are budgeting a positive bottom line, but we are not anticipating the same kind of results as 2009."

Suzanne Anderson, Chief Financial Officer and Chief Information Officer of Virginia Mason Medical Center in Seattle noted, "We have been profitable in 2009 due to three major factors:

1. Our continued commitment to the Virginia Mason Production System as a way to eliminate waste from our processes. Eliminating waste, in turn, reduces costs.
2. Favorable trends in Professional Liability as a result of our commitment to patient safety and quality.
3. Conservative management of expenses in a period of economic uncertainty. In particular we focused on efficient use of staffing and medical supply resources."

Anderson anticipated a strong finish to 2009 but voiced concern about 2010. She said, "Our budgeted forecast for 2010 anticipates another strong year. However, we continue to be concerned about the economy. Specifically, employment—and therefore health insurance—is a lagging indicator; we may not have seen the worst. COBRA coverage is ending for many people. We are also uncertain about what may happen to our reimbursement as national healthcare reform unfolds, and as the

Please see> Hospitals, P14

<Hospitals, from P13

State deals with its budget woes."

Kelly Wallace, the Chief Financial Officer of Seattle Children's, said, "Even during the worst recession of our time, the quality of care that we provide at Seattle Children's is improving while we continue to control our costs. Our year-end results show that we have been able to reduce infection rates, increase patient and family satisfaction, secure more research grants, and maintain high employee engagement levels. This is particularly remarkable when inpatient admissions, ambulatory visits and operating room cases all increased at levels that were higher than anticipated – all while we have been at or near capacity."

Wallace continued, "Our cost-saving efforts have allowed us to preserve existing programs and services, avoid layoffs, and plan for the inevitable recovery. Our state legislature recently cut funding to our hospital by $22 million for 2010 - 2011. These cuts mean we must focus even more on eliminating waste, reducing expenses, and conserving resources in 2010."

Mike Fitzgerald, Chief Financial Officer of the Franciscan Health System, summarized 2009 financial results for his organization, "We are fortunate to have experienced steady increases in the number of patients we serve on both an inpatient and outpatient basis at all five hospitals within the Franciscan Health System. In fiscal year 2009, for example, our patient admissions increased 8 percent over the previous 12-month period, while outpatient visits were up 7 percent. We are also diligent in controlling costs and improving operational efficiencies across the organization." The Franciscan Health System includes St. Joseph Medical Center in Tacoma, St. Francis Hospital in Federal Way, St. Clare Hospital in Lakewood, Enumclaw Regional Hospital in Enumclaw and St. Anthony Hospital in Gig Harbor.

With all the bad economic news since the summer of 2008, it's good to know one of the most important sectors of our healthcare system is doing well financially. Healthcare reform will result in a significant increase in medical utilization and a hospital industry well equipped to fund the ramp-up necessary to meet this increased utilization will benefit all sectors of society.

---

[1]Download the press release at: http://thomsonreuters.com/content/press_room/tsh/hospital_financials_recovered

Career Opportunities

WENATCHEE VALLEY MEDICAL CENTER

Assistant Director of Revenue Cycle Management

Responsible for the daily administrative duties associated with charge capture, management and collection of insurance and patient revenue in the Business Office and branch campuses. Position will have a strong focus on hospital business operations and serves as a key member of the hospital management team. Candidates will have strong working knowledge of front and back office operations as they relate to the revenue cycle. Manages a staff of 80 employees. Requires BA degree or significant relevant exp. Coding cert is pref. Min of 5 yrs previous mgmt exp in a hospital business office reqd. Exp managing in a large healthcare business dept strongly desired. Visit us at **www.wvmedical.com** for more info or to apply.

Whidbey General Hospital

Director of Surgical Services

The Director of Surgical Services is the nursing leader for the perioperative service area of the hospital and reports directly to the Chief Nursing Officer. The ideal candidate will possess the ability to create a safe cultural environment for hospital and physician staff members as well as assure quality of surgical and anesthesia outcomes and patient and employee safety. The Director will be expected to work with both hospital staff and medical staff to insure compliance with evidence-based policies and practices and quality initiatives in order to insure high quality and safe patient outcomes. The Director will work with medical staff and hospital leadership to insure cooperation and professional and courteous relationships within all surgical departments or areas. Recognizing the stressful environment of an operating room, the Director will mentor and work with departmental staff to develop a safe environment for both patients and staff.

Responsibilities include developing departmental policies and procedures consistent with community standards of practice and in compliance with state and federal laws and overall hospital policies. The Director will also be responsible and accountable for overall management, planning, coordinating and directing of the Operating Room, Abulatory Surgery, Central Services and Post Anesthesia Care Unit departments to assure the delivery of quality patient care and implementing methods to increase awareness and utilization of these services. Must possess and utilize effectively strong interpersonal relationship skills in motivation, problem solving and conflict management involving all health care professionals.

Current WA RN License is required as well as a BSN. The ideal candidate will be certified as an Operating Room Nurse and have significant experience in staffing and managing surgical and perioperative services. A minimum of five years practicing as a professional in an acute care hospital is required and at least three (3) years must be in a progressively responsible position in healthcare management and leadership.

Apply Online: **www.whidbeygen.org**

Contact: Jennifer Snow - HR Coordinator - 360-678-7656 x3247

VIBRA SPECIALTY HOSPITAL

Director of Patient Care

Vibra Specialty Hospital of Portland is the first hospital in Oregon to offer care for the medically complex patient for an extended stay. Our patients are admitted on a referral basis from local hospitals. We provide progressive care for our patients as part of a care plan that will ready them for rehab, skilled nursing, or home care. Our average length of stay is 25 days.

Vibra Specialty Hospital of Portland is seeking a Director of Patient Care to join our team.

This position is the "right hand" to our Chief Clinical Officer. As we move into the future, it is imperative to our success to engage a Director of Patient Care to help lead our nursing team in providing outstanding patient care. We are looking for Director who thrives on organizing and interacting with staff to help us refine and guide our nursing service delivery . This is an extremely exciting opportunity in a smaller environment where the careers of our staff are enhanced by greater opportunities to create and impact processes and patient care.

Minimum Qualifications:

RN with a minimum of five years experience as a registered nurse including 4 years of clinical experience and one year of increasing responsibility in nursing leadership. BSN strongly preferred.

To apply and learn more visit **www.vibrajobs.com**

EOE

South Peninsula Hospital

Chief Financial Officer

Work in Alaska's playground!!

Homer is alive with a variety of activities. Nestled on the shore of Kachemak Bay, Homer offers breathtaking views of glaciers, mountains and wildlife for year-round outdoor recreational opportunities.

South Peninsula Hospital is searching for a strong strategic leader with financial experience. This senior leader will provide direction and administration of all financial systems of the hospital and nursing home.

We are a full-service hospital that offers a wide range of general and specialty services. The newly constructed and remodeled areas of the hospital allow us to provide first-rate services in an entirely patient-focused and state-of-the-art facility.

The candidate must have strong experience in hospital systems and Critical Access Hospital is essential. The position requires Bachelor's degree in accounting, business or related field; CPA preferred. Requires no less than 5 years in healthcare finance at the management level.

Competitive salary and benefits, including a recruitment bonus.

Visit our website at www.sphosp.com

Learn about living in Homer at www.homeralaska.org

For more information, please call Cindy Brinkerhoff at 907-235-0386 or email chb@sphosp.com

WENATCHEE VALLEY MEDICAL CENTER

Data Processing Supervisor

Coordinates all functions of the Data Processing area of the Business Office. Assesses the work performance of assigned employees and interacts in a professional manner with patients, payers, physicians, and other Medical Center personnel. Must provide accurate statistical records and reports. Proactive in the area of problem solving and works to ensure quality performance of business functions throughout the organization.

QUALIFICATIONS: EDUCATION/ EXPERIENCE: College degree preferred. Previous supervisory experience strongly desired. CPC or other coding certification required. KNOWLEDGE/SKILLS/ABILITIES: Proficient in the performance of upper level math functions. Possesses excellent business writing and computer skills. Knowledge of ICD-9, CPT coding, medical terminology, and insurance billing a must. Must be a team player. Maintains a positive, resourceful attitude toward achieving overall department and clinic goals.

Visit us at **www.wvmedical.com** for more info or to apply.

Sunnyside COMMUNITY HOSPITAL

Laboratory Manager

Manager, F/T, exempt. 2-5 years experience as a Lab Supervisor. Bachelor's degree preferred with five years experience in clinical laboratory technology.

Qualified applicants may send or fax their resume to:

Sunnyside Community Hospital
ATTN: Human Resources
P.O. Box 719
Sunnyside, WA 98944
FAX: 509.837.1380
Or visit our website at:
www.sunnysidehospital.com

Phone inquiries are welcome. Please call Lisa at 800.548.7086, ext. 1649.

Prsrt Std
US Postage
Paid
Olympic Presort

Over 10,000 healthcare leaders on the West Coast receive Healthcare News publications each month. As a healthcare organization, doesn't it make sense to target recruiting to the people most qualified to fill your jobs?

To learn about ways the Washington Healthcare News can help recruit your new leaders contact David Peel at dpeel@wahcnews.com or 425-577-1334.

Washington Healthcare News

wahcnews.com *Articles, Interviews and Statistics for the Healthcare Executive*