CME Disclosure

- Accreditation Statement
  Studer Group is accredited by the Accreditation Council for Continuing Medical Education (ACCME) to provide continuing medical education for physicians.

- Designation of Credit
  Studer Group designates this educational event for a maximum of 12 AMA PRA Category 1 Credits™. Physicians should only claim credit commensurate with the extent of their participation in the educational event.

- Disclosure Policy
  Debra S. Landers has disclosed that she does not have any relevant financial relationships with any commercial interests related to the content of this educational event.

Aligning a Large System around Studer Group Principles

Debra S. Landers
VP and Chief Marketing Officer,
Community Health Systems
Nashville, TN

Community Health Systems
Community Cares
better healthcare starts with me

www.studergroup.com
© 2009 Studer Group
Presentation Objectives

• Implement a Standardized Initiative
• Define Expectations
• Promote Progress Through Transparency
• Drive Results Across a System

Geographically Diverse

• 121 Hospitals in 29 States
• Sole Provider in Over 65% of Markets
• QHR 150+ Facilities in 39 States

WHAT’S Right IN HEALTH CARE®
Studergroup®
CHS: Industry Leader in Admissions Growth

Admissions

- 22% CAGR

2000: 139,407
2001: 165,100
2002: 205,607
2003: 238,772
2004: 267,390
2005: 291,633
2006: 326,235
2007: 463,212
2008: 663,328

Adjusted Admissions *

- Include a factor for outpatient business

2000: 255,770
2001: 303,677
2002: 379,604
2003: 434,570
2004: 493,776
2005: 538,445
2006: 605,511
2007: 648,707
2008: 1,196,602

Strategy Results: Rapid and Sustained Growth

Revenues

- 27% CAGR

1996: $622
1997: $742
1998: $855
1999: $1,052
2000: $1,306
2001: $1,531
2002: $2,039
2003: $2,677
2004: $3,204
2005: $3,738
2006: $4,180
2007: $7,127

EBITDA *

- 28% CAGR

1996: $108
1997: $122
1998: $166
1999: $203
2000: $259
2001: $292
2002: $349
2003: $429
2004: $494
2005: $573
2006: $572
2007: $627
2008: $1,525
CHS: FY 2008 Information

- Surgeries: 540,000
- ED Visits: 1,785,000
- Physician Visits: 4,219,000
- Approximately 18,000 licensed beds
- CHS affiliates responsible for providing care to 2% of US population

CHS Model

- Measure
- Plan
- Execute

- Recruit Quality Primary Physicians and Specialists
- Effectively Integrate Acquisitions
- Improve Hospital Operations
- Increase ER Patient Visits
- Expand Services

WHAT’S Right IN HEALTH CARE™
Community Cares...

A culture that is creating great places for employees to work, physicians to practice and patients to receive care.
Systemwide Approach

- Drive results across the scorecard for each CHS hospital
- Adopt best practices and standardize approaches so we all get better
- Infuse proven Studer Group tactics and tools into the Community Cares culture
- Reduce turnover
- Improve employee, physician and patient satisfaction
- Grow volumes

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Current Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Impatient satisfaction</td>
</tr>
<tr>
<td></td>
<td>Would you recommend hospital (HCAHPS)</td>
</tr>
<tr>
<td></td>
<td>Aggregate HCAHPS score</td>
</tr>
<tr>
<td></td>
<td>Hourly Rounding</td>
</tr>
<tr>
<td></td>
<td>Emergency Department Patient Satisfaction</td>
</tr>
<tr>
<td></td>
<td>Would you recommend hospital</td>
</tr>
<tr>
<td></td>
<td>Physician Satisfaction</td>
</tr>
<tr>
<td></td>
<td>Overall Satisfaction - Very Satisfied</td>
</tr>
<tr>
<td></td>
<td>Survey response rate</td>
</tr>
<tr>
<td></td>
<td>ED Discharge Call Compliance</td>
</tr>
<tr>
<td>Quality</td>
<td>Core measures</td>
</tr>
<tr>
<td></td>
<td>Existing</td>
</tr>
<tr>
<td></td>
<td>New</td>
</tr>
<tr>
<td></td>
<td>Joint Commission Triennial Survey Results for Hospitals with survey in 2009</td>
</tr>
<tr>
<td></td>
<td>Patient Safety - In-hosp. Acquired Conditions</td>
</tr>
<tr>
<td></td>
<td>Patient Falls with Injuries</td>
</tr>
<tr>
<td></td>
<td>Reduce Hospital Acquired Catheter Associated Urinary Tract Infection</td>
</tr>
<tr>
<td>People</td>
<td>Employee Turnover</td>
</tr>
<tr>
<td></td>
<td>Employee Satisfaction</td>
</tr>
<tr>
<td></td>
<td>Overall Satisfaction - Very Satisfied</td>
</tr>
<tr>
<td>Finance</td>
<td>Net Revenue</td>
</tr>
<tr>
<td></td>
<td>EBITDA</td>
</tr>
<tr>
<td></td>
<td>EBITDA Margin</td>
</tr>
<tr>
<td>Growth</td>
<td>Admissions</td>
</tr>
<tr>
<td></td>
<td>Impatient Non-Self Pay</td>
</tr>
<tr>
<td></td>
<td>Home Health</td>
</tr>
<tr>
<td></td>
<td>Surgeries</td>
</tr>
<tr>
<td></td>
<td>ED Visits</td>
</tr>
<tr>
<td></td>
<td>Recruited Physician (JAMS)</td>
</tr>
</tbody>
</table>
The Formula:

Happy Employees \( \Rightarrow \) Happy Patients \( \Rightarrow \) Happy Physicians \( \Rightarrow \) Happy CEOs \( \Rightarrow \) Happy Corporate Office

Leadership Accountability

- Train the Trainer
  - Quarterly corporate LDI’s for Hospital CEO’s and Corporate Leadership
  - Quarterly hospital LDI led by CEO and Champion for all hospital leaders
  - Divisions Monitor Hospitals
  - Corporate Rounds
  - Operations Review
  - LEM: 50% tied to annual leader evaluation
  - C-suite Incentive Comp 25%
The Healthcare Flywheel® at CHS

Purpose, worthwhile work and making a difference

Prescriptive To Do's

Bottom Line Results (Transparency and Accountability)

Self-Motivation

Community Cares Culture

What's Right in Health Care™

© 2009 Studer Group
# Bottom Line Results for CHS

<table>
<thead>
<tr>
<th>People</th>
<th>Customer Service</th>
<th>Clinical Quality</th>
<th>Financial</th>
<th>Successful Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Satisfaction:</td>
<td>Patient Satisfaction:</td>
<td>Core Measures</td>
<td>Financial Performance Compared to Budget</td>
<td>Admissions Growth</td>
</tr>
<tr>
<td>Physician Satisfaction</td>
<td>Percentile Ranking vs. National Database</td>
<td>Falls</td>
<td></td>
<td>Physician Recruitment</td>
</tr>
<tr>
<td>Percentile Ranking of Employee Satisfaction</td>
<td></td>
<td>Decubiti</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Turnover</td>
<td></td>
<td>Joint Commission</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
WHAT’S Right IN HEALTH CARE™

What does Community Cares mean to you?

VIDEO INSERT

An Owner, not a Renter
Leadership Assessment Survey

- Ability to measure leadership engagement, progress and results from the beginning
- Quarterly online survey (LAS in 2008) to measure implementation progress of early tools introduced during CHS LDI
- 12 questions that ask leader to rate themselves on a scale from 1-5
- Over 4,000 leaders surveyed
- Results automated by hospital, division and company to produce quarterly assessment

Q2 ’08 Leadership Assessment Survey

Question: As a result of Hourly Rounding, I have seen a decrease in falls on our units?

Answer: 100%
Hourly Nurse Rounding is a Growing Trend Around the Country

- 58% reduction in falls
- 39% reduction in bed sores
- 30% reduction in call lights
- Patient Sat. “soared” from 73% to 83%

"The whole concept is to reduce anxiety," said nursing chief Walls, "and make the patient feel less nervous about being in the hospital. It makes the family know you care about that person as a person, they’re not just a room number."
Agency Nurse Usage Declines

Nursing Contract Hours Per Month

2007 Actual Agency Nurse Cost: $621,728
2008 Actual Agency Nurse Cost: $185,573
SAVINGS $436,155

Ponca City, Oklahoma

Nursing Turnover Improvement

% Annualized Nursing Turnover – by quarter (RN/LPN)

Ponca City, Oklahoma
Q3 ’08 Leadership Assessment Survey

Question: I round consistently on all my direct reports and/or support staff?

Answer: 98%

South Baldwin Reg. Medical Center

Turnover by Quarter

% Turnover

Q1 2007 - Q4 2008

Turnover reduced 36%

Quarter, Year
Systemwide Results: Turnover

- More than 20% of all CHS hospitals reduced turnover to 15% or less
- 5% reduction in 2008
- Company turnover below industry standards

Leadership Evaluation Manager

- Currently in second year of LEM
- 118 facilities loaded and locked by February 15\textsuperscript{th} 2008
- Over 4,000 facility leaders aligned around 22 core company goals
- CEO report card reviewed on a monthly basis with Division leadership
- Company goals cascade down through leadership at each facility
Cascading Goals: Turnover

- CHS Company Goal
  - Reduce employee turnover by 3% from previous year performance
- CEO-CHS Facility
  - Reduce employee turnover to 15%
    - Current performance 18%
- CNO
  - Reduce employee turnover to 17.49%
    - Current performance 20%
    - RN Nurse Manager
      - Reduce department staff turnover on 2 South to 12.5%
        - Current performance 15%
    - RN Assistant Nurse Manager
      - Reduce department staff turnover on 2 South to 12.5%
        - Current performance 15%
- HR Director
  - Reduce employee turnover to 15%
    - Current performance 18%
    - HR Manager
      - Reduce employee turnover to 15%
        - Current performance 18%

Joe Dorko, CEO, Lutheran Hospital

Video
### Corporate Leadership Site Visit Meeting Model

- Company Community Cares Dashboard
- LEM Results
- Linkage Grid from Current LDI
- Rounding Logs
- Thank You notes
- People Trends and Issues

### 2008 Learning Opportunities

- Accountability starts at the top
- Trust but Verify
- Division leadership selects top priority goals for facility CEO
- CEO cascades priority goals down to Senior Leadership
- Facility leaders adopt three global goals with weight specific to leader impact
- Permit what you Promote
## Emergency Department Culture

- **AIDET in the ED**
- Implement use of “my work life was challenging today because” forms
- Reinforce “pull to full” (triage as a process not a location)
- **Reinforce hourly rounding (Q 30mins)**
- Change signs from waiting room to reception room
- Implement the “no delay in nursing report” concept
- Remove/reduce “NO” signs
- **Complete discharge phone calls by nurses and physicians**
- Reinforce physician communication and closure (at end of visit)
- **Design a company-wide dashboard for ED excellence**

## ED Post-Visit Calls

**Who do we call?**

- ✓ ED discharged home patients
- ✓ LWOT
- ✓ AMA
Discharge Call Administrator (DCA) Results

**2009 Q1 DCA Summary**

- Over 120,000 completed calls over Q1 2009
- 96% would recommend your hospital
- 53% recognized someone for outstanding service
- Transparency—Rank each Division and Facility
- Improve ED quality and service
DCA Projected Call Volume for 2009

500,000 completed calls

Results: CHS Aggregate ED Satisfaction

2008 Q1-Q4
7% Top Box Improvement
DCA 2009 Enhancements

- Employed Clinic Callbacks
- Inpatient Callbacks

What does this all mean?
## Bottom Line Results

Through Accountability and Measurable Outcomes

<table>
<thead>
<tr>
<th>People</th>
<th>Customer Service</th>
<th>Clinical Quality</th>
<th>Financial</th>
<th>Successful Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Satisfaction</td>
<td>Patient Satisfaction</td>
<td>Core Measures</td>
<td>Financial Performance Compared to Budget</td>
<td>Admissions Growth</td>
</tr>
<tr>
<td>Physician Satisfaction</td>
<td>Percentile Ranking vs. National Database</td>
<td>Falls</td>
<td>Physician Recruitment</td>
<td></td>
</tr>
<tr>
<td>Percentile Ranking of Employee Satisfaction</td>
<td></td>
<td>Decubiti</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Turnover</td>
<td></td>
<td>Joint Commission</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Reward and Recognition

**CHS Community Cares 2008 Top Performers**

- Carlsbad Medical Center
- Wesley Medical Center
- Dupont Hospital
New Culture

Happy Employees = Happy Patients = Happy Physicians = Happy CEOs = Happy Corporate Office

Safety Recognition

Forbes Magazine: “America’s Safest Hospitals” (January, 2009)

EASTON HOSPITAL

WOODLAND HEIGHTS MEDICAL CENTER
Flowers Hospital

#1 in the nation for quality as rated by the federal Centers for Medicare and Medicaid Services (CMS)

Community Cares

Creating great places for people to work, physicians to practice medicine and patients to receive care.
Thank You!

Debra S. Landers
VP and Chief Marketing Officer, Community Health Systems
Nashville, TN