

National Surgical Hospitals: A True Partnership with Strong Support

“North Carolina Specialty Hospital welcomes Jane Brown from the Joint Commission.” The staff of the National Surgical Hospitals’ affiliate in Durham was ready and excited to show off their workplace to the Joint Commission surveyor who was now at the front desk for a scheduled initial survey. **Randi Pisko**, the CEO of North Carolina Specialty Hospital, was ready and confident.

them – if it meshes with local practice – improve quality and financial performance.

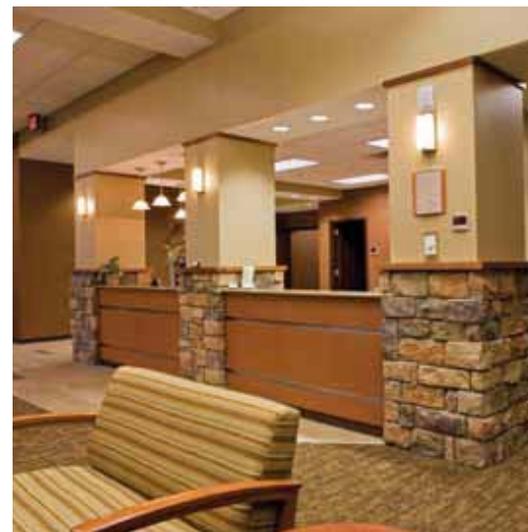
Having access to best practices or having knowledge of vendor pricing tactics prior to entering negotiations, can be invaluable. Neuro-monitoring, for example, has become a popular and expensive service offered by many vendors across the country. Pricing for this service can vary by a factor of



Cache Valley Specialty Hospital located in North Logan, Utah.



Sutter Surgical Health – North Valley located in Yuba City, California, is scheduled to open in the Summer of 2009.



Mountain View Regional Hospital located in Casper, Wyoming.

Randi has the good fortune to have a superb nursing staff and an active and very supportive medical staff, Medical Executive Committee, and Governing Board. More on the outcome of the survey later. Although this was a scheduled visit, some accreditation visits and licensing surveys are not. The surveyor will arrive, unscheduled and dig right in. The public announcement and welcome and the reaction of the staff at any NSH hospital would still be the same.

One of the reasons they can be so comfortable is that they have probably been visited recently for a mock survey by **Katia Hinds**, Director of Clinical Operations at NSH. Katia is part of NSH’s internal support group that provides resources to all NSH facilities, not only in the clinical area, but also in the analysis of specific financial issues, managed care contracting, business office operations, equipment planning, pricing and requisitioning, and management of the revenue cycle. Best practices in each of these areas can be identified and offered to all facilities in the organization to help

250% or more. With access to information across multiple facilities, usually gathered and analyzed in minute detail by **Ben Ketelaar**, another member of the NSH support team, we are able to identify appropriate prices that can be used when an NSH hospital is negotiating with vendors to provide this or any other service. Once again, having input from multiple facilities, coordinated through regional operations personnel, allows significant savings to be obtained without any compromise in quality.

Opening a hospital under any circumstances is a huge undertaking, as contractors are pushed and must work around clinical staff, who themselves are being hired, acclimated, and trained, just as the business office staff are also arriving, along with trainers for the information systems. The coordination of this activity is a herculean task. Meet **Carolle Brinkman**, one of our Hercules in this area. Carolle took on the charge of opening Mountain View Regional Hospital in Casper, Wyoming, scheduled to open in mid-2008. She was not alone in the effort to get Mountain View up and running. **Dennis**

Chicago-based National Surgical Hospitals acquires and builds freestanding, specialty surgical hospitals concentrating in orthopaedic surgery, neurosurgery, and more complex general surgery cases. Under the hospital license, these hospitals can also provide related ancillary services such as pain management, imaging and physical therapy. We partner with surgeons to purchase or develop these hospitals and provide services in all aspects of a specialty hospital's operations including facility development, day-to-day management, and financial reporting. As of January 2009, NSH had 24 facilities nationwide consisting of 13 operating hospitals, two more under construction, and 9 surgery centers. We operate in 11 states, from North Carolina to California.

The best healthcare is delivered locally – by local physicians and locally-run hospitals. The physicians who partner with NSH are committed to providing high-quality care for their communities, in their communities. NSH's corporate operation is dedicated to supporting local operations through a host of quality and management initiatives, and understands how to manage a high-performing hospital that gives physicians what they need in order to do their best work on behalf of patients.

With an infection rate of one-third the national average, and mortality and readmission rates well below other hospitals, NSH's industry-leading quality initiatives speak for themselves. That high standard is also reflected in the top rankings NSH hospitals receive in independent quality ratings like HealthGrades and Hospital Compare as well as positive ratings on The Joint Commission's Quality Check reports.

Solheim, an NSH co-founder responsible for the company's development efforts, has probably bought, built, or been a major factor in more hospitals and surgery centers than anyone else in the industry. To get a hospital constructed, equipped, and open on schedule and under budget, Dennis coordinates the activities of a long list of trusted contracting and equipment planning providers and ensures the relevant zoning, inspection, and regulatory bodies are all in synch. He relies on other members of the NSH support team including architect **Mike Kump** who monitors contractors and their progress and **Jeff Harris** who is a master at getting the best prices for and coordinating equipment purchases. Having a clear plan and having all parties understand the sequencing of events is critical to the successful opening of the hospital. The NSH operations team becomes involved early on to take philosophical ownership of the new hospital as it is being built.

No sooner had Carollee and Dennis's team opened Mountain View successfully than they were on to Colorado Orthopaedic & Surgical Hospital, an NSH-led joint venture with many of Denver's leading orthopaedic and neurosurgeons and Exempla Healthcare (a large multi-hospital system in Denver). Colorado Orthopaedic opened in October, 2008, just four months after Mountain View, and already physicians are performing 8 back-to-back joint replacements in the new, spacious, and magnificently equipped operating rooms, hardly having any time to visit with families before the next patient was in the OR ready to go.

Sadly (for Carollee) there is "no rest for the wicked," and her considerable skills are being utilized again in the opening of another hospital, also a joint venture between NSH, local physicians, and a large multi-hospital system, this time Sutter Health in Yuba City, California. First cases are scheduled for April 2009. As the Sutter Surgical Hospital – North Valley nears completion, Katia is there getting the clinical staff ready, and **Eva -Marie Alexander**, Director of Business Operations at NSH and part of our support group, is readying the staffs of the clinical and business offices respectively for doing that first case and getting the bill out the door.

Meanwhile **Chris Kulina**, who helps all NSH facilities with their managed care contracting, has been busy advising the CEO and CFO of one of our hospitals on setting appropriate rates and terms for a critical managed care contract. The initial offer was a lowball (as expected), but it was based on faulty data and assumptions by the payer. After providing the payer with detailed data on where their patients were probably going, how much was actually leaving the community, and why, if they had the option, patients would much rather have their needs taken care of at our hospital—and, by the way, with significant savings to you, the payer—the next round of negotiations went much better. Chris was able to identify very specific areas of the contract that she knew the payer had conceded in other markets, and if pushed, would concede in this location as well. She was also able to effectively communicate to the payer the benefits of maintaining a viable competitor in the market with rates and terms that will indeed benefit all parties in the short and long term.

Local politics, physician relationships, and standards of care demand that facility contracts be established locally, but knowing what else is out there is incredibly important as the local team, along with NSH support, negotiate the best contract for their particular market. At NSH, we understand that the ramifications of a national "standard" can be viewed negatively by highly independent local facilities. However, we have shown that the ability to have access to practices, information, and data across many hospitals is fundamental to the success of each hospital, enabling the local team to make decisions confidently, whether in the negotiation of contracts or the day-to-day running of a complex operation.

The results of Jane Brown's visit to North Carolina Specialty Hospital? A perfect score, a three-year accreditation from the Joint Commission, with *zero* requirements for improvement. It was a very satisfying and rewarding team effort. Nice job, Randi and her team. Excellence in quality and teamwork is what we have come to expect here at National Surgical Hospitals. It would not be the last positive survey outcome an NSH facility would have thanks to the commitment of both our local teams and support services. ✚