

# 10 Things the Most Progressive Hospitals Do

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It's been said that there are three types of people in the world: the retrograde, the stationary and the progressive. The same could be said for organizations, particularly in healthcare. There are hospitals that will cling to the ways of the past. There are also organizations that will settle as they are, resisting major change, surviving rather than excelling.

Then there are the progressive ones, the hospitals defying the norm. These hospitals are tackling challenges that surpass the confines of their singular institutions. One hospital vowed to share its prices for common services and, just to add some teeth to it, challenged local competitors to do the same.

Another health system worked with New York City Mayor Michael Bloomberg to fight rising obesity levels through citywide policy changes.

One health system launched a new entity focused on healthcare innovation, which has since produced clinical advancements and redesigned the traditional hospital patient gown.

Another system partnered with a chain of retail health clinics, a traditional menace to hospitals, for patient education and better management of care.

It doesn't stop there. Patient satisfaction, collaborative relationships with employers, formalized structures for executive-physician collaboration — progressive hospitals take fresh approaches to the menu of issues they face. Their strategies may be unorthodox, but in most cases, they end up becoming the new tried and true.

Without further ado, here are 10 things progressive hospitals do.

**1. They work with lawmakers to address social issues related to healthcare.** Hospitals in some of the country's toughest urban areas have a known track record for a progressive approach to healthcare, such as Montefiore Medical Center in the New York City borough of the Bronx.

Since he assumed his role in 2008, Steven Safyer, MD, president and CEO of Montefiore Medical Center, has led Montefiore to work with local lawmakers and organizations to forward several public health initiatives in the Bronx, which is one of the most financially- and health-challenged urban neighborhoods in the country. He has worked with Mayor Bloomberg to unveil his anti-obesity initiative to limit the size of sugary drinks, has been active in the fight to protect Medicare funding for hospitals, and also serves as chair of the Board of Governors for the Greater New York Hospital Association, among other political and policy-oriented initiatives.

"We know that in order to be successful, we need to affect the social determinants of health, including the environment and social-economic factors, in addition to access to quality care," says Dr. Safyer. "To that end, we've supported efforts to address lead paint hazards in the community and have significantly reduced exposure to and poisoning from lead paint. We have worked to reduce the consumption of sugary beverages and stimulate increased physical activity. Also, in 2006, Montefiore was a key advocate for the New York City's effort to remove whole milk from public school menus and replace it with low-fat milk. Dr. Safyer says, as a result of these efforts, "we're seeing obesity rates are starting to decline."

**2. They take a holistic approach to population health.** Population health demands hospitals go beyond the traditional beds-in-heads business model through preventive health services, improved post-acute care and accessible wellness initiatives. Progressive hospitals take their mission one step further. They affiliate with organizations that aren't necessarily healthcare providers to promote healthy living in other realms of patients' lives. Their presence as a "hospital" exceeds the traditional definition of such. This whole-person approach to healthcare sets these hospitals apart from their traditional purpose as places to visit episodically.

Hospitals that *plan* to affiliate with non-provider health or community organizations are not rare. In fact, many hospital CEOs have expressed a desire to diversify their organizations' relationships. An American Hospital Association survey from April 2012 found many hospital CEOs plan to look beyond traditional provider collaborations and form ties with less orthodox entities to improve population health. For example, 67 percent of CEOs said they would explore a partnership with a community, public health or government agency.

But a few health systems have already executed those partnerships and spearheaded interesting programs as a result. Take Truman Medical Centers, a two-hospital safety-net system based in Kansas City, Mo., for example. It set itself apart this past spring when it partnered with a local economic development organization to open an \$11.5 million grocery store. The store stems from the success TMC saw with its farmer's market, as some physicians would actually write prescriptions for patients to shop at the farmer's market for fresh food.

Along with its policy-driven initiatives, Montefiore has shown an unwavering dedication to the wellbeing of the Bronx. Dr. Safyer says the system, which is the largest employer in the borough, works with community partners at every level. "This includes everything from very local initiatives like neighborhood health fairs to initiatives like the Collective Action to Improve Community Health program. We partner with the New York City Department of Health and Mental Hygiene, the Bronx Community Health Network and other community-based organizations and agencies. We have a depth of real-

world experience and see the problems people face."

**3. They promote price transparency.** Most hospitals back the idea of more comprehensible and accessible prices in healthcare, but some have taken their support to new levels in recent months. Instead of reiterating their support for price transparency with little to no action, progressive hospitals make tough decisions about price-sharing and follow through.

In May, Steven Sonenreich, president and CEO of Mount Sinai Medical Center in Miami Beach, Fla., was on the air for an interview with a local radio station. During that radio show, Mr. Sonenreich made a public pledge to post the contract rates Mount Sinai pays private payers for diagnoses and treatments. But Mr. Sonenreich upped the ante: He challenged other health systems in the community to do the same.

Mr. Sonenreich garnered national attention for his candid promise and challenge. The event illustrates what may become a more prevalent business strategy in the next few years. Hospitals that make public promises, set measurable goals and execute strategies to share price information can use this transparency as a competitive advantage. If one hospital in a market offers price data while other hospitals withhold, this will undoubtedly send a message to patients. The transparent hospitals will benefit from sustained patient trust, especially in an unsteady economy.

**4. They monetize intellectual capital.** In addition to care delivery and clinical programs, some hospitals and health systems are using intellectual capital rather than financial capital to drive growth. This includes patents and medical inventions, as well as more fluid items, such as unique business know-how. "This approach has a number of benefits," says Igor Belokrinitsky, principal with Booz & Company. "It allows an entity to monetize the assets in which it has been investing over a long time, such as research leadership and innovative treatment techniques, while diversifying its revenue streams to broader geographies and new revenue types."

University of Pittsburgh Medical Center partnered with Washington, D.C.-based consulting firm The Advisory Board this past year to launch its UPMC Advisory Services. UPMC is marketing the services — which are specialized in certain areas of expertise like oncology, information technology, pediatrics and health security — to other health systems and providers, thus creating a new revenue stream for the organization.

In 2011, Detroit-based Henry Ford Health System opened its \$12 million Innovation Institute, which is organized as an independent scientific research and educational entity. The health system partnered with its medical group, Detroit's College for Creative Studies and Wayne State University to launch the institute, which is focused on bench-to-bedside clinical developments, new diagnostic techniques, telemedicine, and the integration of cost data and clinical quality to develop value-based treatment models.

So far, intellectual developments have ranged from clinical advances, such as a Phantom Lung that lets radiation oncologists and physicists better understand lung tumor motion, to enhancements for the patient experience, such as renovated hospital gowns resembling wrap-around robes.

**5. They aren't afraid of retail health.** Some of the country's largest retailers, including Wal-Mart, Walgreens and CVS pharmacies, have rapidly expanded into the provider space and will only continue to rattle traditional delivery models. A June report from Accenture forecasted the doubling of retail clinics in the next three years, from the current 1,400 or so locations to more than 2,800.

Traditionally, hospitals have viewed retail health clinics as threats to their referral chains and established physician-patient relationships. But progressive hospitals and health systems have ditched that perspective and no longer view retail delivery settings as opponents. The deluge of newly insured patients under the healthcare reform law will create more demand for healthcare services, and retail clinics can aid hospitals by providing routine, non-urgent and predictable services. By handling these episodes of care, retail clinics can also help hospitals reduce the number of preventable hospital admissions.

Hackensack (N.J.) University Health Network views retail clinics not as competitors, but as partners. "The healthcare industry is moving toward a model of value-based reimbursement with an emphasis on keeping patients well and out of the hospital," says Robert C. Garrett, president and CEO of HackensackUHN. "As patient care will be delivered more frequently outside the four walls of the hospital in the future, it needs to be accessible and affordable."

Under HackensackUHN's partnership with CVS, physicians from the flagship Hackensack University Medical Center serve as medical directors for seven MinuteClinic walk-in locations, located inside CVS pharmacy stores. The health system also partners with the retail clinic for patient education and disease management initiatives, and both are in the process of integrating their electronic medical record systems.

While retail clinics may present the opportunity for hospitals to lose patients and referrals, the HackensackUMC-MinuteClinic partnership does the opposite: The entities refer patients to one another when appropriate. "HackensackUMC accepts patients requiring a level of care not provided by MinuteClinic, while MinuteClinic offers patients walk-in services for common family illnesses and wellness and prevention services, such as health condition monitoring," says Mr. Garrett.

**6. They include physicians in administrative decision-making.** In recent years, there has been an increase in the number of hospital executives with MDs after their name. There are more than 60 joint MD-MBA degree programs now compared to only a handful in the 1990s, for example. While physician executives add a textured expertise to their role

and strategic thinking, progressive hospitals go one step further and formalize physician leadership within their governance structures. In meeting rooms, physicians sit side-by-side with the hospital CEO and other executives, creating a finer balance between business and medicine in decision-making.

San Diego-based Scripps Health is one system that boosted physicians' role in decision-making remarkably well. When he took the reins in 2000, president and CEO Chris Van Gorder shook up Scripps' governance model. He established the system's Physician Leadership Cabinet, which acts as an advisory group and includes chiefs of staff and CEOs from each hospital campus, along with the corporate vice president of nursing. The cabinet strengthens collaboration between Scripps administrators and physicians as they develop strategies to improve quality and efficiency while reducing costs and clinical variation.

In 2011, Scripps adopted a similar cabinet approach for ScrippsCare, which is comprised of Mr. Van Gorder, physician leaders from seven Scripps-affiliated medical groups, the system CMO, community stakeholders and a payer relations executive. These individuals make evidence-based decisions to redesign care delivery and make it more efficient, high-quality and cost-effective. So far, ScrippsCare has standardized procedures for its admissions orders, lab tests, coronary angioplasty treatments and chemotherapy. Redesigns such as those saved \$77 million in 2011 and another \$66 million in 2012 — a figure Scripps expects to match in 2013.

**7. They are serious about hospitality and have chief experience officers in C-suite.** Progressive hospitals are doing more than paying lip service to patient satisfaction. Forward-thinking hospitals are borrowing best practices from the retail, marketing and hospitality industries. Those hospitals are also dedicating more resources and employees to these efforts, including the appointment of "chief patient experience officers," or CXOs.

CXOs are senior administrators who ensure patient satisfaction improvements are consistent, methodical and prominent throughout the organization. CXOs often lead efforts to educate hospital management and staff on hospitality and patient communication, especially in high-contact moments of care delivery, such as waiting rooms and bedside conversations. Often, the CXO role is part of an entire department dedicated to the patient experience. Cleveland Clinic, which claims to be the first academic medical center to appoint a CXO, was one of the first health systems to launch an Office of Patient Experience.

The PPACA put some fangs into the concept of "patient experience" by tying it to a portion of hospitals' bonus reimbursement. Patient experience ratings will determine 30 percent of hospitals' total bonus payments under the federal Value-Based Purchasing program. Those ratings are determined by patients' answers on HCAHPS surveys, which pose a variety of questions, including one in which they must rank their hospital stay on a scale from 1 to 10.

Denise Beaudoin, vice president of customer engagement, and Sven Gierlinger, vice president of hospitality and service culture, jointly manage patient satisfaction and experience for the six hospitals within Detroit-based Henry Ford Health System. Mr. Gierlinger says it seems every hospital is creating a patient experience department, if it hasn't done so already.

Ms. Beaudoin says her and Mr. Gierlinger's roles have allowed Henry Ford to take a more systematic approach to patient satisfaction. "The pressures of value-based purchasing really raises the level of how we should treat patients [and brings it] to the C-suite," she says. "Before, we could quantify how many patients have left in our system and how much that costs, but [VBP penalties are] literally actual dollars we walk away from."

More transparent hospital prices will likely help patients cost-compare their options, which will leave a hospital's patient experience as the deciding factor for patients who are on the fence. Mr. Gierlinger, who has a background in the hospitality industry, says he only expects demand for CXOs to grow. "Attention has traditionally been very much on quality and safety, and the experience aspect continues to rise in importance as social media plays a bigger role. Patients are becoming more and more consumers with healthcare services — they are making more decisions and not necessarily going just where the doctors tell them to go."

**8. They partner with employers.** Despite how frequently it peppers conversations in healthcare, the term "population health" is still somewhat daunting and [undefined](#) for many hospitals. Does it refer to enrollees within an accountable care organization? An entire geographic population? Accountable care organizations are one model for hospitals to take on population health, but some health systems are also partnering with employers to improve outcomes, lower costs and reduce clinical variation for a defined group of patients.

Hospital-employer partnerships may proliferate in the next few years as large employers face more pressure to trim healthcare costs, better manage employees' health coverage or completely revise their benefit plans in light of the PPACA.

One health system pioneering direct contracting relationships with employers is Cleveland Clinic. In 2010, the system struck a direct-to-employer deal with the Mooresville, N.C.-based home improvement giant Lowe's. Under that agreement, more than 225,000 employees and their dependents enrolled in Lowe's self-funded health plan can travel to Cleveland Clinic for heart procedures. Lowe's covers all medical deductibles, coinsurance payments, travel costs and lodging for the patient and a companion.

Cleveland Clinic has struck similar deals with Bentonville, Ark.-based Wal-Mart Corp. and Seattle-based Boeing for cardiac care. A Cleveland Clinic spokesperson said the system is in active discussions with many employers, and it anticipates "many more" direct-to-employer relationships.

**9. They let patients have access to their personal health information.** Many hospitals have enough difficulties with electronic medical records, but a few pioneers have mastered the technology enough to let patients access their PHI. This can improve patient engagement, transparency, medication adherence, and patients' understanding of medical issues and their choice of providers.

In May, Danville, Pa.-based Geisinger Health System let more than 100,000 patients access their physicians' notes for the first time. Patients will be able to view notes from more than 500 Geisinger physicians in primary care, pediatrics and more than 10 specialties.

The initiative stems from Geisinger's participation in the 12-month OpenNotes project, which included 24 primary care physicians and 8,700 patients at Geisinger, along with additional patients and physicians from Beth Israel Deaconess Medical Center in Boston and Harborview Medical Center in Seattle.

The pilot found roughly 82 percent of patients opened at least one note in their EMR and felt more engaged when they did so. Furthermore, the project found patients enthusiastically supported seeing their medical notes and no physicians said they wanted to opt out of the note-sharing routine by the end of the pilot.

Other EMR platforms such as MyChart are revolutionizing data-sharing between physicians and patients. In June, Cleveland Clinic adopted a new version of MyChart to give patients "nearly complete" access to pathology records, X-rays, physician notes, and a listing of their current health issues. This will take effect by next year. Currently, any Cleveland Clinic patient can access hard copies of their complete medical record, as well as reports associated with medical images including MRI, CT, ultrasounds, and mammograms.

**10. They launch residency programs.** The shortage of physicians in the U.S. is only expected to worsen, due to aging baby boomers and millions of newly insured Americans under the PPACA's full implementation. The shortage lies not in how many men and women are pursuing medical degrees — enrollment at medical schools has actually increased. Rather, a large part of the problem is the shortage of medical residencies at hospitals.

The number of residency positions has not responded medical schools' increased enrollments, leaving newly minted physicians no place to train. The majority of medical residencies are funded by Medicare's Graduate Medical Education payments, and Medicare-funded residency positions have been frozen since 1997.

States like Florida and Texas are especially hard-pressed for residencies. Those states have developed four new medical schools combined in the past 10 years, but have added few residencies for those physicians-in-training.

Some hospitals are launching residency programs to help to reverse this phenomenon. These developments are an indication of hospitals' commitment to medical education and access to care. Fort Myers, Fla.-based Lee Memorial Health System will launch a residency program with the Florida State University College of Medicine in Tallahassee, Fla., effective 2014. Florida Hospital for Children in Orlando also announced plans to launch and receive accreditation for a pediatric residency program, which will accept its first class of residents in 2014.

## Conclusion

Hospitals can adopt untapped strategies to either to address challenges or proactively reinforce their values, and those organizations will make waves in healthcare. Declining reimbursement, a transition from the traditional fee-for-service and inpatient model, a physician shortage, a wave of newly insured patients under the PPACA — these are just a few of the pressures hospitals face today. The circumstances are great enough to demand new schools of thought and untapped strategies. Of the three types of organizations — the retrograde, the stationary and the progressive — the healthcare industry will be well-served if it keeps a close eye on the last grouping, the movers and shakers that buck the status quo.

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