

Allegheny Memorial Hospital

Your Community's Greatest Healthcare Asset



In follow-up to the public forum held on April 23rd, we would like to thank the citizens of Allegheny County for your active participation and overwhelming support. The discussions held proved to be worthwhile in clarifying misperceptions and reinforcing the value of your local community hospital. Our hope is that this will serve as a building block for continued education and ongoing open dialogue. To further the momentum from the forum, the hospital would like to provide some additional insight into the facility business planning, past and present.

What have we done? Business Strategies for Success

- Aug., 2004: Transitioned Community Assistance Program to local service provider and closed Adult Day Program
 - Although unfortunate, the difficult decision of eliminating these service lines was necessary because both programs were consistent loss leaders. The changes helped stem revenue losses, but resulted in a workforce reduction of 36 employees.
- Dec., 2004: Discontinued OB
 - With the increasing costs of physician malpractice resulting in fewer providers and the total births per year being grossly under a break even volume, this service line was discontinued and a partnership agreement was established with Hugh Chatham Memorial Hospital for patient referral.
- Feb., 2005: Converted to Critical Access Hospital to maximize reimbursement
- Introduced new revenue generating services
 - Sleep Lab, MRI, Pain Clinic, Orthopedics and Urology were all introduced to meet community needs and provide healthcare services close to home for Allegheny residents.
- Jan., 2011: Implemented Hospitalist Program
- 2004, 2006, 2008, 2011: Reductions in workforce
 - As with most businesses, the greatest expense for a hospital to consider is the wages and benefits of its employees. AMH is no different. We have undertaken layoffs and workforce reductions four times in the last seven years; the most recent was just last year. We have also implemented a staffing matrix (or plan) in which every department on a daily basis adjusts their staffing hours according to fluctuating patient volume. On a monthly basis each department is scrutinized on performance benchmarks and is held accountable to meeting those benchmarks set at the 90th percentile.

Where do we go from here? Business Strategies for Success

The hospital's current three-year strategic business plan beginning in 2010 operates under three key result areas.

COMMUNICATION AND TEAM-BUILDING

Focus on Customer Service Optimization

- ✓ Conduct Employee Satisfaction Survey
- ✓ Identify opportunities for improvement based on patient feedback reflected in the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) and other public reporting initiatives.

Capture Market Share through Primary Care and Specialist Physician Recruitment

- ✓ Progress to full hospitalist program
- ✓ Recruit Primary Care Physicians
- ✓ Recruit sub-specialists
- ✓ Identify competitor vulnerability/opportunity; establish dialogue/aggressive partnering strategies
- ✓ Facilitate provider relationship with current Medical Staff

Implement work plan to address Meaningful Use Compliance (Federally mandated conversion to full Electronic Medical Record)

- ✓ Identify equipment and training needs through fiscal budget preparation for each meaningful use stage as appropriate
- ✓ Establish benchmarking and timelines for compliance to optimize timing and amount of government incentive payment

Enhance Middle Management Leadership Ability and Accountability

- ✓ Make education and training opportunities available
- ✓ Enhance strategic departmental planning for preparation of fiscal year budgets; hold department managers accountable through 'ownership' of all benchmarks and goals

FINANCIAL IMPROVEMENT AND COST EFFECTIVENESS

Product Line Enhancement

- ✓ Improve referral and admission to Swing Bed Program to maximize use of hospital resources
- ✓ Explore financial feasibility and business strategy of Urgent Care and Rural Health Center
- ✓ Establish and optimize five-day-a-week surgery department

Explore Alternative Funding

- ✓ Participate in Golden LEAF Community Assistance Initiative
- ✓ County Assistance
- ✓ Optimize grant availability
 - Golden Leaf Foundation Grant (Capital Equipment Acquisition 2011/2012)
 - Chatham Foundation (Proposal Submitted April 2012)
 - Kate B. Reynolds Foundation
 - The Duke Endowment
 - Office of Rural Health (Electronic Medical Record Enhancement 2010/2011)
- ✓ Research/Develop funding pool for medical school loan repayment for new recruits

COMMUNITY, BUSINESS, AND HUMAN RELATIONS

- ✓ Reduce out migration through strategic marketing
- ✓ Continue to engage community through marketing and public engagement efforts
- ✓ Improve relationships and explore partnering opportunities
- ✓ Explore joint recruiting of hospital staff and physicians with surrounding hospitals
- ✓ Optimize Medicare/Medicaid Cost Report benefits regarding patient placement
- ✓ Improve awareness of services through Community Relations
- ✓ Promote community outreach through hospital sponsored education lectures/support groups
- ✓ Focus on service lines during community events, festivals e.g. 'Telestroke' information distributed at Heritage Festival

Understand that above is simply the outline of the AMH Business Plan. Yet one more enhancement built off of the key result area Community, Business, and Human Relations, is implementing a suggestion brought forth at the public forum. The hospital will be gathering a representation of local business leaders to engage in further discussions and elicit ideas.

As always, AMH is committed to our vision of "People you know, Care you trust, Here when you need us."
Please access our website at www.amhsparta.org for additional information.