



Mission: To Restore, Maintain & Improve Health

# *Sustaining a Financially Vibrant Healthcare Organization*

Wednesday March 19, 2014

12:00 Noon – 1:30 PM Central Standard Time

**Central Illinois  
Chapter of  
ACHE**

An Independent Chapter of



American College of  
Healthcare Executives  
*for leaders who care®*

CHAPTERS

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Speakers

Date

Description

Registration:

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For More Information Contact:

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## Sustaining A Financially Vibrant Healthcare Organization

Charles Stewart, FACHE, MS, MA - Market CEO - Sparks Health System  
Vicki Schroeder, MA, Healthcare Executive - Consultant  
David Callecod, FACHE, MBA, President & CEO - Lafayette General Medical Center  
Michael Connelly, CPA, MBA - President & CEO - Huggins Hospital  
Greg Wahlstrom, MBA, HCM – Chair, Education Committee – Central IL ACHE

**March 19, 2014, 12:00PM – 1:30 pm Central Standard Time (CST)**

Today's healthcare executive faces many challenges. Issues such as workforce shortages to the need to update technology and make facility infrastructure improvements as well as provide safe high-quality patient care make financial challenges extraordinarily complex. In addition, healthcare leaders face ever-increasing regulatory demands and diminishing financial rewards.

What organizational strategies are available to healthcare executives to affect their organization's bottom line? How can leaders use meaningful metrics to examine such areas as product lines and supply chain costs and revenues? What are the critical links that exist between financial and nonfinancial managers (or clinical and nonclinical managers) that can impact the financial health of departments and the organization as a whole?

Join the Central Illinois American College of Healthcare Executives and Charles Stewart, Vicki Schroeder, David Callecod, Michael Connelly and Greg Wahlstrom for this 90-minute webinar, including Q&A, to financial management strategies to thrive in a competitive healthcare industry.

With this webinar, you will gain insight and tactics to:

- How can a hospital survive-and thrive- in the future?
- What are some of the best practices put in place by healthcare organizations that have effectively reduced expenses and still maintained high-quality patient care?
- What are some of the key financial principles that healthcare organizations should use as guidelines for their own operations?

As an independent chartered Chapter of the American College of Healthcare Executives Central Illinois Chapter of ACHE is authorized to award 1.5 hour of Qualified continuing education credit toward advancement or recertification in the American College of Healthcare Executives.

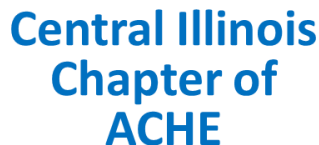
Participants in this program who wish to have it considered for Qualified Education (non-ACHE) credit should list their attendance when they apply to the American College of Healthcare Executives for advancement or recertification.

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# Program Description

Today's healthcare executive faces many challenges. Issues such as workforce shortages to the need to update technology and make facility infrastructure improvements as well as provide safe high-quality patient care make financial challenges extraordinarily complex. In addition, healthcare leaders face ever-increasing regulatory demands and diminishing financial rewards.

What organizational strategies are available to healthcare executives to affect their organization's bottom lines and supply chain costs and revenues? What are the critical links that exists between financial and nonfinancial managers (or clinical and nonclinical managers) that can impact the financial health of departments and the organization as a whole?



# Topics

- How can hospital survive – and thrive – in the future?
- What are some of the best practices put in place by healthcare organizations that have effectively reduce expenses and still maintain high-quality patient care?
- What are some of the key financials principles that healthcare organizations should use as guidelines for their own operations?
- What are some of the most pressing issues facing your healthcare organizations today?

# Topics

- What are the best ways to address financial problems internally? What strategies have your organizations used to address a degenerating financial situation? When is a consultant or outside solution required?
- What methods must a healthcare executive use to begin to ensure future financial solvency? How can others on the management team help identify solutions?
- Do you know of other healthcare organizations that have reversed inadequate revenue cycle management (such as low self-pay collections, insurance denials, incorrect or improper coding, ect.) or demonstrated other financial turnarounds? How have they accomplished this? How can these be implemented in practices in your institution?
- What role should healthcare executives play in their own departments to ensure the overall financial health of the organizations?



## Charles Stewart, FACHE, MS, MA

Market Chief Executive Officer  
Sparks Health System

Charles Stewart, is currently the Market CEO for the Sparks Health System in Fort Smith, Arkansas. Sparks includes 492 bed Sparks Regional Medical Center and 103 bed Summit Medical Center, plus over 100 employed physicians. He has previously held CEO positions in Missouri, Alabama and Mississippi, in both for-profit and not-for-profit health systems.

With 30 years of healthcare experience, Mr. Stewart is Fellow in the ACHE. Mr. Stewart was awarded the ACHE Senior Executive Regents Award in Alabama in 2005. He has served on several Chamber of Commerce Board of Directors, presently on the Fort Smith, Arkansas Chamber Board. He was a former board member and Chairman of the East Tennessee-Northwest Georgia Better Business Bureau.

In 2005 Mr. Stewart was featured in March/April issue of 'Healthcare Executive' under the section Healthcare Management Ethics. Charles hold a Bachelors degree from Jacksonville State University with a major in Psychology and Masters of Science degrees in Counseling and Guidance and Hospital and Health Administration from the University of Alabama Birmingham.

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## Vicki Schroeder

Healthcare Executive  
Independent Consultant

Vicki is a healthcare leader with over 25 years of progressive experience in the industry. She has held leadership roles in hospital and corporate environments including Surgery, Finance, Information Systems, Strategy Execution and Transformation. Her experience includes CHE-Trinity, Trinity-Health, St. Joseph Mercy Health System and Borgess Medical Center.

Vicki successfully led one of the largest transformational initiatives for Trinity Health called “Project Genesis” to improve clinical and revenue operations through standardization of systems, processes and culture. The success of this initiative improved performance and positioned Trinity Health for national recognition in areas of CPOE adoption, advocacy, bond agencies, and quality including the Thompson Reuter’s Quality Award in 2009.

Her leadership expanded to include several mission critical strategies such as Clinical Integration Network – preparation for population health management, Merger and Acquisition Integration and various operational improvement challenges.

Vicki holds a Masters in Healthcare from Siena Heights University and Bachelors from Nazareth College achieving Summa Cum Laude. She is a member of ACHE and also a peer reviewer for Journal of Healthcare Management. She has been invited to present at various universities on topics such as merger and acquisition, healthcare leadership and transformation. Vicki is a Michigan native, and currently lives in Ann Arbor, Michigan with her husband and high school daughter.

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Sparks  
Health System





## David L. Callecod, FACHE, MBA

President & CEO

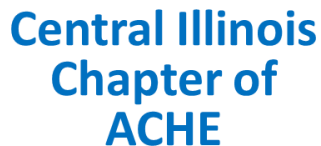
Lafayette General Health System

David, L. Callecod became President and CEO of Lafayette General Medical Center in July 2008 and was elevated to System President in June 2013. He is a Fellow of the American College of Healthcare Executives (FACHE). In October 2011, Callecod was inducted into Studer Group's Fire Starter Hall of Fame at the "What's Right in Health Care" conference for his ability to keep the true spirit of an organization alive and flourishing, while achieving phenomenal results in short spans of time. Under his leadership, Lafayette General has experienced rapid improvement in both patient satisfaction and quality measurement, all while expanding the hospital itself, its regional network and its award winning care.

Inpatient satisfaction at LGMC continued a steady climb, reaching the 99<sup>th</sup> percentile in June 2011, starting a trend of scores continually in the 97<sup>th</sup> percentile or above. The hospital's "Journey to Excellence" was noted by Studer Group as a recipient of *Excellence in Patient Care for Physicians, Most Improved Hospital Inpatient Satisfaction* and as the *Healthcare Organization of the Month* for July 2011. Since 2009, HealthGrades awards include; a Top 10% in the nation ranking for Orthopedic Surgery, Prostatectomy, Overall Gastrointestinal Services and General Surgery and the HealthGrades™ Service Excellence Award for Patient Safety, in addition to numerous recognitions and five-star ratings.

Prior to joining Lafayette General, Callecod served as the President and CEO at Marion General Hospital in Marion, Indiana from 2003-08. While at MGH, the hospital saw record patient satisfaction and quality measures, as well as Top 100 Hospital Awards in 2007 and 2008. Marion General also received several HealthGrades Five-Star awards during his tenure and Magnet Hospital Status in 2008. Callecod received the 2005 Regent's Award as an outstanding healthcare executive from the American College of Healthcare Executives. Callecod began his career in 1989 at AMI Culver Union Hospital in Crawfordsville, Indiana. He then served as CEO at Tenet Healthcare hospitals in Indianapolis, Indiana and Searcy, Arkansas from 1999-2003. In 2001, Callecod was recognized by the Indianapolis Business Journal as a "40 under Forty" award winner. That same year, he was bestowed an Outstanding Achievement Award in Business from Indiana Wesleyan University.

Callecod received a Bachelor of Arts from Wabash College in 1989 and a Masters of Business Administration from Indiana Wesleyan University in 1994. He was honored as a Distinguished Alumnus by IWU in 2007. Callecod is active on many boards, including the Louisiana Hospital Association, Blueprint Louisiana, Greater Lafayette Chamber of Commerce, and AHA Regional Policy Board. In addition, he serves in the Louisiana Economic Development Ambassador Program.







## Michael Connelly, CPA, MBA

President & Chief Executive Officer  
Huggins Hospital

Mike has over 25 years of broad and varied experience in the healthcare industry. Over the course of his career, he has worked with integrated delivery systems, academic medical centers, community hospitals, physician groups, community health centers, human service providers and emergency medical service providers. In his role at Huggins Hospital, Mike is leading a cultural transformation as well as a search for a strategic affiliation partner. Prior to joining Huggins in January 2012 as the EVP/COO, Mike was President/CEO of ProviderLogic, Inc; a healthcare consulting firm located in the Greater Boston area and was with the Partners HealthCare System (parent company of The Massachusetts General Hospital and The Brigham & Women's Hospital) in Boston from 1997-2000 and again from 2001-2007, where he held management positions in finance, hospital operations and physician practice operations.

His areas of expertise include executive and transformational leadership, strategic planning, finance, operations, governance and community relations. Mike is particularly well known for his turn-around experience, his ability to build highly-functioning teams and to drive improved financial and operational performance for healthcare organizations.

A certified public accountant, he received a Bachelor of Science in Business Administration with a major in accounting from Salem State College in Salem, MA and a Master of Business Administration with a concentration in Operations Management from Bentley College in Waltham, MA. From 2010-2011 he served as President and Chairman of the Board of the Healthcare Financial Management Association (HFMA) Massachusetts/Rhode Island Chapter where he has been active since 1993. Additionally, Mike served on the adjunct faculty at Simmons College and the Boston University School of Public Health where he taught several courses on non-profit accounting and healthcare finance. He currently serves on the boards of the New Hampshire Hospital Association, the Wolfeboro Area Chamber of Commerce and the Town of Wolfeboro Economic Development Committee and has served on numerous non-profit boards and civic organizations over the course of his career.

In addition to HFMA, Mike holds memberships in the American College of Healthcare Executives and the American Institute of Certified Public Accountants. A native of the Greater Boston area, Mike currently resides in Tuftonboro, New Hampshire. He is married with three college-age children.

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# How Can A Hospital Survive – And Thrive- In The Future?



## Healthcare Landscape

- Significant Change – arguable not seen since the inception of Medicare
  - Fee for Service shift to Volume based value models
  - Payers and Patients' expectation changing (Risk contracts, population health etc.)



## Mergers, Acquisitions, and .....



## Financial and Operational challenges:

- Operational-volume trends, higher deductibles, bad debt
- Physicians relationships and employment
- Access to capital
- Mission and non profit status (Illinois)
- Operational Improvement Challenges

# How Can A Hospital Survive – And Thrive- In The Future?

Strategies	Operations	Culture
<ul style="list-style-type: none"> <li>• Vision, Mission and Community</li> <li>• Population Health                             <ul style="list-style-type: none"> <li>• Clinical Integration Networks</li> <li>• Partnerships/Collaboration with patients, physicians, hospitals and payers</li> <li>• Value based on Quality and Cost</li> </ul> </li> <li>• Key Investments</li> </ul>	<ul style="list-style-type: none"> <li>• Manage within Medicare reimbursement</li> <li>• Sustainable improvement on quality and cost:                             <ul style="list-style-type: none"> <li>• Integrated end-to-end process improvement:                                     <ul style="list-style-type: none"> <li>• Revenue Cycle</li> <li>• Admit/discharge</li> <li>• Ancillary</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Accountability</li> <li>• Continuous improvement</li> <li>• Patient Centered - quality, safety and cost</li> </ul>
<p align="center"><b><u>Supporting Infrastructure</u></b></p> <p align="center">Integration * Program Management * Process/Operational Improvement *</p> <p align="center">* Monitoring and management tools *</p>		

# What Are The Best Ways To Address Financial Problems Internally?

- Opportunity to create a platform for change:
  - Financial challenges often can create urgency in the organization and prepare for transformation.
  - Can force organizations to make the tough decisions—re: services, leaders, partnerships etc.
  - Engage and communicate with employees, physicians, payers, suppliers etc.
  - Invest in tools that sustain the gain
  - Integrated decision making through teams, structure and leaders
  - Develop integrated plan, monitor, declare success and continue the loop

# What Strategies Have Your Organizations Used To Address A Degenerating Financial Situation?



Financial Challenges as catalyst to align and engage with everyone in the organization



Revenue Cycle overhaul-people, process, technology and culture



Process Improvement (rev cycle, clinical LOS, ED, etc.)



Program Management create and manage plans including all priorities with executive dashboards



Reduction of workforce adjusting to volume trends



Collaboration with others for services (Helicopter, Pediatrics, etc.)



Defined and measured clinical quality and financial targets



Investments in strategies – Senior ED's, Analytics, growth (M&A's),



Standardize and centralize

# When is a Consultant Or Outside Solutions Required?



- Organizational Risk and Opportunity
- Talent and/or bandwidth barriers
- Objective Facilitation (community, physicians, health system)
- Objective review of strategies, organizational, leadership and cultural to execute successfully

# What Are Some Of The Best Practices Put In Place By Healthcare Organizations That Have Effectively Reduced Expenses And Still Maintained High-Quality Patient Care?



# What Are Some Of The Key Financial Principles That Healthcare Organizations Should Use As Guidelines For Their Own Operations?



- Target Top Decile Performers



- Doing More with Less, 20% of costs per unit must disappear



# The Most Pressing Financial Issues Facing Healthcare Organizations Today?

survival of  
the fittest

Be Careful  
What You  
Cut

Value Based  
Purchasing



Access to capital  
will get tougher  
in the future



# Future Financial Solvency?



# Reversing Inadequate Revenue Cycle Management

- Rev cycle must be a top focus - board, senior management, staff
- Focus on the fundamentals; workflows, routines, system functionality, training, follow-up and feedback mechanisms
- Chargemaster review and cleanup; working with materials management team; clinical departments
- Policies & procedures
- Front-end focus; POS collections
- Engaging staff throughout the organization in the rev cycle
- Benchmarking & goal setting
- Reporting & follow up

# Healthcare Executives Role To Ensure Financial Health Of The Organization?



Know your book of business – industry trends, market position, competitors, volumes, reimbursement methods, revenue (gross and net), staffing, cost structure, regulatory requirements



Communicate regularly with your staff on key business issues and opportunities, regularly review KPIs; develop performance targets; undertake initiatives that add value; reject those that don't



Focus on quality & customer service – the financial results will follow



Don't accept the status quo. Understand the assumptions and challenge those that don't make sense or don't add value



Be transparent; over communicate; be a champion for change

# Questions



# Comments



**Charles Stewart, FACHE, MS, MA**  
Market CEO  
Sparks Health System



**Vicki Schroeder, MA**  
Healthcare Executive  
Independent Consultant



**David Callecod, FACHE, MBA**  
President & CEO  
Lafayette General Medical Center



**Michael Connelly, CPA, MBA**  
President & CEO  
Huggins Hospital

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Thank  
you



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