

Succeeding in the Patient-Centered Age of Healthcare

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Agenda

- Learning Objectives
- Who we are
- Transparency's impact on healthcare
- CHRISTUS Santa Rosa's approach to performance improvement
- CHRISTUS Santa Rosa's results

Learning Objectives

- Understand how access to new information will enable patients to shop for healthcare
- Identify how employee satisfaction can drive patient satisfaction scores, and subsequently market share and financial performance.

Who We Are

CHRISTUS Santa Rosa Health Care



CHRISTUS Santa Rosa Health Care

***Our Mission: To extend the healing
ministry of Jesus Christ.***

Mission

To extend the healing ministry of Jesus Christ

through our

Strategic Focus

To enhance CHRISTUS Santa Rosa's regional delivery system

by

Expansion/
Collaboration/
Consolidation

- Strengthening and growing children's services
- Expanding non-acute services
- Growing targeted adult services
- Enhancing physician relationships/partnerships

Marketing/
Philanthropy

SUPPORTED BY OUR JOURNEY TO EXCELLENCE



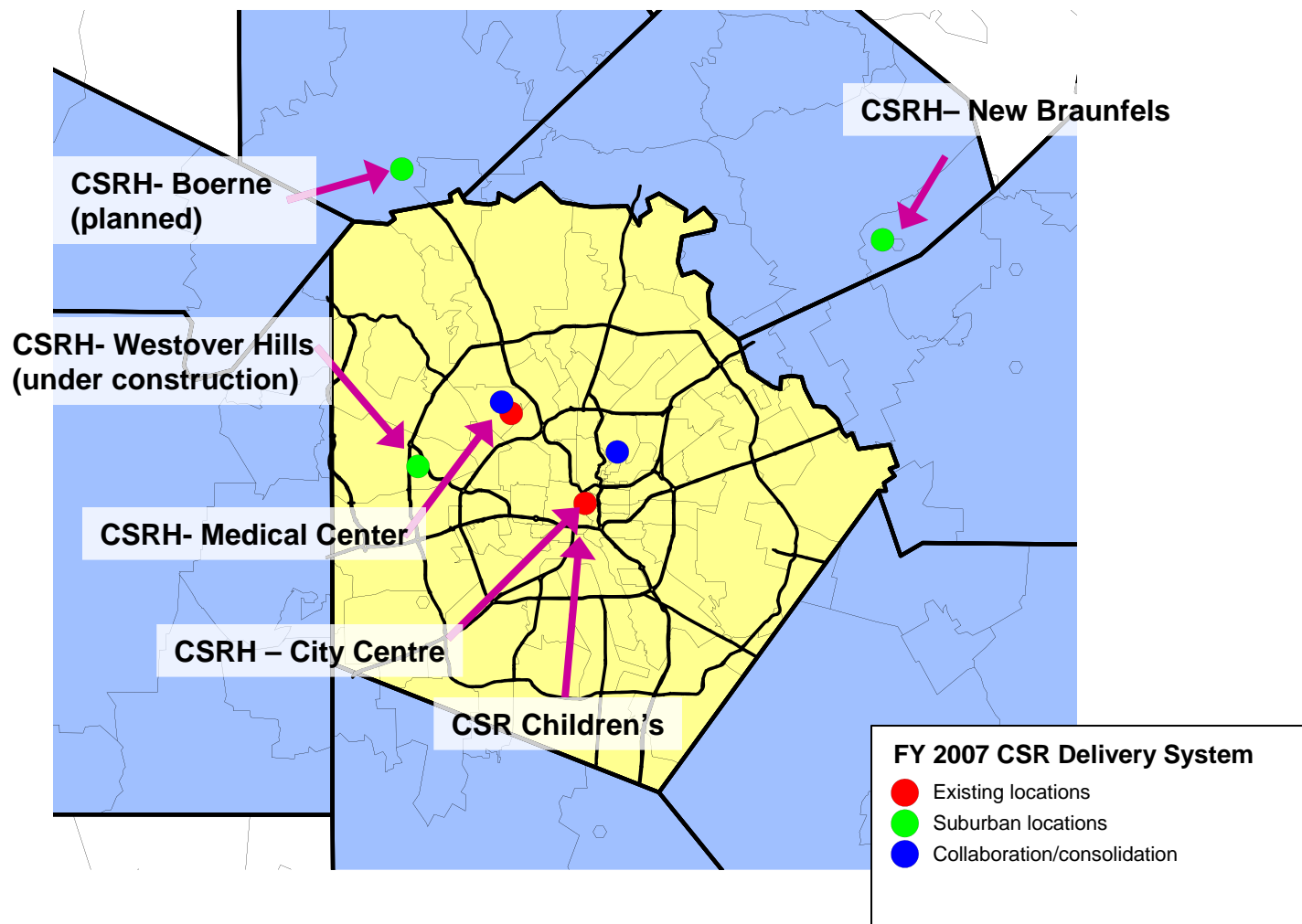
Business Literacy

Service Excellence

Clinical Quality

Community Value

Our Profile – Sites



Our Profile – FY 2008

- ✓ **Only faith-based, not-for-profit health system in San Antonio**
- ✓ **Serving San Antonio and South Texas since 1869**
- ✓ **Licensed for 978 beds**
- ✓ **Total net operating revenue \$400 million**
- ✓ **Total assets exceeding \$424 million**
- ✓ **1,850 physicians on medical staff**
- ✓ **Over 3,500 associates**
- ✓ **\$158 million annual hospital payroll**

Our Profile – FY 2008

- ✓ **Serves 320,000 patients annually**
- ✓ **29,254 admissions**
- ✓ **150,393 Emergency Department visits**
- ✓ **51 organ transplants**
- ✓ **10,281 outpatient surgeries**
- ✓ **141,373 outpatient visits**

Distinguished Hospital Award for Clinical Excellence FIVE Years in a row!



2004-2008

- ✓ Rated #1 hospital in San Antonio
- ✓ Rated in the top 5% of adult hospitals nationally
- ✓ Rated #1 in San Antonio for overall
 - Cardiac
 - Gastrointestinal
 - Pulmonary
 - Joint Replacement

ARAMARK Healthcare

- Serves more than 1,300 hospitals and senior living communities in North America
- 14,000 employees
- Focuses on
 - Clinical Technology Services
 - Patient and Retail Food Services
 - Facility Services

CHRISTUS Santa Rosa and ARAMARK Healthcare

- Partnership began in 2004
- ARAMARK Healthcare manages 410 employees on site in the following:
 - Asset Solutions
 - Central Transportation
 - Customer Service Center
 - Environmental Services
 - Linen Distribution
 - Parking Management
 - Plant Operations Management
 - Retail & Patient Food Services
 - Uniform Services
 - Vending Services

An aerial view of a hurricane's eye from space, showing the characteristic spiral cloud pattern and the central eye. The image is used as a background for the text.

Transparency:
**Consumerism and IT form the Eye of
the Perfect Storm**

The Consumer-centric Model is Based on Choice

Cost and quality transparency will create a level playing field in healthcare. The key driver of patient satisfaction and financial success will be

The Consumer-centric Model is Based on Choice

Cost and quality transparency will create a level playing field in healthcare. The key driver of patient satisfaction and financial success will be **customer service**.

Clinicians Affirm that Non-clinical Services Significantly Impact Clinical Care.

	<u>% Who Strongly Agree</u>	
	<u>Nurses</u>	<u>Doctors</u>
• A clean hospital positively impact how patients perceive you	89%	94%
• When support services are coordinated and efficient, it makes you feel that your hospital is well run	87%	76%
• A well-maintained physical plant can impact patient, employee, nurse, and physician satisfaction	82%	78%
• The hospital environment is critical to patient outcomes	80%	75%
• Support services are an important contributor to patients' view of the hospital	79%	82%
• Support services make a big impact on clinical care	75%	79%

Source: ARAMARK Healthcare Stakeholder Proprietary Quantitative Research

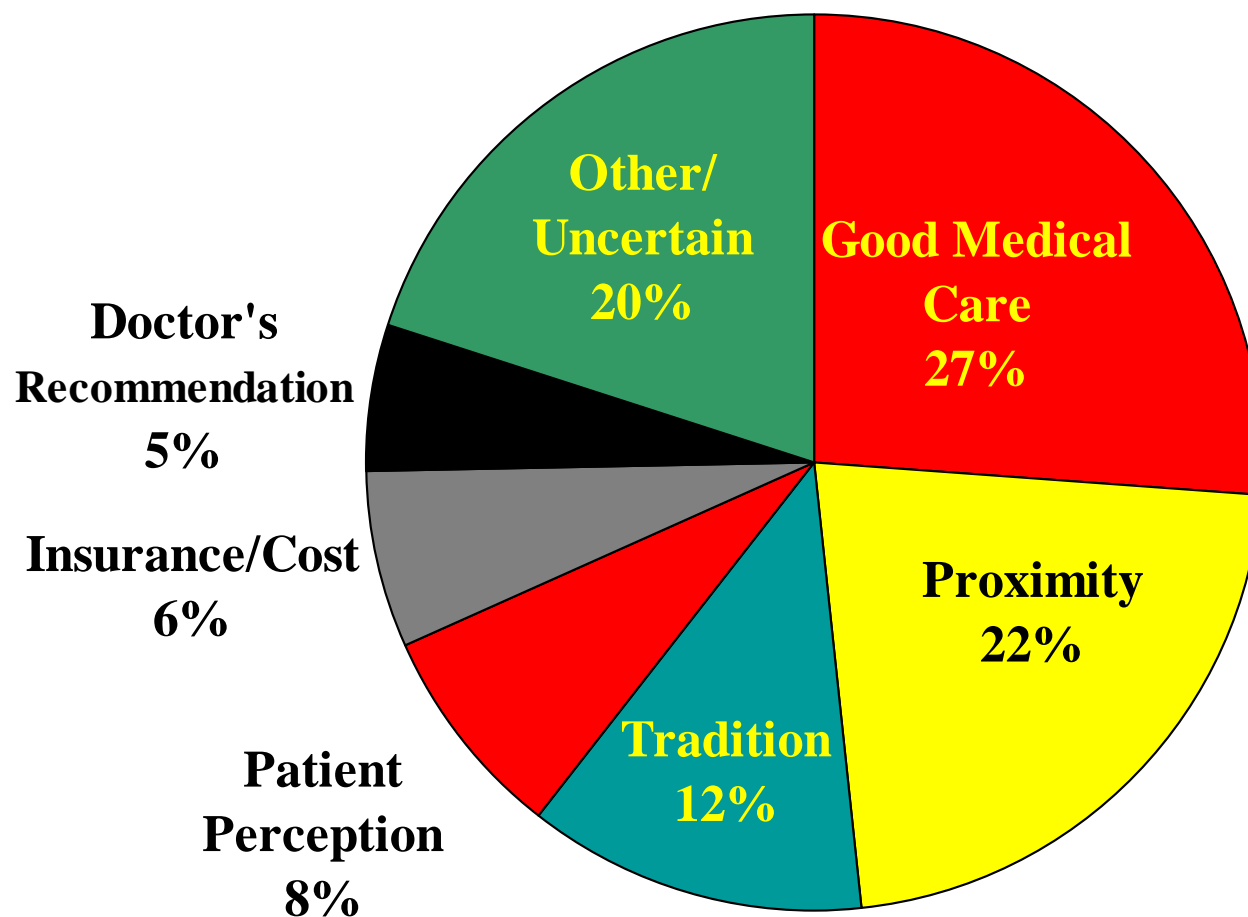
41%

of a consumer's choice is based on
non-clinical experiences

(An additional 20% is based on clinical reputation.)

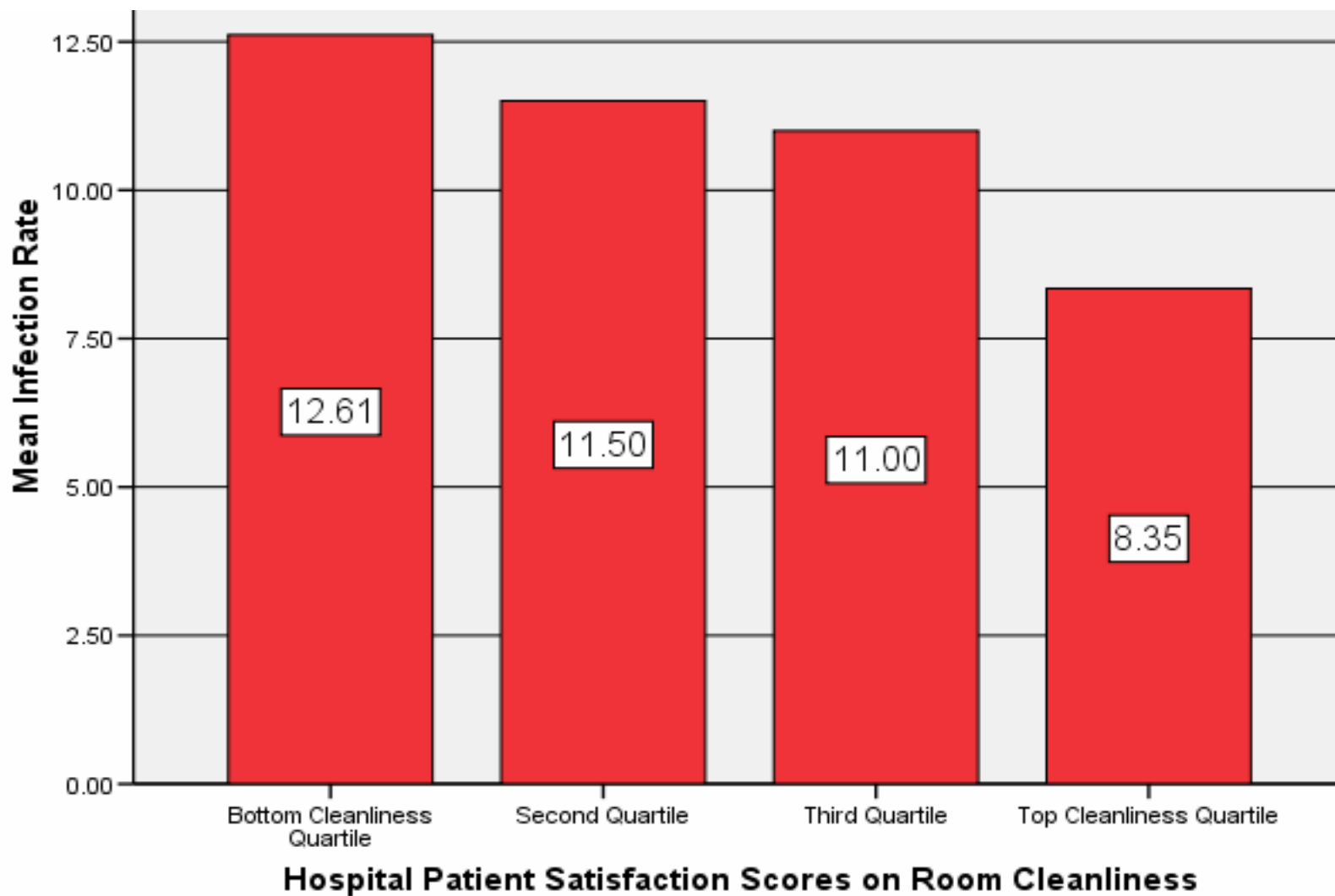
Source: McKinsey Study, 2008

Consumer's Main Reason for Hospital Preference



Source: PRC National Consumer Perception Study, 2008
Reported in Hospitals and Health Networks, June 2008

Patients' Perceptions Correlate with Infection Rates

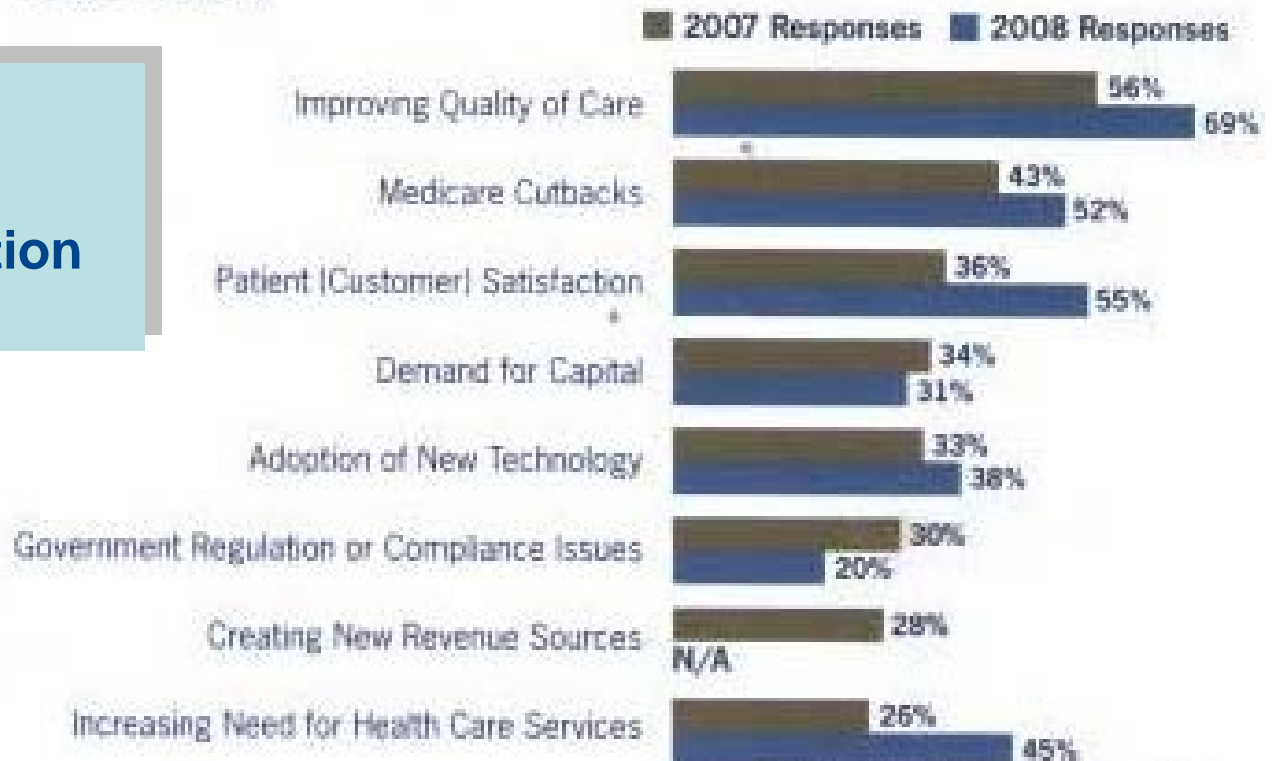


Healthcare Executives Perceive Quality and Patient Satisfaction as Top Issues

Top Business Issues Facing Health Care

(2008 vs. 2007)

1. Quality of Care
2. Patient Satisfaction



Source: 19th Annual HWS Leadership Survey, 2008

**A Force Multiplier in the
Consumer-centric Model is:**

The Internet

Consumer Use of the Internet for Healthcare Information Has Grown

Cyberchondriacs: Trends 1998-2007

Base: All U.S. adults

	1998	1999	2001	2003	2004	2005	2006	2007	2008
	%	%	%	%	%	%	%	%	%
All adults who are online*	38	46	63	67	69	74	77	79	76
All online adults who have ever looked online for health information	71	74	75	78	74	72	80	84	81
All adults who have ever looked online for health information	27	34	47	52	51	53	61	71	66
All adults who have looked online for health information in last month	NA	NA	27	NA	31	45	51	53	50
All adults who have ever looked online for health information + (millions)	54	69	97	109	111	117	136	160	150

*Includes those online from home, office, school, library or other location.

*Based on July 2007 U.S. Census estimate released January 2008 (227,700,000 total U.S. adults aged 18 or over).

NA = Not Asked.

Source: Harris Interactive, Vol. 8, August 20, 2008
n = 1,010 in 2008

Hospital Compare Web Hits Increased 500% following the First Public Report of HCAHPS data

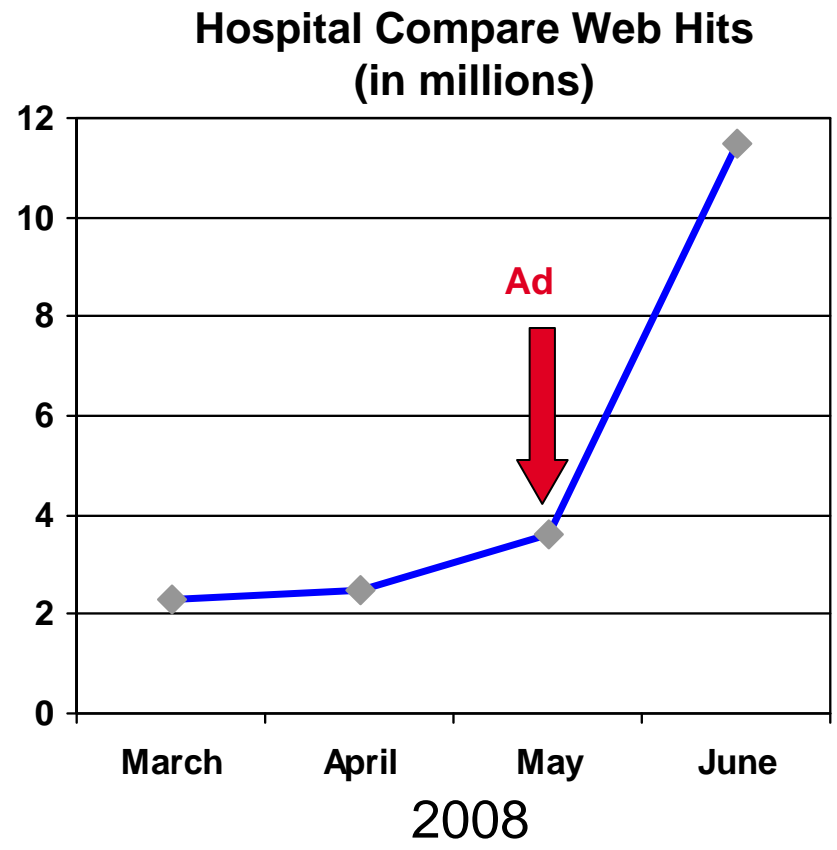
Compare the Quality of Your Local Hospitals
 Visit www.hospitalcompare.hhs.gov

Here is a sample of what you'll see

Hospital	Percentage of people who returned satisfaction survey	Percentage of people who returned satisfaction survey
St. Joseph's Hospital	85%	85%
St. Joseph's Hospital	85%	85%
St. Joseph's Hospital	85%	85%
St. Joseph's Hospital	85%	85%
St. Joseph's Hospital	85%	85%
St. Joseph's Hospital	85%	85%
St. Joseph's Hospital	85%	85%
St. Joseph's Hospital	85%	85%

*"The more information I have to make a choice, the better."
 Daisy, 72*

My Health My Medicare



CMS placed print advertisements in 58 newspapers across the US to highlight results and the Hospital Compare website

The Sea Change

Patient transaction focus



Positive customer experiences



First choice provider

And Hospitals Will Respond to Service Expectations



Emergency Room Wait Times	
Facility	Time
IPMC	15m
JCMC	none
JCCH	none
NSH	17m
SSH	none

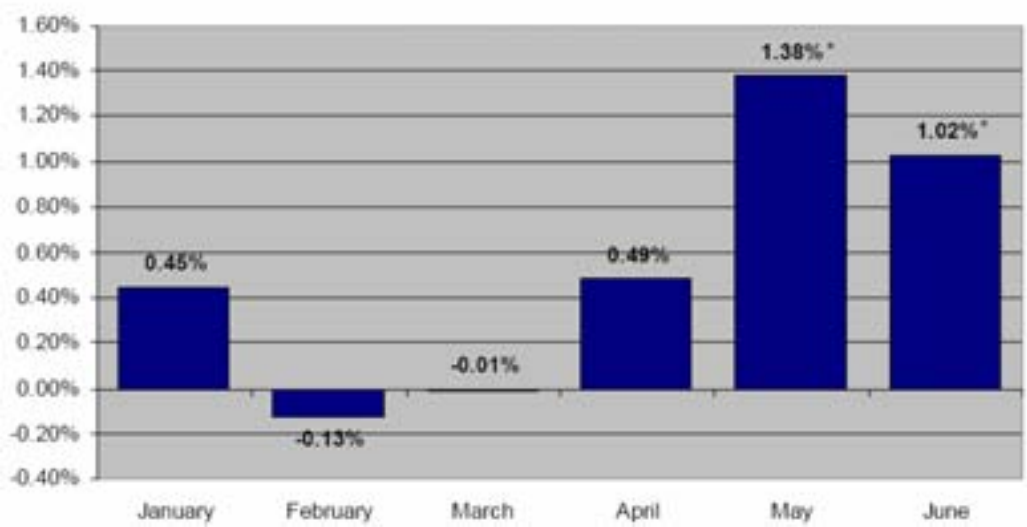
For non-emergent needs, please consider:

- ▶ First Assist Urgent Care
- ▶ ValuCare Clinics

As of Aug 6, 2008
9:25 am

And Hospitals Will Respond to Service Expectations

HCAHPS Measure - Overall Rating of Hospital '9' or '10'
2007 to 2008 Year over Year



HCAHPS Measure - Likelihood to Recommend 'Definitely Yes'
2007 to 2008 Year over Year



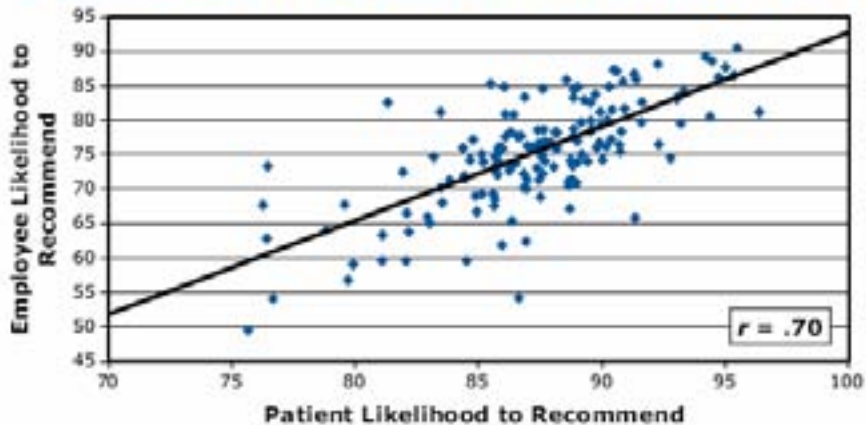
Source: Press Ganey, 1,158 hospitals reflecting 1,512,272 patients.
9/24/2008

The Major Driver of Patient Satisfaction
Is, Simply,

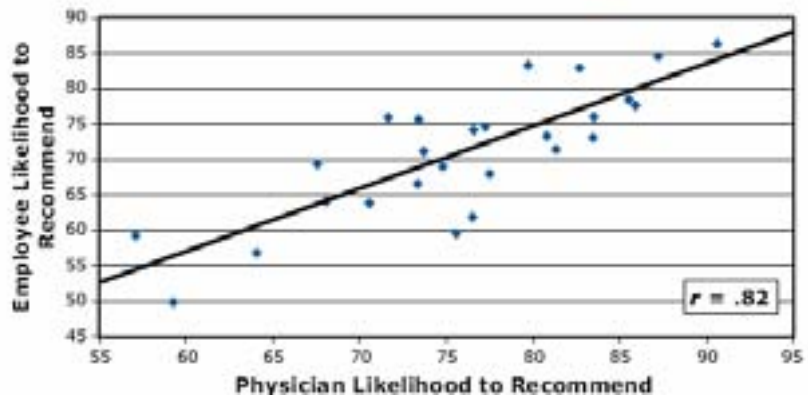
Employee
Satisfaction

Relationship of Employee to Patient Satisfaction

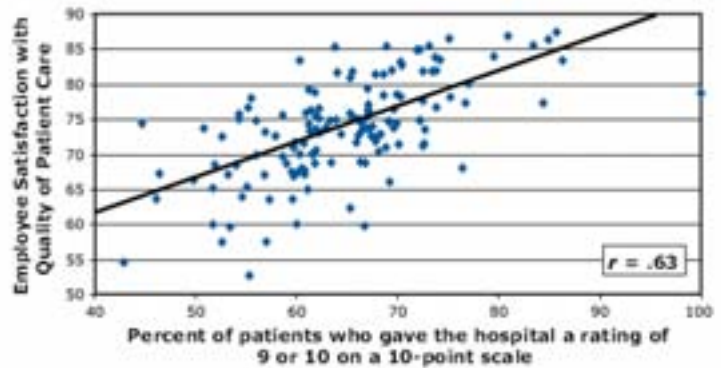
(1) Relationship between Patient and Employee Likelihood to Recommend Facility for Care



(2) Relationship between Physician and Employee Likelihood to Recommend Facility for Care



(3) Relationship between HCAHPS Patient Satisfaction and Employee Satisfaction with Quality of Care



Source: *Press Ganey, Employee and Nurse Check-Up Report, 2008 (10/14/2008)*

Figure 1: 356,625 responses from employees and patients from 148 facilities.

Figure 2: 28,308 responses from employees and physicians at 26 facilities.

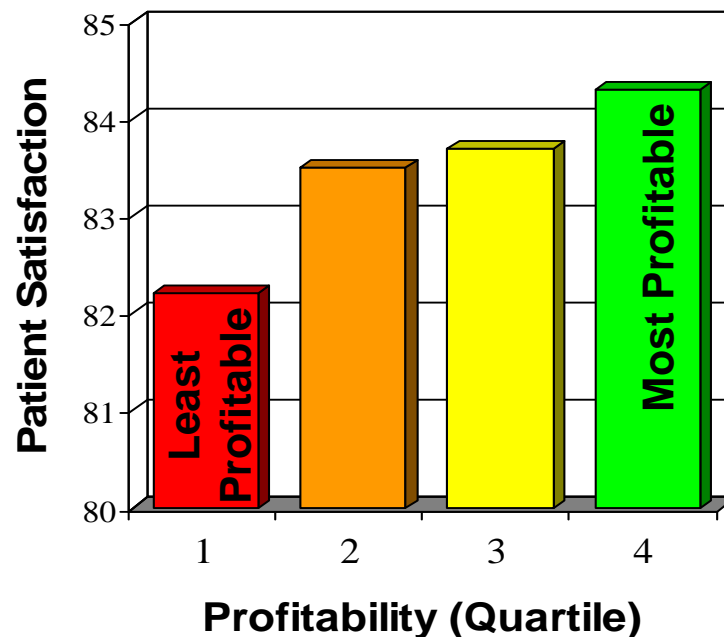
Figure 3: 353,893 responses by employees and patients from 147 facilities

All data is from January 1 to December 31, 2007

Reputations are Built Over Time as Word of Mouth Spreads through a Community

- Hospitals with patient satisfaction in the 90th percentile experience nearly a one-third increase in patient volume.
- On average, this equated to an additional 1,382 patients per year.
- Hospitals at the bottom 10th percentile saw an average volume loss of 17%

Patient Satisfaction and Hospital Profitability

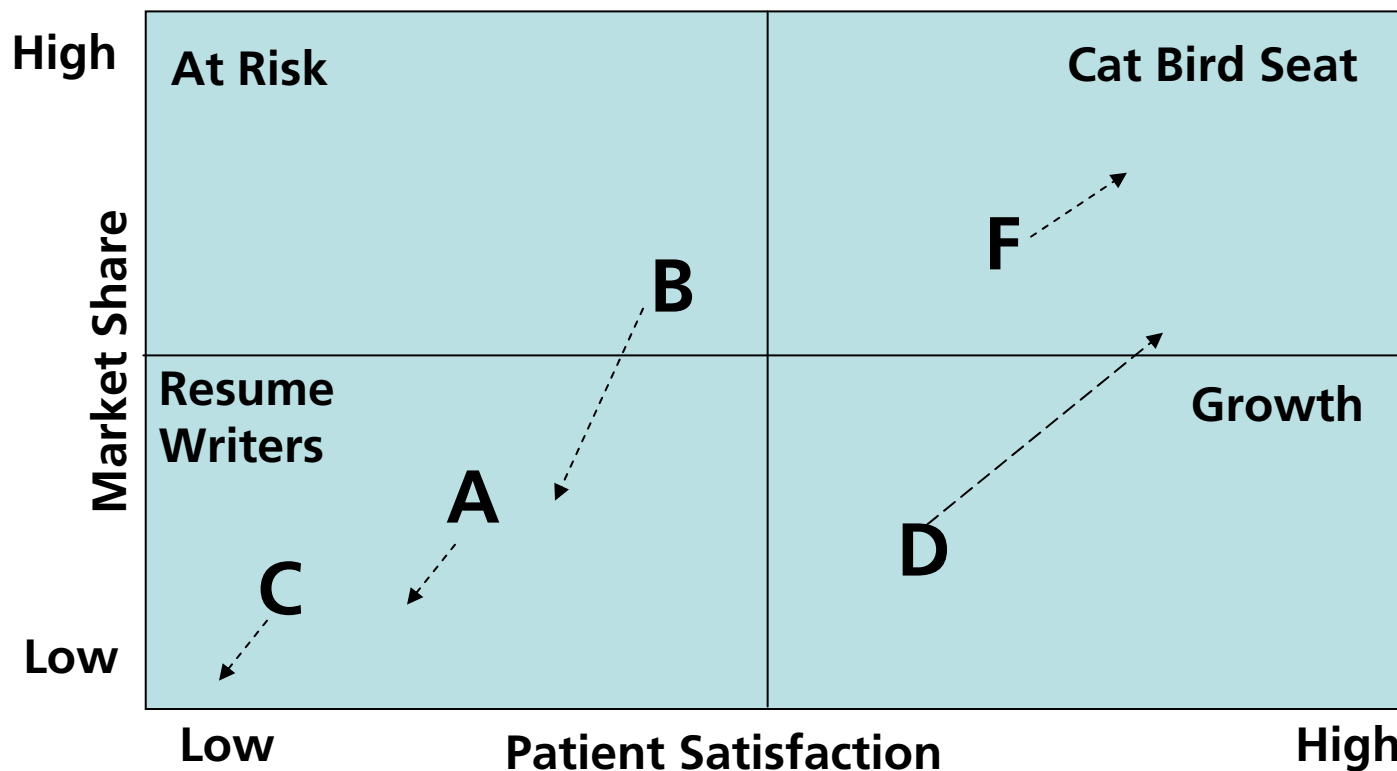


Source: Press Ganey, "Increased Patient Satisfaction – Increased Volumes," 2005. As reported in by Mel Hall, HFMA journal, October 2008

CMS' Value Based Purchasing Program Will Have a Direct Impact on Revenues

- Incentive payment
- Phased in approach

How Will Transparency Impact the Hospital's Market Position?



Leading Indicators: Employee Sat = Patient Sat = Market Share

Source: SRK Solutions

Pre-Implementation Status

CHRISTUS Santa Rosa: Pre-Partnership State

- Some departments managed internally, some managed by separate external vendors
 - Uncoordinated approach to service response
 - Poor inter-departmental communication
 - Multiple cultures in departments outsourced to disparate organizations
 - Duplication of efforts among support departments

CHRISTUS Santa Rosa: Pre-Partnership State

- Silo approach to work
- Lack of tracking system for work orders
- Lack of one system to call to place work orders, resulting in numerous calls
- Leadership turnover
- Low skill level in Maintenance Associates
- Culture of “it’s not my job” and finger-pointing among departments
- Reluctance to change
- Lack of credibility of support departments within organization

CHRISTUS Santa Rosa: Rationale for Comprehensive Partnership

- “Best Practice-Touchstone Award Winner” at CHRISTUS St. Michael Health System
- Skilled in integrating support departments for a seamless delivery of care.
- Expertise in management of multiple support departments
- Establishment of Central Transportation and automated Call Center
 - Seamless, one-call approach for multiple services

CHRISTUS Santa Rosa: Rationale for Comprehensive Partnership

- Cost savings realization.
- Revenue growth opportunities
- Innovation
- Improvement in employee satisfaction
- Coordination, coordination, coordination

CHRISTUS Santa Rosa: Rationale for Comprehensive Partnership

- Transform the culture from the bottom up.
- Set the tone of a true partnership
- Treat associates in ways consistent with our values
- Experience in culture changes

CHRISTUS Santa Rosa: Rationale for Comprehensive Partnership

- Allow long term associates to remain as CSR Associates.
- Benefit transition
- Capital improvements
 - Call center
 - Retail food service
 - Energy saving software and equipment

CSRHC Challenged ARAMARK Healthcare to Impact Its Clinical Support Services by Creating Patient-focused and Cost-effective Solutions:

- Seamless support of the healthcare continuum.
 - Provide expert management
 - Daily execution of integrated support services
- Patient, visitor, physician, and associate satisfaction
 - Dining experiences
 - Maintenance and cleanliness
 - Customer-focused services.

CSRHC Challenged ARAMARK Healthcare to Impact Its Clinical Support Services by Creating Patient-focused and Cost-effective Solutions:

- Implement technical and programmatic solutions
 - Improve operational efficiency
 - Improve financial outcomes within support services.
- Increase morale among support service staff
 - Provide broader career development opportunities
 - Access ARAMARK Healthcare's competitive benefit offerings.

Implementation Approach

Philosophy: The Healthcare Environment is a Healing Atmosphere Supported by a Broad Network of People Who Are All Connected.

More than just the physical facility

Encompasses the team-focused atmosphere that exists

Includes the intangible culture of an organization



Represents the service mindset of the healthcare employee

We Expanded The Definition of Patient Care.

More than the physical act
of making someone well

An all-encompassing
health and wellness
experience

Can be impacted
by all members of
the team

Multiple touch points
of healthcare delivery



Patient
Care

We Focused on the Patient Experience

Patient-Centered Culture

Personnel Shortages

Physician Relations

Capacity

Patient Sat

Nurse Shortage



- Patient Engagement
- Respect
- Personal Touch
- Patient-centeredness

Reimbursement

Quality

Patient Safety

P4P

Regulatory

Service Was Aligned With Overall Vision, Mission, Values, and Goals.



Operational Efficiency and Service Excellence

- **Establish a preventive maintenance minded culture in facility services**
 - Increased preventive maintenance completion rates from 320 preventive work orders per year to more than 1,200 work orders per month
- **Implemented ARAMARK Healthcare's Integrated Service Information System (ISISpro)**
 - Improve coordination of work orders
 - Monitor service response times
 - Record compliance with regulatory standards
 - Assess productivity

Operational Efficiency and Service Excellence

- **Customer Service Center**
 - “One-call” handles requests with patient transport, environmental, maintenance, biomedical, and linen services
 - More than 16,000 calls per month
 - Average call answer time: 20 seconds.
- **Quarterly improvement plan for employee safety**
 - 100 percent reduction in service employee slips, trips, and fall accidents in the first quarter following program implementation
 - Overall reduction of incidents and accidents by 75 percent from the prior year
- **Enhancements to indoor air quality and comfort**
 - ARAMARK Healthcare’s comprehensive Asset Solutions Program

Operational Efficiency and Service Excellence

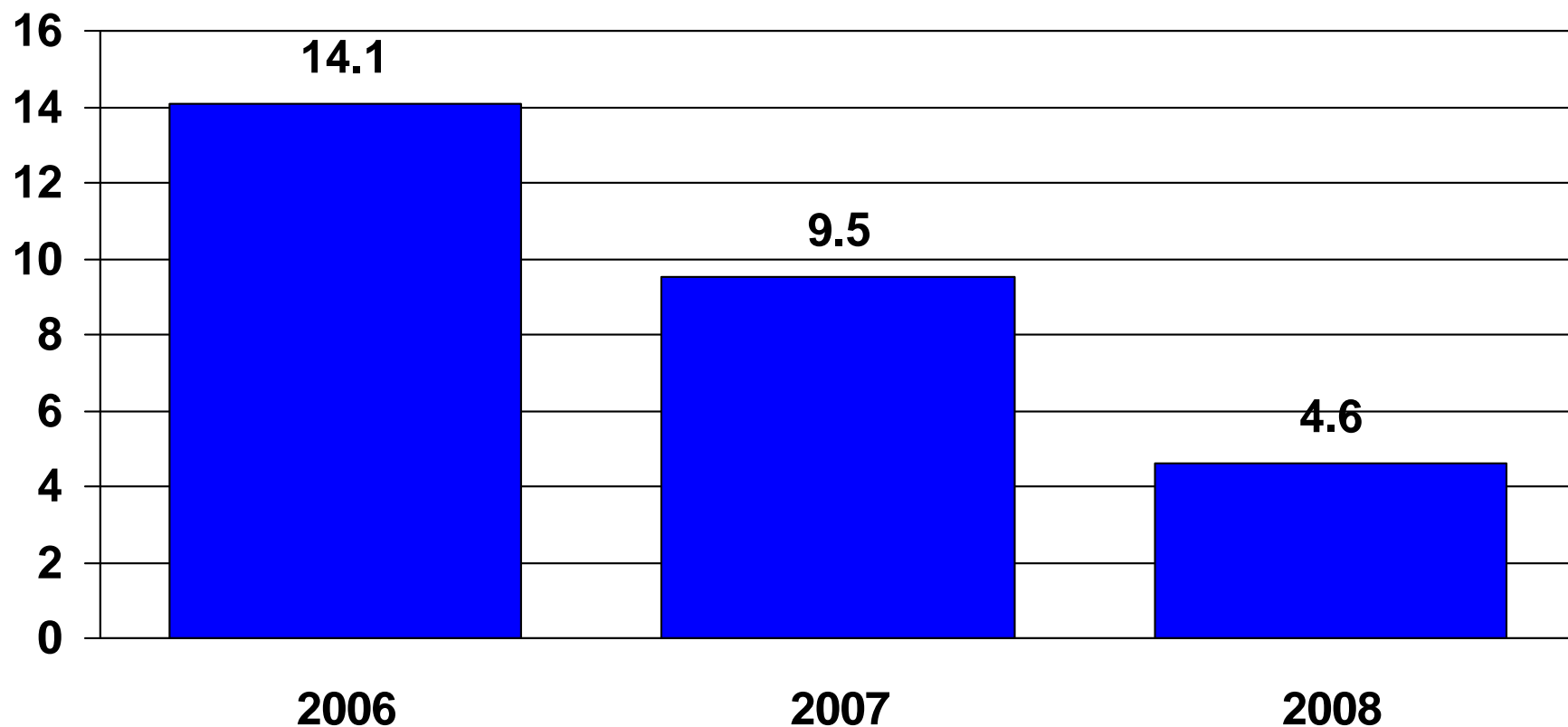
- **Central Transportation Program**
 - Impacts patient throughput and clinical productivity
 - Manages more than 100,000 patient moves and 1,000 equipment moves per year
 - Nearly 90 percent of transport requests are completed within 30 minutes of the request.
- **Combine internal management and external vendors into a “one in-house team”**
 - Brings current contractor expertise in house
 - Established a synergy of purpose

Outcomes

Improvements in Clinical Quality Performance

Clinical Quality Percentile*	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Goal
AMI	100	100	100	100	100	100	100	100	97	95	94	100	100
Heart Failure	100	93	86	89	89	91	92	93	94	94	95	100	100
Pneumonia	100	85	88	90	90	91	90	91	90	90	91	100	100
Discharge Instructions for HF	89	90	88	85	85	84	85	85	83	84	83	81	87
Blood Culture for Pneumonia	94	96	95	94	94	95	95	95	93	94	94	89	93
Initial atb Selection for Pneumonia	89	92	91	92	91	91	91	93	91	91	90	100	89
Pre-op atb Timing for SIP	90	91	90	90	90	91	91	91	92	91	91	94	93
Post-op atb Timing for SIP	86	82	82	81	81	82	82	83	83	83	83	96	96

Employee Safety Claim Rates Improved

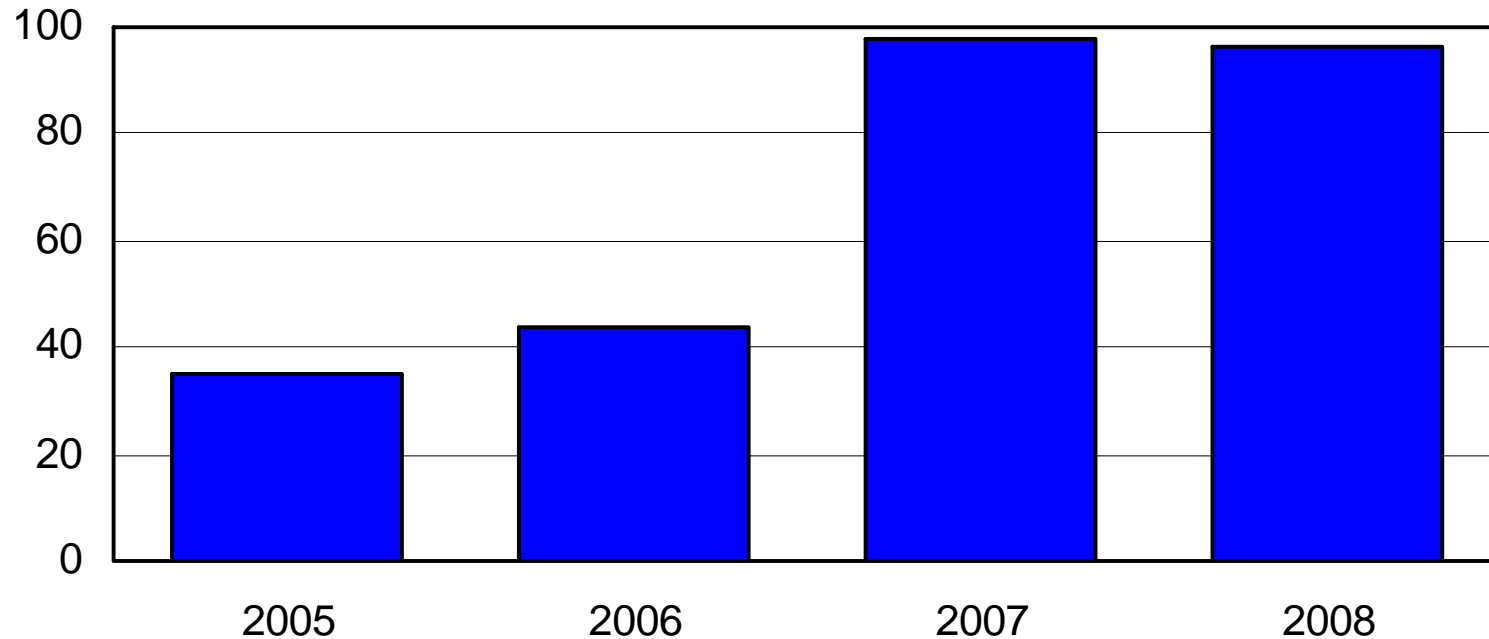


Employee Satisfaction Improved

- Sustained a culture of employee engagement during a workforce conversion of 410 service workers from hospital to ARAMARK Healthcare payroll
 - Established regular round-table sessions
 - Opened key lines of communication.
 - Maintained employee satisfaction levels
 - 79.5% in 2007; 80.8% in 2008
- Supported an organizational culture change
 - Hosted a highly received leadership retreat facilitated by ARAMARK Healthcare's Organization Development experts.

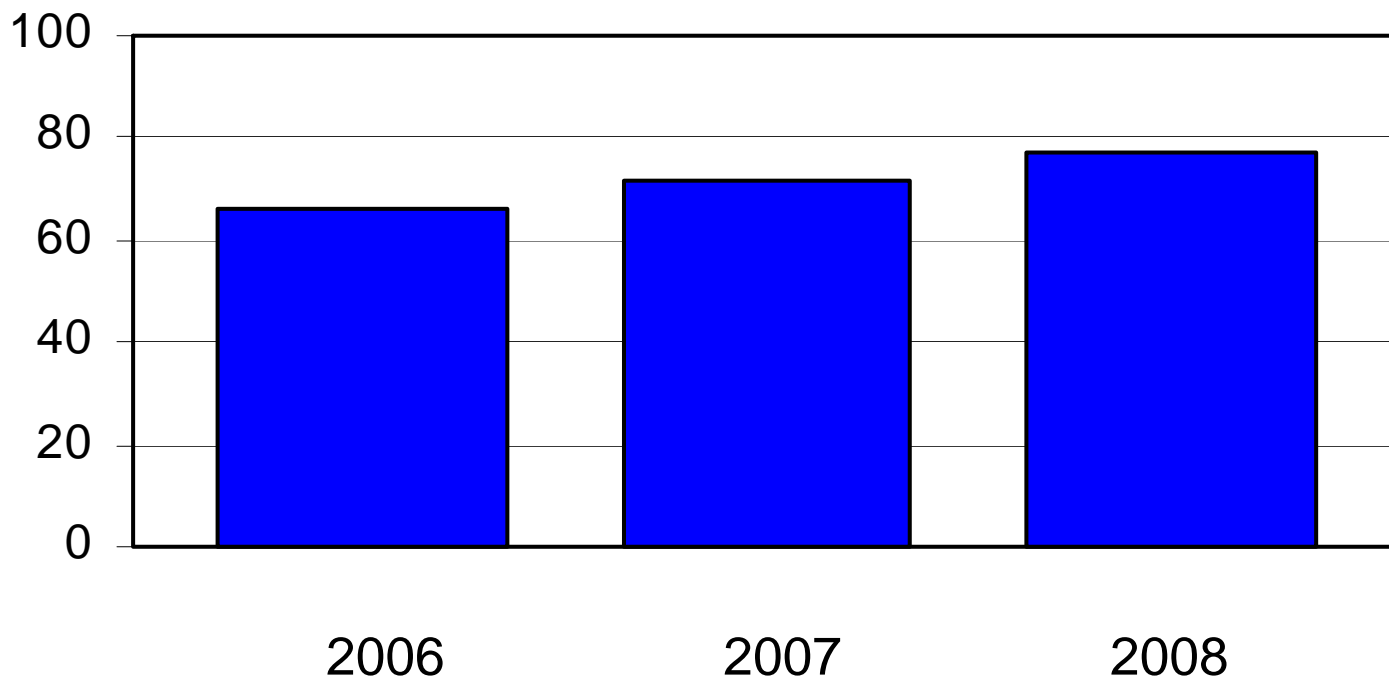
Improvements In Associate Satisfaction

POM Associate Satisfaction



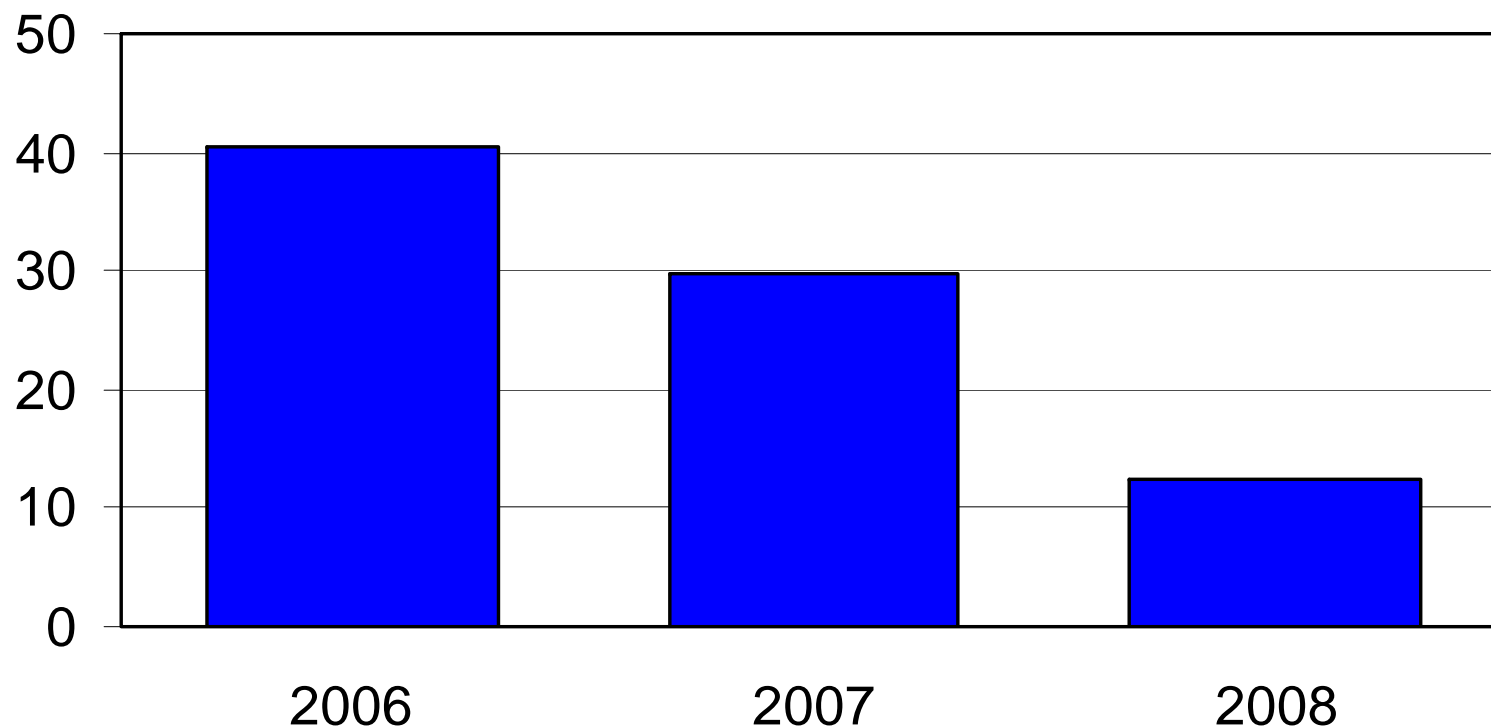
Improvements in Associate Satisfaction

Dietary Associate Satisfaction



Improvements In Employee Turnover

POM Turnover



Nurse and Physician Satisfaction Improved

- Improved nurse satisfaction with support services
 - Implemented ARAMARK Healthcare's I Impact behaviors
 - Manager-to-manager conversations uncover “what’s working well”
 - Nurse manager preferences for improved collaboration.
- Improved surgical department satisfaction and productivity
 - Installed a “super-cooling” system in 13 operating suites which enables surgeons to rapidly alter room temperatures during procedures.

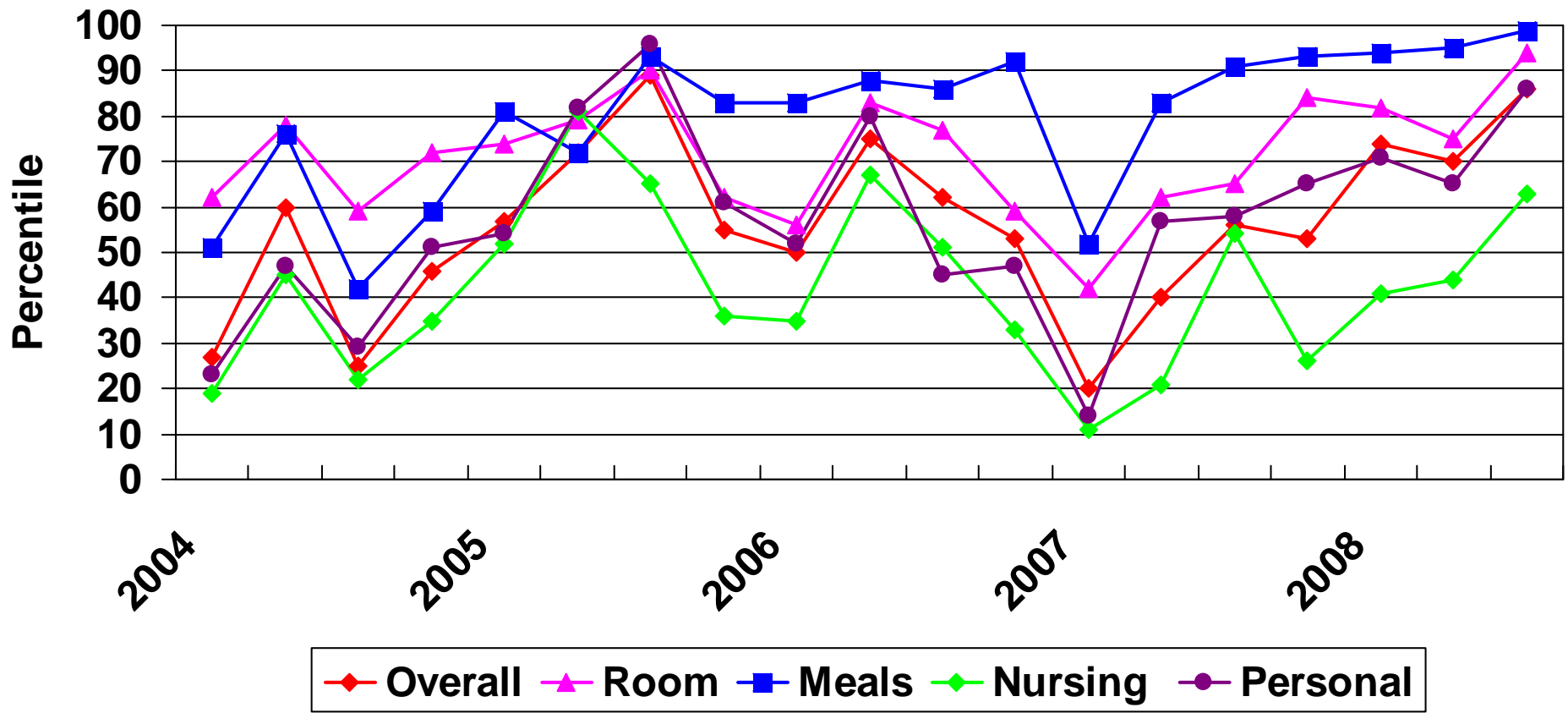
Visitor Satisfaction Improved

- Retail dining experience improved
 - Added menu variety
 - Introduced a Java City coffee bar
 - Renovated dining seating areas
 - Improved dining room cleanliness
 - Improved dining room air temperature control.
- Enhanced visitor satisfaction
 - Implemented ARAMARK Healthcare's Facility Operations Management and Environmental Services Programs
 - Improved temperature control in rooms
 - Improved cleanliness in rooms

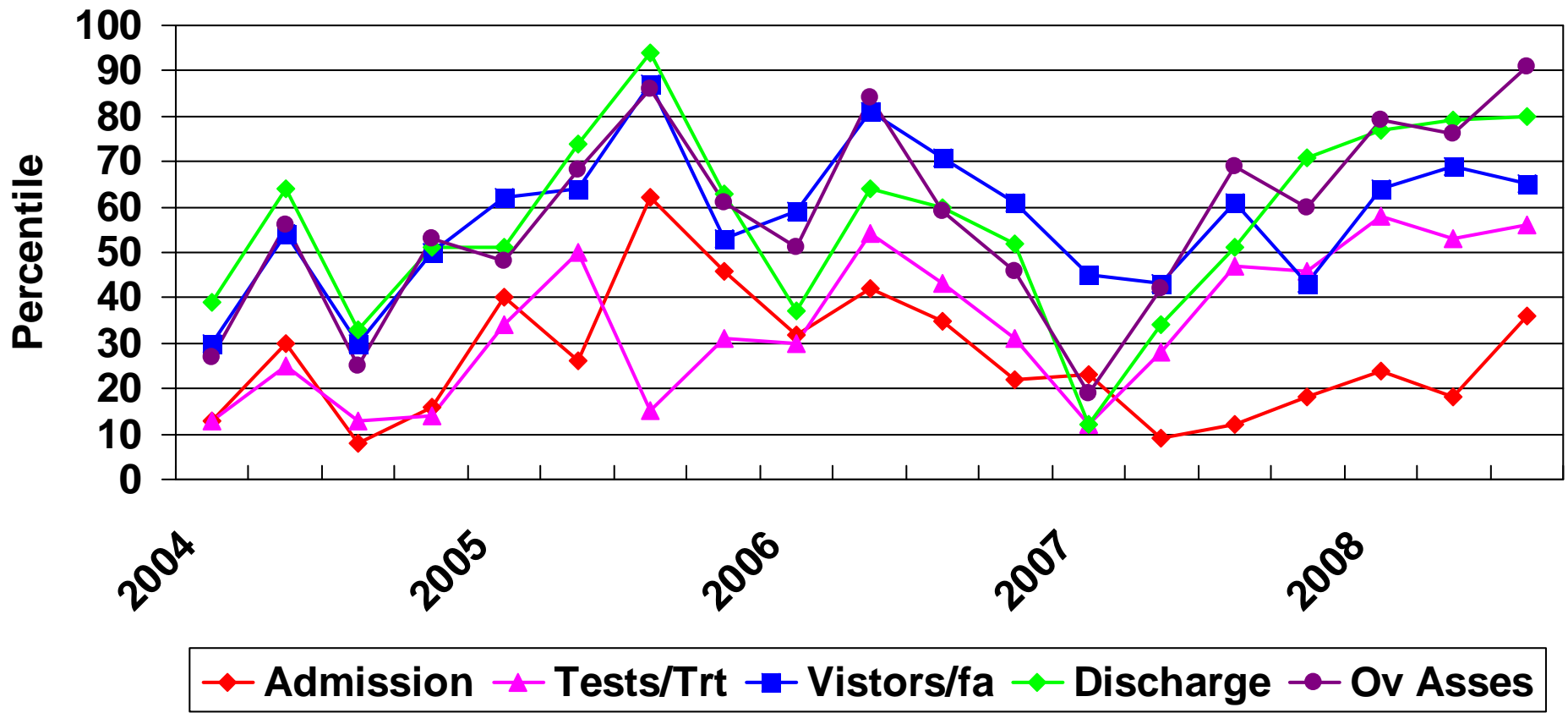
Patient Satisfaction Improved

- Improved patient satisfaction
 - Increased the quality and variety of patient meals
 - Improved the cleanliness and maintenance of patient care areas
 - Result: within 12 months, went from the 51st percentile to the 90th percentile

Patient Satisfaction by Quarter



Patient Satisfaction by Quarter



Statistical Summary of Patient Satisfaction Trends

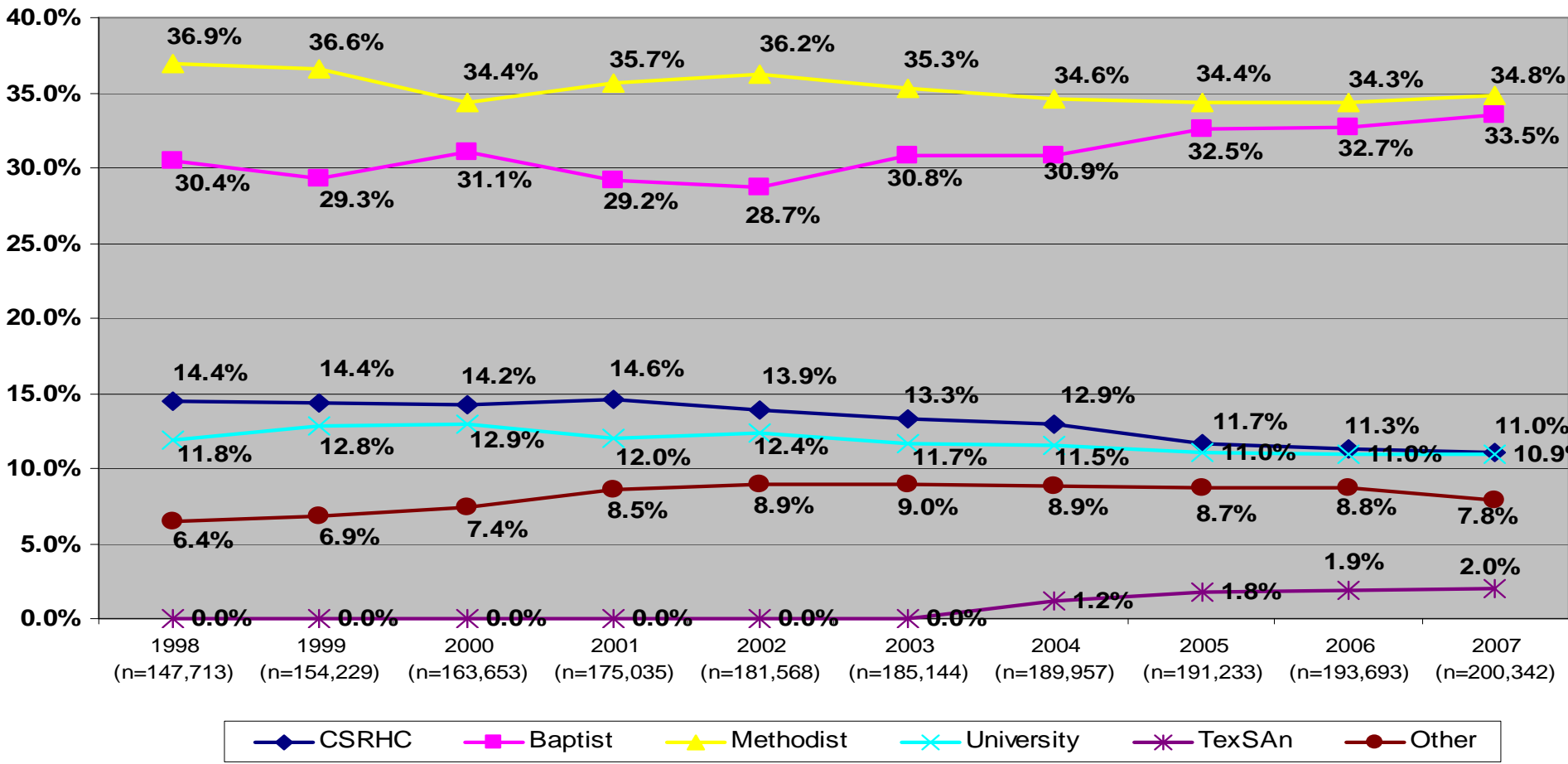
Patient Satisfaction Category	Regression Coefficient	R ² Value
Meals	2.0070	0.4502
Tests/Treatment	1.9281	0.4464
Overall Assessment	1.6386	0.1988
Personal	1.2772	0.1154
Overall	1.1649	0.1157
Discharge	0.8982	0.0622
Visitors/Family	0.7789	0.0843
Room	0.4474	0.0364
Nursing	0.1491	0.0020
Admission	-0.2368	0.0089

HCAHPS Results 2007

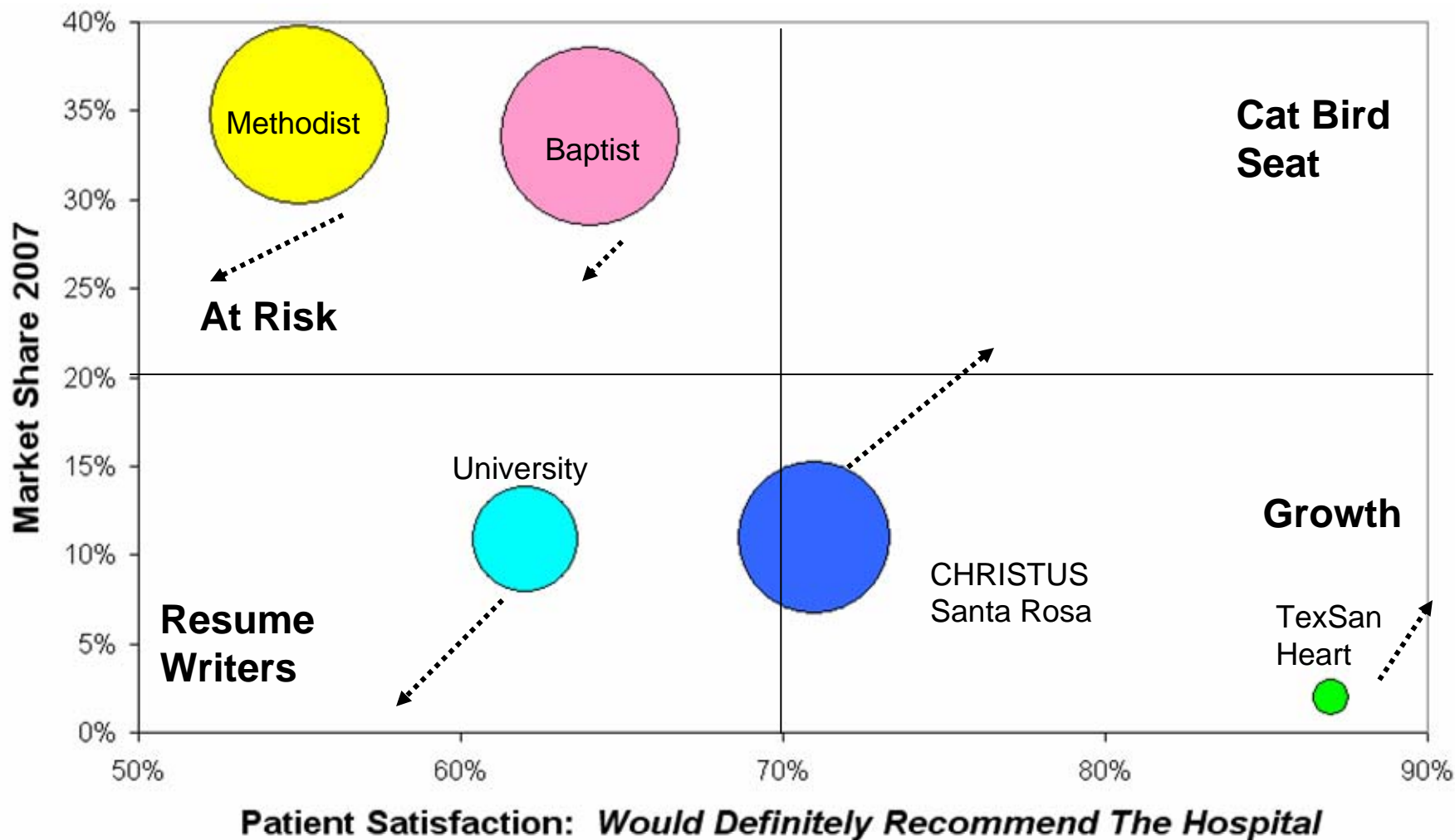
	CHRISTUS SANTA ROSA	TEXSAN HEART	BAPTIST HEALTH SYSTEM	UNIVERSITY HEALTH SYSTEM	METHODIST	US	Texas
Nurses "Always" communicated well.	73%	81%	69%	64%	59%	74%	75%
Doctors "Always" communicated well.	76%	81%	77%	73%	71%	80%	83%
"Always" received help as soon as they wanted.	57%	73%	52%	55%	43%	63%	63%
Their pain was "Always" well controlled.	68%	72%	65%	60%	57%	68%	71%
Staff "Always" explained about medicines before giving it to them.	58%	62%	55%	56%	44%	59%	62%
Room and bathroom were "Always" clean.	68%	80%	62%	65%	51%	70%	71%
Area around room was "Always" quiet at night.	62%	67%	54%	46%	47%	56%	65%
YES, they were given information about what to do during their recovery at home.	82%	82%	76%	81%	77%	80%	81%
Rated hospital 9 or 10 on a scale from 0 (lowest) to 10 (highest).	69%	86%	60%	61%	51%	64%	67%
YES, would definitely recommend the hospital.	71%	87%	64%	62%	55%	68%	71%
Survey Response Rate	24%	49%	27%	22%	25%		

Source: CMS Hospital Compare Web Site, data updated as of 9/17/2008. January - December 2007.

Market Share 1998 - 2007



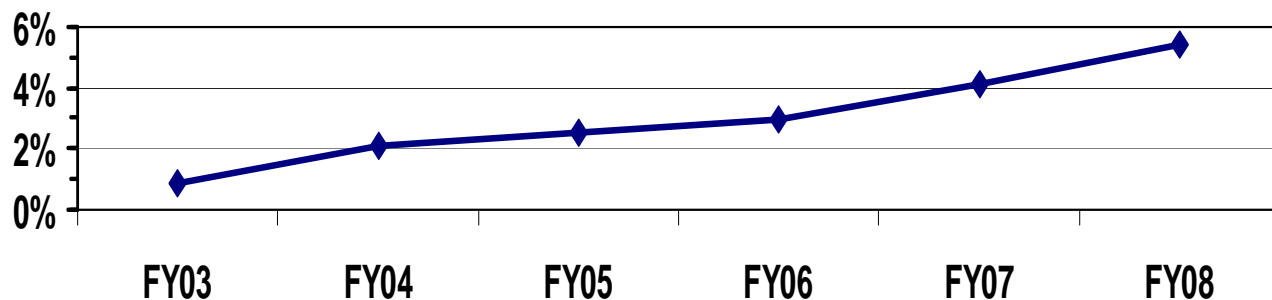
Market Opportunity Grid



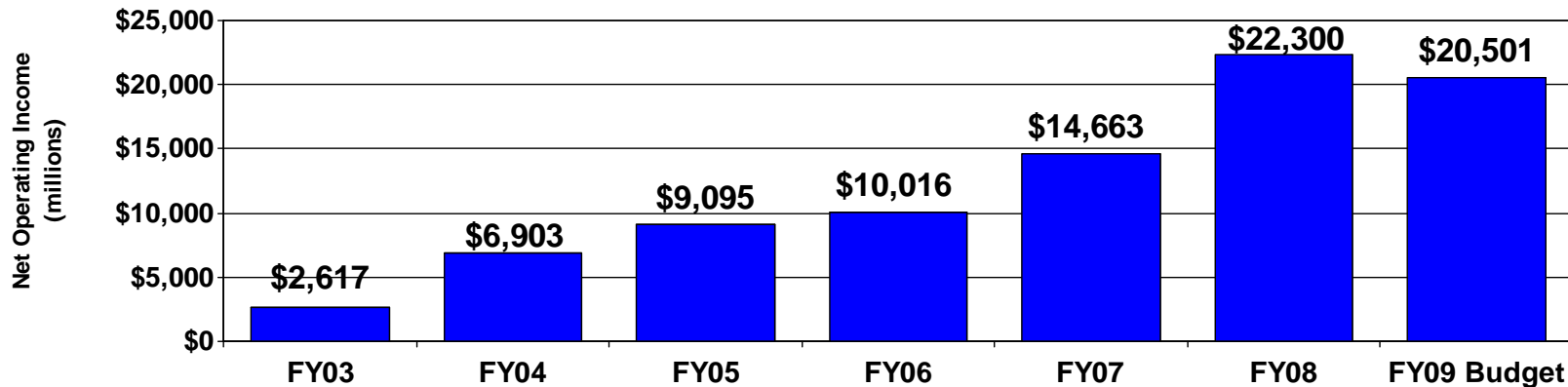
Size of bubble designates number of beds.

CSRHC Operating Margin and Operating Income Steadily Improved

Operating Margin

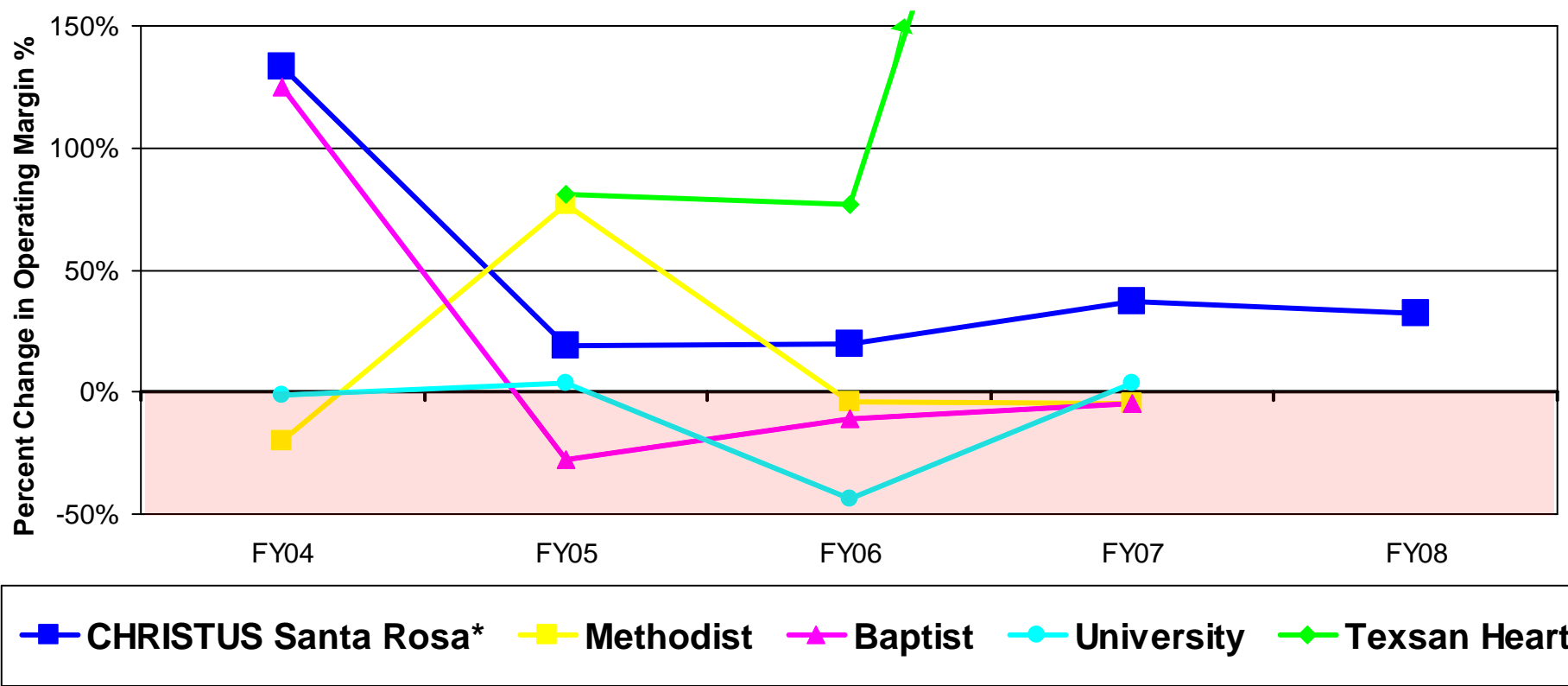


Net Operating Income



Relative to Market Competitors CHRISTUS Operating Margin Improved

Percent Change in Operating Margin From Prior Year



Summary

In Review:

- Transparency effects the health care market
 - Consumerism and availability of data
 - The Internet as a force multiplier
- We implemented programs that:
 - targeted clinical process improvement
 - targeted employee satisfaction, physician satisfaction, and ultimately, patient satisfaction

In Review:

- These programs resulted in:
 - Improved patient and visitor satisfaction
 - Decreased employee turnover
 - Improved clinical performance
 - Stabilized market share; poised for growth
 - Grew financial performance.

Questions/Comments

Contact Information

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