

MGHS Performance Improvement Initiatives

MGHS has embarked upon a comprehensive performance improvement initiative. The overall goal is to return MGHS to a strong financial position with adequate reserves and profitability to ensure ongoing service to our Upper Peninsula community. This is necessary to remain in compliance with our bond covenants, to be able to recruit and retain the appropriate human resources and to invest capital resources in facilities and technology necessary to continue as the UP's leading quality healthcare provider in today's increasingly competitive market. Wellspring Partners, a prominent national consulting firm, has been engaged to assist us in this important project.

The scope of the performance improvement initiative includes the following areas:

- Revenue Cycle -- improve timeliness of billing, renegotiate payor contracts, improve coding and update chargemaster records
- Management Organization and Board of Trustees -- update structures, reporting accountability, committees and communications
- Information Technology -- review and prioritize investments in software tools and systems
- Physician Services -- review organization, recruitment, management and structure of our employed medical staff
- Labor -- update or establish ongoing staffing and productivity targets and reporting
- Non-Labor -- review and renegotiate contracts for supplies and purchased services
- Case Management -- improve discharge timeliness and optimize resource utilization

A number of joint work teams comprised of both MGHS and Wellspring resources have already been formed and are actively working. Additional collaborative work teams will be developed as the implementation proceeds.

Wellspring consultants bring a broad array of subject matter expertise including operational, clinical, financial, administrative, board structure

and organizational knowledge. Wellspring's role is that of consultant and advisor.

The ultimate decisions on what gets implemented when are made at various levels appropriate to the decisions. These decisions will be made from the department level to top management to the board of trustees. MGHS senior management meets weekly to review update and evaluate each initiative.

A Joint MGHS Performance Improvement Steering Committee comprised of members of the Board of Trustees, Senior Management and the Medical Staff has been appointed and will meet twice a month throughout the project to provide oversight and serve in an advisory role.

We look forward to everyone's support as we make positive changes for the future of our organization and our community. Questions, comments and input can be directed to your department manager or supervisor.

Vascular Center of Excellence Progress

Karen MacLachlan and Mike Beckstrom, MGHS Administrators, with the help of the DMI consultants, have been working with the Cardiologists, Radiologists, Vascular Surgeons and the Cardiovascular Surgeons to develop a Vascular Center of Excellence. Several physician/hospital models have been explored, and specifically a co-management agreement, which includes rewards for quality and productivity improvements, and development of a joint venture vascular laboratory. The main purpose of these projects is to streamline vascular care with a cohesive group of physicians; strengthen relationships; and grow the program through improved access and services for our patients

Hotline is published periodically by Marquette General Health System 580 W. College Ave., Marquette, MI, Department of Community Relations & Marketing (906) 225-3430



Hotline

Special Edition

Special Edition 2007

CEO's corner



The financial picture for MGHS got off to a good start for the fiscal year 2008, with the first two months of the year, July and August, both showing positive operating margins. Combined, the first two months generated an operating margin of approximately \$1.2 million, which is ahead of the budgeted amount of \$700,000.

A number of factors contributed to the positive finances, including a reduction in pension expense and higher patient utilization. Pension expenses, which have previously been budgeted for about \$16 million for the fiscal year 2008, have been reduced to just over \$11 million.

This reduction is the result of an increase in the value of the plan's investments due to positive market conditions combined with the effect of higher interest rates.

One of the key areas where we experienced higher patient volume was in the number of surgical cases. Compared with the prior year, the Operating Room saw an increase in the number of cases by 16 percent. This is up 230 cases from July - August 2006, with both an inpatient and outpatient surgical volume increase.

The new physicians we've had join the OR team – Urologists Drs. Jahoda and Ouwenga, Plastic and Reconstructive Surgeon Dr.

Harl, General Surgeon Dr. Bambach, Bariatric Surgeon Dr. English, Hand Surgeon Dr. Peimer, Ortho/Spine Surgeon Dr. Southern, and OB/GYN Dr. Jentoft – are key factors in the increase in the numbers of these cases. Utilization is also up in the Surgery Center and Endoscopy. We've upgraded our urological equipment supplies and instruments to meet the urologists' needs.

It's really wonderful to have young enthusiastic, talented surgeons such as these join our committed team of excellent surgeons and OR crew. In the future, we see nothing but growth in the areas of orthopedic surgery and urological services.

While we still face financial challenges, the positive start to this fiscal year reflects the hard work and dedication of all of our employees and physicians, and hopefully will bode well for the coming months and years.

I'm confident that with Gary Muller's arrival, these initiatives will move forward along with the new ideas that always come with a change in leadership.

MGHS Physician Practice Plan

The Physician Practice Plan (PPP) at MGHS has been under development since December, 2006. The PPP encompasses approximately 135 hospital-employed physicians, PAs, NPs, and Ph.Ds, as one inclusive group delivering health care throughout the Upper Peninsula. This organization format is similar to other medical centers such as The Mayo Clinic, The Cleveland Clinic, and other fine medical institutions across the country.

The PPP focuses on quality and care of the patient at MGHS, as noted in the PPP mission and vision statements:

MISSION: To work together to provide accessible, high quality, comprehensive medical care for the people of the Upper Peninsula.

VISION: To be a dynamic physician organization dedicated to providing the highest standard of health care in an environment that encourages the personal and professional growth of each employee.

The PPP has been operating with an appointed interim Board of Directors since its inception in December of 2006. However, at this time, the PPP members are holding elections for their new member-elected Board which will begin its work in late October to provide governance for the PPP.

The following is a list of the key activities of the appointed PPP Board over the past year:

- Developed a representative model for the member-elected PPP Board and a proposed governance reporting structure.
- Drafted business plan deliverables.
- Developed a draft performance-based, productivity driven compensation model for PPP

providers.

- Identified possible reporting and data needs required for evaluation and feedback to the PPP providers.
- Recommended key elements of a comprehensive communication platform with a broad base of communication channels for disseminating information throughout the network.
- Developed the PPP Web page which is now up

and running with access available through the MGHS intranet.

Future development of the PPP at MGHS will be under the governance of the newly elected PPP Board of Directors. The PPP will continue to focus on providing needed highest quality medical care to the Upper Peninsula citizens we serve.

All MGHS employees recognize the Upper Pen-

insula offers unique challenges to the delivery of health care.

The PPP recognizes that we all must excel in three key areas. The essential medical care that we offer must be AVAILABLE as a service, must be easily ACCESSIBLE in a timely manner, and our patients and referring physicians must have AWARENESS of the services we offer. In this regard, the PPP appreciates the contributions of all our talented fellow MGHS employees and look forward to our combined and continuing efforts to offer our services to our Upper Peninsula patients and referring physicians.

Early in the PPP development process, the PPP Board adopted and approved the philosophy of "Because of the Patient" as noted above.

Because Of The Patient...

- Because the patient has a need, we have a job to do.
- Because the patient has a choice, we must be a better choice.
- Because the patient has sensibilities, we must be considerate.
- Because the patient has time limitations, we must be prompt.
- Because the patient is unique, we must be flexible.
- Because the patient has high expectations, we must excel.
- Because the patient has influence, we must perform well to gain new patients.

Let us not forget, because of the patient, we exist!

Employee Benefits Open Enrollment

Open Enrollment is a once-a-year opportunity for employees to join or make changes to some of their current benefits and to review which family members they are including on their health plans. Annual open enrollment will be for the following benefits:

- UP Blue Health Plan
- Delta Dental
- VSP- Vision Service Plan - Note: This is the only time you may remove an eligible dependent
- Premium Contribution – Pay your premiums with pretax dollars
- Section 125 Cafeteria Plan - Flexible spending account for Health/Dependent Care Expenses WILL NOT carry over to next plan year
- 401(k)- Employee Deferred Compensation Plan - To be eligible to sign up for the 401(k) plan, you must: Be 21 years of age or older, have 1 year of service and have worked 1000 hours. This is for both the voluntary (no match) plan and the match plan.
- Retirement Plan Opt Out- For those employees hired prior to 1/1/2006, you have the option to "opt out" of the Retirement Plan and into the Employee Deferred Compensation Plan (the 401(k) Plan) with a dollar for dollar match up to a maximum of 4%. If you are interested in this option, please contact the Employee Benefits Office to make an appointment. Registered Nurses are not eligible to "opt out" as they have already had an "opener" in September of this year, with the next opportunity being open enrollment, November 2008.

Hyatt Legal Plan

The MGHS Hyatt Legal Plan was established to provide personal legal services for eligible MGHS employees, their spouses and dependent children.

Once enrolled, accessing your legal benefits is as easy as dialing (800) 821-6400 Monday – Thursday 8 a.m. to 7 p.m. and Friday 8 a.m. to 6 p.m. Eastern Time.

Open enrollment for the Hyatt Legal plan will be in November, with an effective date of January

2008. If you would like further information on the Hyatt Legal Plan, please do not hesitate to contact the Employee Benefits Office at 225-3446, through Lotus Notes or at EBO@mgh.org.

AFLAC Supplemental Health Programs

MGHS offers four of AFLAC's voluntary supplemental health programs. They are offered via payroll deduction.

The programs offered include Cancer Insurance, Accident Insurance, Intensive Care Insurance and Long-Term Care Insurance. A summary of these insurances as well as the deduction amounts is available in the Benefits Office.

Ms. Romaine Urpila of Ishpeming is our agent of record, and no applications or payroll deduction cards will be accepted from other agents. All interested employees may contact Ms. Urpila directly at (906) 485-1680 and set up a meeting to sign the premium payroll deduction authorization. Payroll deduction cards must be signed by the employee and Ms. Urpila to be valid. If you currently are an AFLAC policyholder, your policy can be transferred to MGHS payroll deduction so you can be billed at the group rate,

UP Blue RN Sign-up

Registered Nurses can still sign up for the UP Blue plan and save money. Any RN who switches to UP Blue will go from paying 15 percent of the monthly premium per month for the PPO plan to 11 percent under UP Blue.

If you have any questions on these programs, please contact the Employee Benefits Office at (906) 225-3446.

