

## 2009 Strategic Plan

**Strategic Intent #1 — Patient Safety: CHOMP will be relentless in eliminating preventable patient harm.**

### **Key metrics**

1. Reduce incidence of two selected key patient harm events by at least 50 percent each year.

### **Strategic Initiatives:**

1. Reduce patient falls by 50 percent in 2009 relative to 2008.
2. Reduce pressure ulcers by 50 percent in 2009 relative to 2008
3. Achieve and maintain compliance above 90 percent for the elements of performance of the Joint Commission's 2009 National Patient Safety Goals (NPSGs), with emphasis on the following three NPSGs:
  - Improve compliance with prophylaxis for deep vein thrombosis (DVT) and pulmonary emboli and enhance safety of anti-thrombotics
  - Prevent infection due to multi drug-resistant organisms
  - Universal protocol

### **Why This Is Important:**

Our business is safe, effective, compassionate healthcare, delivered at the highest standards possible. To be successful, we must build on a foundation of community trust in our knowledge, skill, professional ethics, empathy, and confidence in our organization's ability to delivery high-quality care. Our community needs for us to: train diligently; share our knowledge; care about them and their families; and to act in their best interests.

Increasingly, our community is judging our trustworthiness through external agencies that rate the quality of our care and caring. These ratings measure evidence-based practices around clinical care, preventing patient harm, patient experience, and resource utilization. These ratings are critical for CHOMP to maintain community trust in our care.

To add to the challenge, the rate of change in evidence-based practices and the propagation of new quality measures are growing exponentially. For us to keep pace, we must rethink our processes and be willing and able to change rapidly.

Lastly, healthcare is provided by teams of highly trained professionals, functioning in highly complex systems of care. These systems or processes can be error prone resulting in harm events. We aim to eliminate preventable harm by designing care processes with safety in mind.

**Strategic Intent #2 — Quality Care: CHOMP will aggressively pursue the rapid adoption and integration of evidence-based best practices in the delivery of quality care for every patient across the continuum of care.**

**Key metrics:**

1. Achieve top 10 percent rating in key strategic quality initiatives and within the timeframe for improvement established.
2. Achieve ratings above average on every publicly available evidence-based national quality standard reported by CMS, Leapfrog, and Joint Commission.

**Strategic Initiatives:**

1. Continue using a primary enterprise-wide rapid-cycle change process improvement methodology and ensure 90 percent of strategic initiative timelines will be met using the new methodology.
2. Improvement of the discharge process as evidenced by HCHAPS scores
3. Develop a multi-year plan to establish a seamless patient care experience for cardiac services by December 31, 2009
4. Develop a multi-year plan to establish a seamless patient care experience for oncology services by December 31, 2009
5. Achieve primary stroke center designation by the Joint Commission by August, 2009.
6. Achieve inpatient diabetes accreditation by the Joint Commission by April, 2010.

**Why This Is Important:**

See strategic intent #1.

**Strategic Intent #3 — Employee and Community Health: CHOMP will lead the promotion of evidence-based health and wellness for our employees and our community.**

**Key metrics**

1. Achieve improvements in at least two specific health metrics for our employees and their family members covered by our health insurance plan by December 31, 2010.
2. Identify specific targets and proven strategies for improvement in health metrics for our community by December 31, 2010.

**Strategic Initiatives:**

1. Redesign the Employee Health department to support the implementation of an evidence-based wellness program focused on disease prevention, screening, and health education for employees and their dependents by December 31, 2009.
2. Optimize employee health plan design and function to improve health outcomes and reduce costs for both members and the organization.
  - Finalize CHOMP diabetes management program and year-one assessment by December 31, 2009.
  - Develop plan and begin pilot programs on CHOMP employees for lipid management and hypertension programs by December 31, 2009.
3. Offer to local employers CHOMP's proven strategies for diabetes, hypertension and lipid management to improve the health of their employees and dependents by December 31, 2010.

**Why This Is Important:**

As a healthcare provider, we are in a unique position to positively impact the health of our employees and their families, using the same commitment to evidence-based best practice that we employ on behalf of our patients. And as the only hospital on the Monterey Peninsula, we believe it is critical that we lead by example. Therefore, we are also committed to developing evidence-based health promotion strategies and community partnerships with the goal of sharing our knowledge so that our success can be replicated elsewhere and the positive health impacts can be multiplied. We recognize that the long-term, sustainable delivery of healthcare to our community will require proactive health promotion, disease prevention, and disease management.

**Strategic Intent #4 — Physician Alignment: CHOMP will be a leader in promoting, integrating, and facilitating physician service to our entire community and adoption of evidenced-based, best-practice clinical care. Together with our medical staff leadership, we will proactively address the critical strategic issues of patient access, physician recruitment, leadership development, physician satisfaction, and information sharing (e.g., coordinated electronic medical records).**

**Key metrics:**

1. In our community, there currently is a shortage of 18 full-time equivalent (FTE) primary care physicians. By December 31, 2009, we will reduce that deficit to 13 physician FTEs and by December 31, 2010, to 7 physician FTEs.
2. We will develop and launch a coordinated approach to electronic health records between the hospital and community physicians by September 1, 2009. Of the top 50 admitters and primary care physicians on the active medical staff, at least 50 percent will be sharing information via the new system by January 1, 2011.

**Strategic Initiatives:**

1. Primary Care Recruitment and Retention Plan
  - Will go-live with first Peninsula Primary Care 1204(a) clinic in Carmel by August, 2009.
  - Will have developed construction and site plan for the second Peninsula Primary Care clinic in Marina, as well as begin preparing site location by January 31, 2010.
2. Physician Satisfaction
  - Set improvement targets based upon the survey, and prioritize initiatives that align with these targets by August 31, 2009.
3. Information Sharing
  - Launch a coordinated approach to AEHR.

**Why This Is Important:**

When community residents don't have access to the care they need, or if the care provided locally is not affordable or consistent with accepted evidence-based standards, collectively all providers have failed to deliver on our shared healthcare mission.

Our community faces a serious and worsening shortage of the quantity of physicians necessary to assure access to patient care. This shortage is in concert with a national shortage of physicians in the workforce creating a highly competitive market for physicians. Our community is poorly positioned to compete at a national level for the recruitment of new physicians. New strategies must evolve for the recruitment of new physicians to serve the peninsula.

Further, physicians face growing challenges in operating both the clinical and business elements of their practices. Community Hospital believes that we must partner with our physicians to

address these challenges, in order to retain the excellent physicians currently serving our community.

For Community Hospital and physicians to work together productively and collaboratively to address the changing healthcare needs of our community, we must develop strong physician leadership adept at establishing a shared vision of the future and changing quickly. Jointly, we will need to work collaboratively to assess healthcare trends in our region and aggressively expand services when the opportunity arises.

**Strategic Intent #5 — Resource Utilization and Cost Control: CHOMP will provide value to our community by delivering quality care through vigilant resource utilization and expedient service delivery, costing less than half of our Northern California peer hospitals while ensuring long-term availability of our services.**

**Key Metrics:**

1. Average cost per stay will be less than that of half our peers.
2. Implement a pricing strategy that places CHOMP at or below the 25th percentile of peer hospitals on a line-item charge basis.
3. Achieve annual operating margin of 4.5 percent.
4. Maintain A+ bond rating from Standard and Poor's.

**Strategic Initiatives:**

1. Implement cost management plan related to benchmarking, identify opportunities, and make data-driven budgeting decisions for the 2010 budget year.
2. Update the strategic pricing plan by the first quarter of each year and implement it annually, concurrent with the budgeting cycle, to include hospital-based physician fees in 2009

**Why This Is Important:**

Our ability to serve our patients depends on their ability to pay for our services, either directly or in combination with their insurance provider. We know that healthcare is not inexpensive, but our commitment to our community is to be less costly than half our peer hospitals in our region.

Achieving this goal is increasingly challenging because of a number of factors. Payers are demanding that CHOMP provide more and higher-quality services for less cost. Our patients and government and private payers are demanding price and quality transparency. Employers, in order to control healthcare benefit costs, are increasing employees' share of healthcare costs or dropping the benefit altogether, giving employees an ever-greater interest in the cost of their care. Lastly, unfunded government mandates like seismic requirements, staffing ratios, and charity care and collection limits further challenge us to do more with less.

Our ability to serve our patients depends also on our continued ability to fund operations and maintain and upgrade the necessary technology, equipment, and facilities. Demonstrating and maintaining financial strength and stability, as judged by an independent authority, provides assurance to all of our stakeholders that Community Hospital will be able to meet future challenges in a rapidly changing economic environment. One-third of the state's hospitals continue to lose money each year, and almost half had operating margins equal to Standard and Poor's ratings below investment (junk) level in 2005, seriously threatening their services to their

communities. In addition, 28 California hospitals closed from 2001 to 2005. Our community relies on us to make sure these financial problems do not become a reality at CHOMP.

**Strategic Intent #6 — Philanthropic Support: Maximize the impact of philanthropic support on our ability to keep pace with the changing healthcare needs of our community.**

**Key metric:**

1. Raise a total of \$60 million dollars by 2012 for approved projects and services.

**Strategic Initiatives:**

1. Finalize and begin implementing a comprehensive, five-year development plan, with specific case statements and giving opportunities aligned with the organization's strategic plan and strategic intents, by May 1, 2009, to include cases for:
  - Primary Care Clinics in Marina and Carmel
  - Primary Stroke Center
  - Wellness Initiative
2. Publicly launch a capital campaign commemorating CHOMP's 75<sup>th</sup> anniversary by October 1, 2009.
3. Conduct an internal communication/education campaign for employees and physicians regarding the role and value of philanthropy by December 31, 2009.

**Why This Is Important:**

As the gap between reimbursement and cost widens, we are increasingly challenged to obtain other funding sources to protect our ability to serve our patients. Philanthropic support enables us to provide services that we would not otherwise be able to provide, and it enables us to maintain and enhance our facilities on behalf of the community while minimizing the impact on what our patients pay for our services. In addition, growth in philanthropic support demonstrates our success in earning the trust, engagement, and investment of our community.

**Strategic Intent #7 — Optimal Clinical Portfolio:** CHOMP will regularly examine the changing demographic and healthcare needs of the residents of the Monterey Peninsula and surrounding communities to ensure that we provide the optimal portfolio of clinical services.

**Key Metrics:**

1. Achieve a minimum of 1 percent annual real growth in net revenue (after deducting price increases).
2. Achieve volume targets in key strategic elective services within the timeframes established.

**Strategic Initiatives:**

1. By August 1 of each year, review our portfolio of clinical services, make appropriate adjustments to existing services and/or add new services, and select key strategic elective services and their volume targets for the coming year.
2. Implement the hospital's three-year plan, ending May 31, 2010, for employer outreach on the Monterey Peninsula and surrounding communities.
3. Develop and implement appropriate marketing plans for each of the selected key strategic elective services within six months of their selection as key strategic elective services or the development of differentiated, marketable service components, whichever is later. Marketing efforts may be directed at physicians and/or consumers, as appropriate to the service.
4. Develop and implement a plan to conduct focused financial discussions with key employers.
5. Fully implement the customer relationship management service by August 1, 2009, to maximize marketing efforts in order to build and maintain customer loyalty.

**Why this is important:**

Meeting the healthcare needs of those we serve is our mission, and that mission drives us to provide some services that do not generate sufficient revenue to be profitable but are critical to meeting community needs. In order to continue doing so in today's extremely challenging reimbursement environment, we must also offer the optimal portfolio of clinical services that are profitable. That optimal portfolio will change over time and may include increased focus on elective services with the potential for drawing patients to Community Hospital from a wider geographic region than our local community.