

Navigating Independence: Case Study

Ruth Colby
President/CEO
Silver Cross Hospital, New Lenox, IL

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A SERVICE OF **nrc**
HEALTH

INDEPENDENT REGIONAL MEDICAL CENTER

1. Strategy Execution
2. Positioning/Partnerships
3. Board of Directors



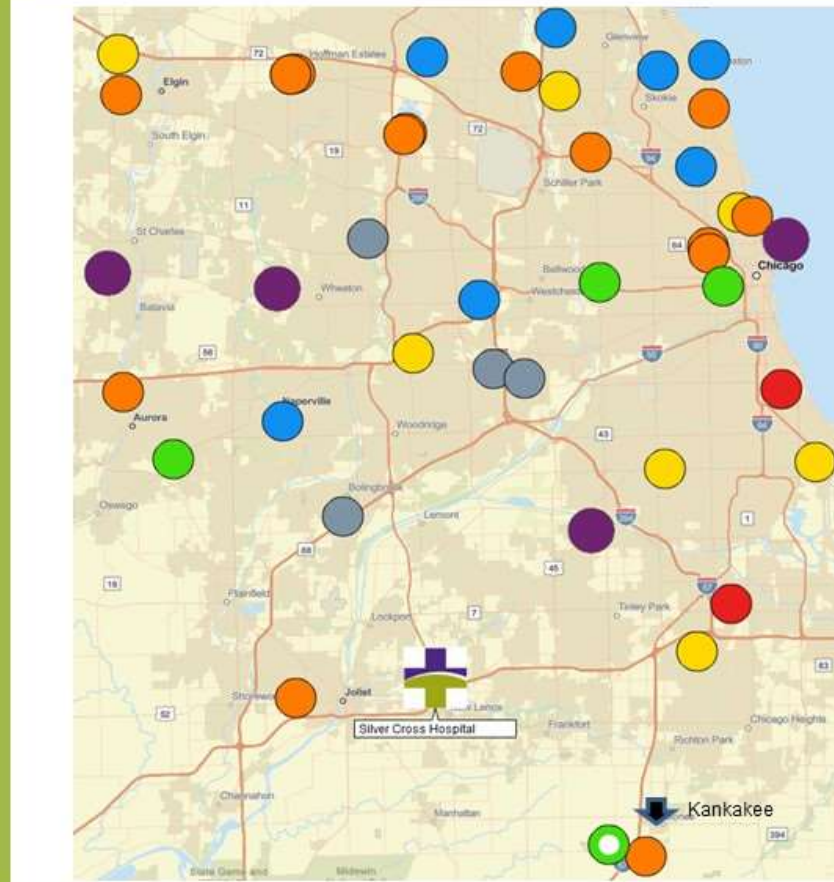
SILVER CROSS HOSPITAL




- Replacement hospital opened in 2012
- Campus:
 - 348 beds, 16 observation beds
 - Ambulatory Surgery Center
 - Business Center
 - Outpatient Endoscopy Center
 - Outpatient Cancer Center
 - 3 Medical Office Pavilions
 - Urgent Care
 - Behavioral Health Hospital

COMPETITIVE MARKET

Silver Cross is surrounded by large hospital systems.



Hospital Systems

-  AdventHealth (4)
-  Advocate (9)
-  Ascension (15)
-  Northshore (8)
-  Northwestern (10)
-  Rush (3)
-  Rush Affiliate
-  Silver Cross
-  U Chicago Medicine (2)

STRATEGIC PLAN

Advancing clinical services, facilitating ease of use, and expanding access to our regional delivery system

Delivering the right care, at the right place, at the right time

Ensuring financial sustainability

Enriching our culture and bringing joy to the workplace

Aligning with Medical Staff to achieve excellence



STRATEGIC INITIATIVES

Sample Board of Directors Agenda

Exceed Consumers' Expectations	5 Strategic Imperatives	Strategic Initiatives	Today's Discussion 5/26/22
	1 ★ Enrich Silver Cross Culture	<ol style="list-style-type: none"> Tailor Total Rewards program Continue safety journey and realize goal of zero harm Support professional and leadership development Nurture a welcoming and inclusive environment advancing equity and valuing diversity Foster "MOMENTS" throughout organization 	<ul style="list-style-type: none"> DEI program
	2 ★ Align with Medical Staff	<ol style="list-style-type: none"> Set physician behavioral standards at global level with accountability Set physician clinical standards at departmental level with accountability Improve communications between physicians, caregivers, patients and families Clarify "Captain of Ship" Support physician wellness 	
	3 ★ Advance Growth	<ol style="list-style-type: none"> Adopt consumer-oriented viewpoint Build primary care / midlevel practitioner base Grow post acute services Invest in complex inpatient and procedural services Expand ambulatory footprint 	<ul style="list-style-type: none"> Market Share PSMG building
	4 ★ Deliver Value	<ol style="list-style-type: none"> Achieve Hospital 5 Star rating Achieve PHO 5 Star rating Manage the health of attributed populations and advance wellness Grow participation in Essential Health Partners and Silver Cross Health Connection Create integrated information technology solutions 	
	5 ★ Ensure Financial Sustainability	<ol style="list-style-type: none"> Apply performance improvement principles to maximize operational performance Achieve annual revenue and operating margin targets Diversify revenue sources Grow days cash on hand Increase philanthropy 	<ul style="list-style-type: none"> Financial Situation Impact on Strategy

EXECUTIVE GOALS



SILVER CROSS HEALTH SYSTEM PROPOSED INCENTIVE PLAN CORPORATE GOALS

EXECUTIVE STAFF GOALS Fiscal Year 2021

Strategic Imperative	FOCUS AREAS	GOAL WEIGHT %	EVALUATION CRITERIA			
			Minimum	Target	Maximum	FY20
1 ★ Enrich Silver Cross Culture	• Employee Engagement Survey Participation	10%	70%	72%	75%	2018 survey 71%
	• Patient Satisfaction Composite	10%	76 th %ile	78 th %ile	79 th %ile	74 th %ile
	• Preparing the Future Workforce	10%	Accomplish 1 of 3	Accomplish 2 of 3	Accomplish 3 of 3	N/A
2 ★ Align with Medical Staff	• “Captain of the Ship” – improve discharge timeliness; discharges by noon for hospitalists/adult med board call	10%	8%	12%	14%	Baseline: 6% of discharges by noon
3 ★ Advance Growth	• Strategic Volume Growth • Digital Advancement	15%	Accomplish 3 of 5	Accomplish 4 of 5	Accomplish 5 of 5	30,741 cases
4 ★ Deliver Value	• 5 Star Hospital Measures	10%	Accomplish 1 of 3	Accomplish 2 of 3	Accomplish 3 of 3	Forecast: Readmit Rate: 13.0% HAIs/month: 2.7/mos Sepsis: 49%
	• Leapfrog	10%	Accomplish 1 of 3	Accomplish 2 of 3	Accomplish 3 of 3	Hand Hygiene: 89%
5 ★ Ensure Financial Sustainability	• Consolidated Operating Income	25%	\$9,300,000	\$11,000,000	\$11,900,000	Forecast FY20: \$25,152,000

5 Star Plan
★★★★★

Goals cascade throughout the organization and are tied to Strategic Plan.

How... *If we can't be the best on our own,
bring the best to the community.*

Response... “The upgrade to A3 reflects Moody’s view that the system’s consistently strong margins and liquidity will continue to improve leverage metrics, as shown over the last five years. Following strong market share gains over multiple years, revenue growth opportunities will come from service line expansion and **clinical partnerships.**” *Moody’s Investors Service (July, 2020)*

ACADEMIC PARTNERSHIPS



Value: Quality, Reputation, Financial Impact



STAKEHOLDER DOCUMENT



Comprehensive
Cancer Center
Silver Cross



Stakeholder Interests

Cancer Patients

- Seamless Relationship
- Academic Level Care in Community
- Multidisciplinary Approach
- Convenient Access

UCMC Faculty

- Complex Surgeries
- Stem Cell Transplant
- Complex Inpatient
- Increase Enrollment in Clinical Trials
- Research Support & Expansion
- Access to Robust Patient Base

UCMC Hospital

- Increased Volume of Complex Surgeries & Procedures
- Market Access through High Performing Hospital
- Complex Volume Growth/Revenue
- Market Consolidation

Silver Cross Hospital

- Point of Differentiation
- Oncology Program with Best Cancer Specialists
- Outpatient Volume Growth/Revenue
- Surgical/Radiology Volume Growth
- Market Consolidation

Midwest Center for Hematology Oncology

- Prestige
- Access to Expertise
- Clinical Trials
- Volume Growth
- Security from Market Changes
- Stronger Relationship with Hospital

OTHER PARTNERSHIPS / JOINT VENTURES



WHAT MUST BE TRUE?



BOARD OF DIRECTORS' EDUCATION



- Governance Institute Seminar
- Illinois Hospital Association Leadership Summit
- Board Meetings
 - Illinois Hospital Association President
 - Physician speakers on key service lines
- Retreats
- External Consultants Evaluations

EXECUTION OF PLAN ENABLES INDEPENDENT STATUS



External Evaluation

			2020	2021
1.	Financial Position	<ul style="list-style-type: none"> OP Income/Margin: 7% Days cash: 387 EBITDA margin: 16.5% BCBS incentives 		
2.	Market Presence	<ul style="list-style-type: none"> Consolidation strategy through EHP New threat from Northwestern: oncology/neurosciences, Mokena 		
3.	Patient Access/Preference	<ul style="list-style-type: none"> Strong preference continues Digital solutions expanded New ambulatory sites Not seamless 		
4.	Clinical Service Component	<ul style="list-style-type: none"> Vascular and thoracic surgeons, open heart significant growth Developing NICU Added capacity 		
5.	Physician Platform	<ul style="list-style-type: none"> Captain of the Ship collaboration Silver Cross Medical Group growth Premier Suburban Medical Group/Silver Cross MSO 		
6.	Clinical Performance	<ul style="list-style-type: none"> Medicare 5 Stars 100 Top, 14th Leap Frog A 100 Top Hospital 		
7.	Competitive Position	<ul style="list-style-type: none"> Market share increase Primary Service Area – 43.2% Secondary Service Area – 25.0% 		