

7TH ANNUAL

# THOUGHT LEADERSHIP RETREAT

The  
Structure  
of  
Value

WASHINGTON  
DC

OCT 3-4, 2013

# New Models of Collaboration: The BJC Collaborative

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October 3<sup>rd</sup>, 2013



BJC HealthCare  
CoxHealth  
Memorial Health System  
Saint Luke's Health System



**hfma**

healthcare financial management association

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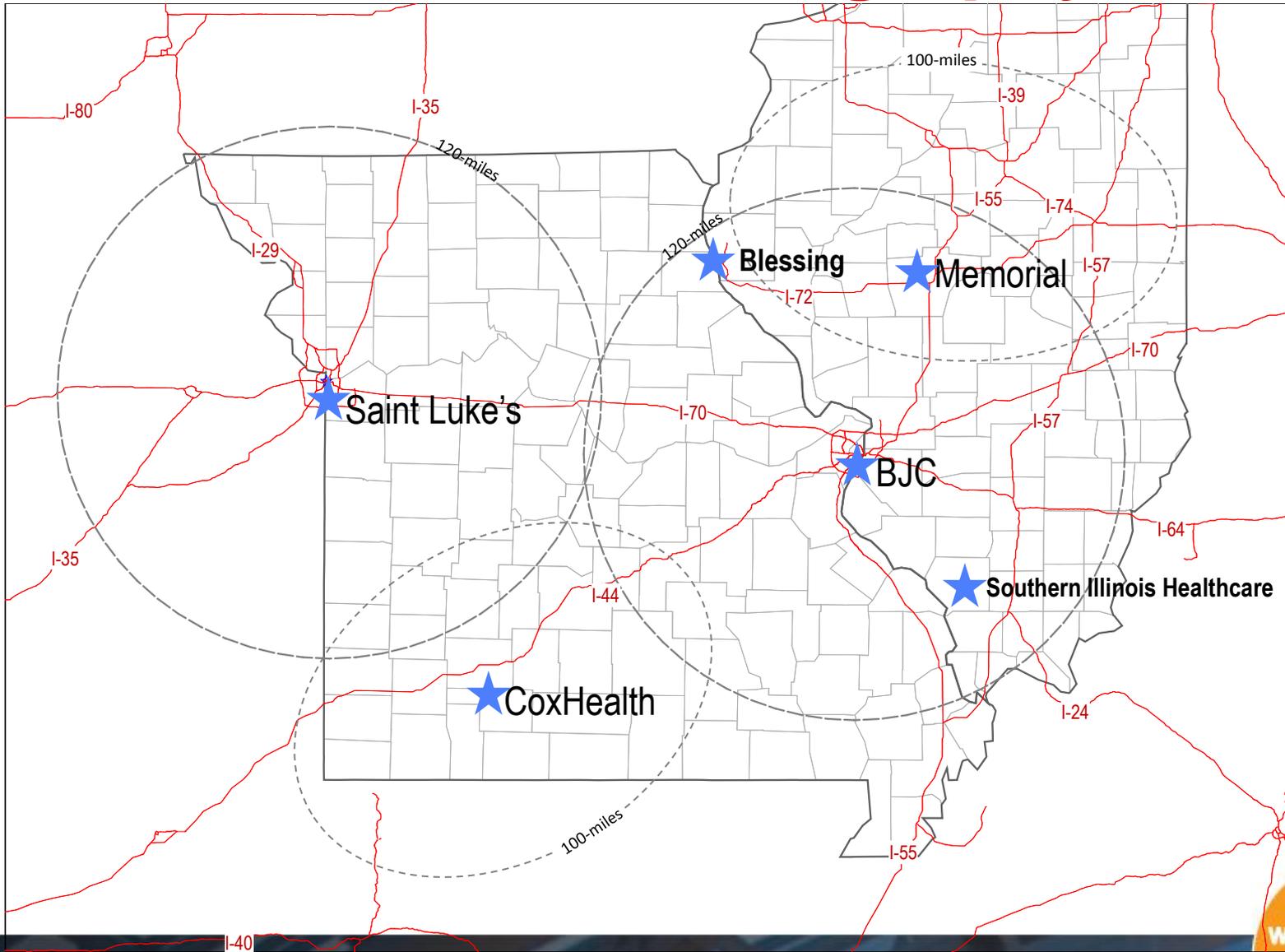
# BJC Collaborative – Alignment with Growth Criteria

BJC Growth Criteria		
1.	Advances the mission of improving the health of the communities we serve.	●
2.	Leverages our current strengths, platform and partnerships such as that between WUSM and BJC, with mutual respect.	●
3.	Further builds our capability and reputation as one of the world's top healthcare organizations and regional presence as the leading institution.	●
4.	Does not increase our risk profile such that we bet the farm.	●
5.	We retain sufficient control or decision-making authority to protect our brand, mission and reputation.	●
6.	Warrants our management and board focus. Represents a significant current or future opportunity.	●
7.	Enhances our influence nationally and locally, and the leadership role we play in the communities in which we operate.	●
8.	Focuses on regional opportunities; willing to review national or international opportunities.	●
9.	Supports or has potential to contribute to our financial stability.	●
10.	Is consistent with our culture and values.	●
11.	Propels us toward Vision 2021 and our BJC Value Proposition.	●
12.	Does not call into question our tax-exempt status.	●
	Overall	●

Alignment with Growth Criteria	
●	Strong
●	Good
●	Some
●	No



# BJC Collaborative Geography



## BJC Collaborative

Net Revenue (\$ in Billions)	\$7.6 B
Staffed Beds	5,603
Admissions	287,000
ED Visits	897,500
Employees	58,000
Affiliated Physicians	7,300
# of Hospitals	35

# BJC Collaborative – The Opportunity

- BJC HealthCare, Saint Luke's Health System, CoxHealth and Memorial Health System established an LLC which allows members to maintain their unique strengths, missions and brands, while sharing resources to facilitate effective, efficient and timely enhancements to care delivery and cost management.

## Objectives of the Collaborative:

- Aggregate efforts to achieve savings
- Coordinate the deployment of clinical programs and services to improve access to and quality of healthcare provided
- Achieve lower healthcare costs
- Identify and achieve other operating efficiencies

# Why is the Collaborative Different?

- Represents locally-based value driven approach to preparing for the future of healthcare
- Members and participants maintain unique identity & preserve independence
- Enhances efficiencies and access to the highest level of quality for patients and families in the members' and participants' communities
- Does not substantially increase organizations' risk profile
- Leverages key clinical, financial and reputational strengths
- Members' and participants' "community benefit" assets remain local

# Shared Vision and Alignment

## Collaborative Structure

- Represents locally-based value driven approach to preparing for the future of healthcare
- Members and participants maintain unique identity & preserve independence
- Enhances efficiencies and access to the highest level of quality for patients and families in the members' and participants' communities
- Does not substantially increase organizations' risk profile
- Develop key clinical, financial and reputational strengths
- Members' and participants' "community benefit" assets remain local



## Objectives

- Advances the mission to improve the quality of care for patients and families with greater efficiency
- Maintain leadership, staffing decisions and governance locally
- Enhance medical services and improve quality; reduce cost of services
- Maintain leadership, staffing decisions and governance locally
- Facilitate patient referrals to tertiary and quaternary care and build on existing relationships
- Retain local ownership of assets

# Making the Collaborative “Cohesive”

- Not about the capital
  - Modest initial capital contribution
  - Additional capital contributions require unanimous approval from all members
- Rotating Board Chairs
- Equal votes on the Board
- Identification of potential integration opportunities
- On-site in-person Board meetings
- Senior level resources committed

# Collaborative Work in Flight

- The following groups support the Collaborative:

<u>Operations Committees</u>	<u>Roundtables</u>
Supply Chain Contracted Services Clinical Engineering Information Technology	Population Health Legal Services Government Relations Communications Employee Benefits Life Long Learning Clinical & Service Quality Medical Schools Health Sciences Academic Emergency Preparedness

# Early Wins

## Operating Improvement

- Vendor responsiveness in the area of Clinical Engineering driving steeper discounts and several millions of dollars in savings
  - Win-win for Collaborative members and vendors through “letter of intent” and commitment of purchases
- Opportunity for one member to use existing data center space at another member organization instead of building a new data center which equates to multi-million dollar savings

## Clinical Development

- Relationship building in Cardiology and Pediatrics between two member organizations to expand services, build clinical programs, and educate physicians
- Exploration of opportunities in cancer prevention and outreach amongst two member organizations
- Two member organizations have partnered to bring comprehensive bariatric surgery services to patients in the community

# The Top 10 Keys to Success

10. Build the structure to get past the theoretical, and into the practical; lesson learned – informal structure doesn't work; Committee structure – you need an overall guiding game plan...where are we headed and why; keep groups as small as possible – all inclusive means “death” to an initiative -- each organization needs a person of equal stature on point – high variation here doesn't work
9. Lesson learned – don't treat the work focus as an extension of one organization's existing departments – it's a separate entity, with a Board, strategies and objectives
8. Clarity – don't assume anyone understands anything; be clear on action items, be clear on purpose of the committees, be clear with expectations and schedules, be clear with talking points
7. Communication – you can't underestimate the challenges of four independent organizations cascading communications back in their own shops. Practice what gets said. Make communication a strength, not a weakness
6. Getting together – out of sight, out of mind; body language is important; have a committee and leadership Master Calendar
5. Recognize that each of the 4 members won't “win” at the same time, or at the same level...over time, it evens out
4. Baseball theory applies – if you swing for the fences most of the time, you're going to strike out a lot; there's nothing wrong with a series of singles with a double once in a while. It gets the crowd really into the game – and nothing sells better than a win! Set the strategies and KPI's around the areas of focus set by the Board...don't try to do everything; Get a few “early wins”; capture the enthusiasm; Don't start out with the biggest problems
3. Think big, start small, act fast
2. Get and keep CEO commitment – “CEO Commitment Agreement” utilized for the initial work efforts, to formalize intent and approval, set expectations; lack of commitment will destroy a network quicker than anything else; collaborative organizations “crumble” from underneath without explicit CEO commitment
1. Develop sustainable energy....resilience really matters!!



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