

Inside ^MHealthcare

June 2010

The Pulse of Healthcare Leadership

Providence Regional Medical Center's healthy financials and satisfaction scores prove a little corporate know-how works wonders in healthcare.

Clear Case

UMass Memorial Health Care

Instead of looking just internally for ways to improve quality and reduce costs, this system is going into the streets.

Above and Beyond Community Benefit



For UMass Memorial Health Care, 2009 was an outstanding year. The Worcester, Mass.-based system had a record surplus of \$93 million, received credit upgrades from Standard and Poor's and Moody's, had a record high level of volume growth, and exceeded \$100 million in community benefit.

The system is continuing to grow with a new ambulatory care center opening in 2011 to house its four centers of excellence and provide a better home to expand the system's clinical translational research capabilities. And UMass Memorial is in the midst of a four-year, \$100 million IT investment. Last year, the most prestigious award for healthcare in Massachusetts, the Betsy Lehman Award, was given to two hospitals in the UMass Memorial system.

But as John O'Brien, president and CEO, said, past success is no guarantee of future performance.

"We're looking upstream and seeing that we will need to reinvent ourselves to cope with the changes that are coming," he said. "That's why we're investing heavily in our governance systems, bringing in experts and leaders to help shape the future of this organization."

He explained that the federal plan for healthcare reform will take more than \$400 billion from hospitals over the next 10 years. In addition to that, UMass Memorial is also working under the challenges of Massachusetts' 2006 healthcare reform package. Governor Deval Patrick recently imposed a cap on small group insurance premiums that will eventually have a significant



John O'Brien,
president and CEO

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Employees 12,500

impact on hospitals like UMass Memorial, and the state senate recently passed a bill that, if turned into law, would impose a \$100 million surcharge on hospitals.

"Significant changes are ahead, but we know the path to success lies in continued emphasis on high quality care, an unsurpassed patient experience, highly efficient practices, and a focus on the overall well being of our community," he said.

Major investments

In the face of challenges ahead, that future still looks bright. UMass Memorial is in the middle of implementing an integrated EMR and financial management system that will connect all of the hospitals and clinics throughout central and western Massachusetts affiliated with UMass Memorial. In the last 18 months, the system has connected all its physicians, including its 500 ambulatory care physicians, to the system.

Now, O'Brien said the IT team is working with private physicians in the area to make sure UMass Memorial's system can

interface with theirs, making patient information much more fluid for the region. He expects it will take another two years to complete this broad implementation.

Equally important, however, is UMass Memorial's plans for a new ambulatory care center in Worcester. The center is a joint venture with the system's academic partner, the University of Massachusetts Medical School, and is expected to open next year. It will house the heart, vascular, muscular-skeletal, cancer, and diabetes centers of excellence.

"These are all nationally recognized programs that we're extremely proud of, and we're excited about the opportunity to expand their clinical and translational research to bring more best practices to the bedside of our patients and into our community," said O'Brien. "We're especially pleased to have recruited Dr. Michael Blute from the Mayo Clinic to direct our cancer center of excellence and Dr. David Harlan from the National Institute of Health to direct our diabetes center of excellence."

Leadership at all levels

O'Brien emphasized, however, that the future of UMass Memorial depended in part on a strong board of directors and governance systems from the top. The system has recently added experts to its board in process improvement, finances, and other skills he and his team have identified as important for the years ahead.

The system created a Center for Innovation and Transformational Change, which is overseeing plans to implement Six Sigma and lean practices throughout the system and has developed eight new programs to improve quality measures and safety. All these programs also boast a high ROI through expense reduction as a result of greater efficiency.

At the same time, the center is working with Planetree to balance improvements to the patient experience with these expense reductions.

"We treat close to 4,000 patients every day, and we need to care for them with a more personal touch," O'Brien said. The directors of UMass Memorial have also created a community benefit committee of the board to develop a plan for

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efficient, effective use of limited resources in providing a greater benefit for Worcester and the surrounding area.

O'Brien said 65% of the 25,000 kids enrolled in Worcester public schools are on free or reduced school lunches. "The strongest predictors of poor health are the color of your skin, unemployment, and a lack of insurance, not biological or genetic factors," he said. "We want to refocus our organization to attack the heart of racial disparities in health at the source."

That's why O'Brien co-leads a program called Pioneering Healthy Communities that encourages healthy eating and more physical activity among children and co-lead an initiative last year to redesign the city's public health department with input from experts, community members, and business leaders.

He said UMass Memorial should be looking at the big picture—green space, nutritional education, the availability of fresh food in the city, and healthy workplaces—because they all contribute to the health of the community. O'Brien recently cut the ribbon to open a multi-family residential property that the system, and its employee volunteers, renovated for first time homebuyers. And in 2009, after several years of work,



UMass Memorial and its partners were able to create 1,750 more jobs in the city for young people.

"Our system is blessed with a team of people who understand the World Health Organization definition of health, which is not just the absence of illness but the presence of emotional, physical, and mental well being. That's why we've experienced so much success and why we will continue to do so despite the challenges ahead," O'Brien said. +

—Meghan Flynn

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