Strategic Plan Progress Report

Directors are encouraged to read this report in anticipation of our Strategic Retreat on Wednesday, June 22, at the Four Points by Sheraton on Route 1 in Norwood. The retreat will begin at about 8:45 AM, following our 7 AM Board meeting. Travel time to the Sheraton is about an hour from South Shore Hospital, depending on traffic. Board members interested in staying at the Sheraton on Tuesday, June 21, should contact Sue Huer to reserve a room.

The purpose of our Strategic Retreat is two-fold:

- To reach a common understanding among our Board of Directors, Medical Staff leadership, and Administrative team of the burning platform that confronts us, and
- To begin to collaboratively define the breakthrough strategies that will sustain our charity regardless of changes to come.

To achieve these goals, our list of Strategic Retreat participants has been expanded to include the physician members of our Health Provider Services Organization (HPSO) Board, our Medical Executive Committee, and our Administrative Team. Our strategic planning will benefit from involving a greater number of physician leaders. Partnering with physicians on a shared vision and resulting initiatives for the future is critical. The ultimate beneficiaries aren’t just our physicians and hospital, but the people of our region. Our community is depending on us to work together to sustain a topnotch and accessible health care system close to home.

Also joining us for a portion of our retreat will be Steve Jenkins, vice president of Sg2, to describe the national trends influencing how we fulfill our mission and vision. Sg2 provides our organization with expert intelligence used in our strategic planning and program development.

Mr. Jenkins has participated in previous Strategic Retreats, most recently in 2007 – one year after Massachusetts’ landmark health care reforms were signed into law. At that retreat, he described the emerging imperative for hospitals and their medical staffs to re-define their traditional relationships and to find new ways to engage and align their interests.

Mr. Jenkins returns to discuss another emerging imperative: the need for health care providers to focus on “value creation,” which Sg2 defines as the delivery of evidence-based, superior treatment and disease management across a system of care, at the same or lower cost.
Recognizing our shared accountability – At our June 2010 retreat, we heard from Dr. Gary Gottlieb, MBA, President/CEO of Partners HealthCare, and Andrew Dreyfus, who at the time was Executive Vice President/Health Care Services, Blue Cross Blue Shield of Massachusetts. Each discussed how health care delivery is likely to change, based on their conversations with policy makers, employers, health care providers, and community leaders.

Dr. Gottlieb’s predictions focused on the certainty of insurer rate reductions and the implications of global or bundled provider payments. Mr. Dreyfus emphasized the importance of directing consumers to “high value” care (e.g., tiering), eliminating incentives for higher-cost services, and offering quality-based provider contracts that encourage care coordination and integration.

Following Dr. Gottlieb’s and Mr. Dreyfus’ insights, retreat participants reviewed the challenges associated with successfully fulfilling South Shore Hospital’s mission and vision in light of an uncertain economic climate; provider realignments, mergers and acquisitions; new payment mechanisms; and the challenges of securing essential talent.

Discussions then focused on two strategic priorities: (1) Our commitment to fully embrace the principles of Patient and Family Centered Care as the foundation of our pursuit of a Culture of Excellence and our vision to become The Choice, and (2) Our plan to offset declining reimbursement by growing our maternal/newborn care, cardiovascular care, cancer care, bone and muscle care, and home health care.

At the close of the retreat, Board Chairman Brian Hotarek and Medical Staff President Cliff Breslow, MD, read aloud our 2010 Statements of Affirmation. Among these statements was the acknowledgement of “a shared accountability” – the belief that a highly aligned and engaged Board of Directors, Medical Staff leadership and Administrative leadership offers the best opportunity to successfully steward our charity so that it benefits the community today and for generations to come.

Medical Staff leadership and Administrative leadership left the Strategic Retreat with the understanding that each would establish – and bring forward to the Board for action – specific, measurable goals to advance our charity’s mission and vision over a 24-month period.

Medical Staff leadership’s 24-month plan focuses on three goals: (1) To advance patient safety through glycemic/blood sugar control, (2) To improve physician-to-physician communication, and (3) To advance our strategic plan, by supporting the growth of our five priority programs and through the creation of the Health Provider Services Organization.

Administrative leadership’s 24-month plan includes “breakthrough” strategies to accelerate the growth of our five priority programs and 20 “bedrock” operational/tactical initiatives to advance the six pillars critical to our pursuit of a Culture of Excellence.
Certainties among ambiguity – Each year, Directors receive a copy of the American Hospital Association’s *Futurescan*, which offers a five-year forecast of health care trends and their implications. This year’s report highlights eight key trends:

- **Contingency planning for health reform.** U.S. health reform can be expected to move in several different directions – simultaneously – over the next five years. Health care leaders must adopt a flexible, contingency approach to planning.

- **Reimbursement related to quality and efficiency outcomes.** Not since the early 1980s, when Medicare inpatient prospective payment was developed, have people focused more on how *best* to pay hospitals than on how *much* to pay. Payments for improving quality and obtaining better outcomes for chronically ill persons present both opportunities and challenges.

- **The move toward clinical integration.** Ongoing market trends and health reforms will drive a higher level of provider accountability for value. Accountable Care Organizations and bundled payments will shift the current focus on volume and unit cost-per-service toward total cost-per-health outcome.

- **The increasing demand for primary care.** Hospitals and health systems will invest in primary care to an extent not seen since the early 1990s. The advent of Accountable Care Organizations will require participation by primary care, both legislatively and functionally. Tighter clinical integration – between primary care and specialists and between physicians and hospitals – will be essential.

- **Sustaining the rewards of process improvements.** Incremental process improvements that are often unsustainable will not quiet the public clamor for better quality and reduced costs. Health care organizations must focus on a robust and systematic approach to process improvement, as other industries have, to achieve highly reliable levels of quality and safety.

- **Meaningful use of health information technology.** The U.S. lags far behind other countries in the implementation of an electronic health information infrastructure. Health care leaders have a responsibility and a tremendous opportunity to rectify this underdeveloped capacity.

- **Using wireless medical devices to facilitate care.** In the coming decade, we are poised to see digital wireless medical devices have a radical, transformative effect on health care. The challenge for health care leaders will be to determine how the judicious, cost-effective use of wireless monitoring and mobile technology will be achieved.

- **The use of social media in the hospital environment.** The term “social media” describes online applications and services used by individuals, groups and formal organizations to develop and sustain interactions among constituents. Hospital leaders must accept that the days of top-down, rigid message controls are over. Brand and reputation have always been determined by the community, but now the community has the power to discuss, praise and criticize in public forums. Becoming an active participant in the conversation makes good business sense.
Shifts in the local landscape – Health care providers are accustomed to working in environments where clinical, scientific, and technological breakthroughs occur daily. We routinely adopt new methods, modalities, and measurements. But the current pace of change in our market is unprecedented. In just six months, the following has occurred in our backyard:

- The CEOs of St. Elizabeth’s, Carney, Norwood, Good Samaritan, Cape Cod and Southcoast hospitals have each changed, the CEO of Beth Israel Deaconess has resigned, and the CEO of Tufts Medical Center will leave in September.
- For-profit Steward Health Care has purchased eight hospitals – four of which are in our extended service area (Carney, Norwood, Good Samaritan and Morton) – and has announced plans to acquire more facilities both in and out of Mass.
- Tufts Medical Center has formed clinical alliances with Quincy Medical Center, Signature Healthcare Brockton Hospital and Jordan Hospital.
- Quincy Medical Center, near insolvency, has hired its third turnaround consultant.
- Beth Israel Deaconess plans to acquire Milton Hospital by year end.
- Fallon Clinic and Atrius Health are in partnership discussions.
- Cape Cod Hospital has aligned with former rival Shields Healthcare, purchased Bayside Surgical Center, and launched a physician-hospital organization.
- Southcoast Health Systems has consolidated its VNA services; its physician network has joined New England Quality Care Alliance.
- Union negotiations at Tufts Medical Center and St. Vincent’s Hospital in Worcester were so heated that nurses came within hours of going on strike.
- Boston Medical Center and Cambridge Health Alliance have each restructured their operations, cutting more than 300 positions.
- Blue Cross’s status as a nonprofit has been scrutinized amid outcries over executive and board member compensation; the state Attorney General has declared that nonprofit health insurer board member compensation is unjustified.
- Harvard Pilgrim and Tufts Health Plan launched and then suspended merger discussions.
- Blue Cross, Tufts, and Harvard Pilgrim each have introduced health plans to steer members to “high value” (lower cost) hospitals and physician groups.
- The cities of Boston and Newton have each submitted tax bills to their largest nonprofit organizations.
- Municipalities have turned to borrowing to cover employee health costs, prompting elected officials and business organizations to advocate for municipal health care reform to give cities and towns control over health insurance costs.
- Governor Deval Patrick’s 2012 budget proposal, if adopted, would give the executive office unprecedented control over health care provision and spending.

For every change that has been publicly reported, it is fair to assume that dozens more are in development. We can expect our landscape to continue to evolve in the months ahead.
Building upon the concept of “we”– Consistent with our belief in the importance of a highly aligned and engaged Board of Directors, Medical Staff and Administration, a tool was introduced this year to engage more thought-leaders in our strategic planning.

Multiple stakeholders were asked to participate in a strategic SWOT Analysis – a tool to identify organizational strengths and weaknesses, as well as external opportunities and threats. The Hospital Board of Directors, the Board of the South Shore Hospital Charitable Foundation, Medical Staff members, Board of The Friends, our Patient and Family Advisory Council, and the Administrative team each were asked to share their perspectives about our organization’s capacity to fulfill its mission and vision at this crucial time.

Our SWOT process was designed to achieve several goals:
- To have participants take stock of our assets and liabilities
- To provide a forum to express optimism and concerns about our future
- To identify what we collectively value and what we mutually believe must change

Each stakeholder group has completed its SWOT analysis. At the Strategic Retreat, attendees will review the SWOT findings and consider their implications. Following this discussion, attendees will participate in an exercise to collaboratively identify the breakthrough strategies that will be essential to fulfilling our mission and vision. Time also will be spent clarifying the unique roles and responsibilities of the Board, Medical Staff, Administration, and HPSO – as well as the advisory roles of Patient and Family Advisory Council, Foundation Trustees and Friends – in addressing these priorities.

Following the Strategic Retreat, the leaders of our Medical Staff, HPSO and Administrative Team will collaborate in the development of specific, measurable plans to advance the identified strategic priorities over the next 24 months. The plans will then be brought forward to the Board for action.

Rooted in mission, focused on vision – American author and motivational speaker Zig Ziglar once said, “When obstacles arise, you change your direction to reach your goal – you do not change your decision to get there.”

The winds of change are fickle; they have the power to propel us forward or throw us off course. We will face many challenges in our pursuit of becoming The Choice for the people of our region. But regardless of which way the winds blow, our commitment to our charitable mission and focus on achieving our vision must remain unwavering.

The good news is that our charity is in a strong position to capitalize on the changes to come. Our opportunity – and obligation – is to remain focused on what must be done to meet the health care needs of those who live in the area south of Boston to Bourne, from the Atlantic Ocean west to Route 24. Our goal must be to assure that the people of this region have access to our system of care and that they benefit from our talent, technology and expertise.

Those attending our June 22 Strategic Retreat will chart the course for our charity over the next 24 months. I thank you in advance for your willingness to share your wisdom and insights for the benefit of our community.