

EMPLOYEE NEWSLETTER

APRIL 2008

OUR STATUS

WE HAVE OWNED AND OPERATED GSCH FOR FOUR MONTHS NOW, AND THE NUMBER OF WORK INITIATIVES CONTINUES TO INCREASE. OUR RATE OF CHANGE IS SUBSTANTIAL, AND WE ARE MAKING PROGRESS IN MANY AREAS OF THE HOSPITAL ON A WEEKLY BASIS. SEVERAL DEVELOPMENTAL INITIATIVES ARE ALSO UNDERWAY. MARCH WAS BOTH EXCITING AND DISAPPOINTING, E.G., WE SIGNED THE CONTRACT WITH EDCARE TO BEGIN PROVIDING ED PHYSICIAN COVERAGE BEGINNING MAY 1ST (EDCARE WILL BE REPLACING APPLE HEALTHCARE); WE STARTED THE ROOF REPLACEMENT PROJECT AND IT IS PROGRESSING ON SCHEDULE; WE PASSED THE CMS VALIDATION SURVEY, TO NOTE A FEW. HOWEVER, ON THE NEGATIVE SIDE, PIPE BREAKS

IN WATER LINES ON THE SIXTH AND EIGHT FLOORS CAUSED SUBSTANTIAL DAMAGE IN SEVERAL AREAS (THE DAMAGE HAS BEEN REPAIRED AND ALL AREAS ARE BACK IN SERVICE); AND OUR IN-PATIENT VOLUMES WERE DOWN 10% COMPARED TO THE PRIOR YEAR, RESULTING IN A CASH LOSS OF \$1 MILLION IN FEBRUARY. OUR NEGATIVE CASH FLOW CONTINUES TO AVERAGE ABOUT \$1 MILLION EACH MONTH, BUT IS GETTING BETTER.

WE REMAIN CONFIDENT THAT THE TURN-AROUND PLAN IS APPROPRIATE AND WILL BE EFFECTIVELY EXECUTED. OUR CASH IS SUFFICIENT TO ENABLE US TO OPERATE UNTIL WE NORMALIZE OPERATIONS AND GROW OUR VOLUMES. OUR NUMEROUS WORK INITIATIVES WILL BEGIN TO BEAR FRUIT RESULTING IN INCREASED I/P AND O/P VOLUMES. OUR CHALLENGES HAVE BEEN AND

CONTINUE TO BE THESE THREE KEY AREAS; (1) IMPROVE OUR QUALITY, SERVICE AND REGULATORY COMPLIANCE, (2) ENHANCE THE OPERATIONAL EFFECTIVENESS AND COST CONTROL IN ALL AREAS OF THE HOSPITAL, AND (3) INCREASE VOLUMES BY MORE ED AND DIRECT HOSPITAL ADMISSIONS FROM PHYSICIANS' OFFICES AND OUT-PATIENT TREATMENTS & EXAMINATIONS. IT IS IMPERATIVE FOR US TO GROW VOLUMES TO ENABLE US TO SUSTAIN OUR OPERATIONS INTO THE FUTURE. OUR QUALITY AND SERVICE IS IMPROVING WEEKLY, AND WE'RE CONTINUOUSLY REPLACING AND REPAIRING OUR EQUIPMENT AND BUILDING SYSTEMS. WE HOPE YOU ARE REGAINING CONFIDENCE IN OUR RESOLVE AND ABILITY TO KEEP OUR HOSPITAL OPEN. WE ARE ALSO SUBSTANTIALLY INCREASING THE COMMUNICATIONS WITH OUR MEDICAL STAFF, EMPLOYEES AND COMMUNITY RESIDENTS.

PERSONNEL CHANGES & HUMAN RESOURCE INITIATIVES

SCOTT BORK BEGAN A ROLE AS INTERIM DIRECTOR OF EMERGENCY DEPARTMENT, AND **RHONDA DUNCAN** BEGINS IN TWO WEEKS AS INTERIM DIRECTOR OF QUALITY IMPROVEMENT IN ED. SCOTT HAS A STRONG BACKGROUND LEADING THE TURN-AROUND OF TROUBLED EDS. **DONNA TURTLE**, A QHR CONSULTANT, BEGAN AN ENGAGEMENT TO ANALYZE AND HELP US IMPROVE OUR CASE MANAGEMENT PROGRAM. **CALVIN SMITH** BEGAN A PART-

TIME INTERIM ROLE AS VICE PRESIDENT OF COMMUNITY RELATIONS. NEXT WEEK ANOTHER QHR CONSULTANT WILL COMMENCE A CHART AUDIT TO DETERMINE THE QUALITY AND THOROUGHNESS OF CHARTING AND DOCUMENTATION OF OUR MEDICAL, CLINICAL AND NURSING STAFF. OUR HYPOTHESIS IS THAT BETTER MORE THROUGH CHART DOCUMENTATION WILL RESULT IN A HIGHER CASE MIX INDEX, MEANING INCREASED REVENUE FOR OUR HOSPITAL.

WE ARE RE-STARTING THE EMPLOYEE OF THE MONTH CELEBRATION. WE WILL BE SELECTING TWO EMPLOYEES EACH MONTH, ONE CLINICAL AND ONE NON-CLINICAL EMPLOYEE..

WE ARE RE-DEVELOPMENT OF THE PERIODIC EMPLOYEE PERFORMANCE EVALUATION PROGRAM. THE PERFORMANCE EVALUATION TOOL DOESN'T WORK EFFECTIVELY AT GSCH, AND MOST ALL EMPLOYEES RECEIVE ONLY ANNUAL EVALUATIONS WITH GOOD OR EXCELLENT RATINGS. SUCH OVER-ALL GOOD RATINGS ARE OBVIOUSLY IMPOSSIBLE GIVEN OUR RECENT LOSS OF ACCREDITATION, NEAR LOSS OF MEDICARE PROVIDER STATUS AND POOR FINANCIAL AND OPERATIONAL PERFORMANCE. WE WILL THEREFORE REDESIGN THIS IMPORTANT TOOL.

Medical Staff Matters

DR. TILLY, INTENSIVIST, SIGNED AN EMPLOYMENT AGREEMENT TO WORK PART-TIME IN OUR INTENSIVIST PROGRAM WITH THE INTENT TO TRANSITION TO FULLTIME IN A FEW MONTHS.

EMERGENCY DEPARTMENT IMPROVEMENT INITIATIVE... EDCARE, THE NEW PHYSICIAN SERVICE COMPANY, BEGINS SERVICE ON MAY 1ST. **JEAN PHAIRE**, VP & CNO WORKING WITH CATHY SKEETER, CLINICAL CONSULTANT WITH QHR, **DR. JEAN WILLIAMS** AND **SCOTT BORK** HAVE DEVELOPED AND HAVE BEGUN IMPLEMENTATION OF A TURN-AROUND WORK PLAN FOR ED. WE ARE ALREADY EXPERIENCING SOME IMPROVEMENT, BUT WE ARE STARTING FROM A VERY POOR POSITION. WE HAVE DEVELOPED AN ED PERFORMANCE DASHBOARD

THAT WILL BE REVISED ON A WEEKLY BASIS. ED VISITS ARE UP 6.4% YTD AND 13% FOR THE MONTH OVER LAST YEAR. THE PERCENT OF OUR TOTAL ADMISSIONS THAT COME THRU THE ED WAS 79% FOR FEBRUARY. WE SHOULD EXPERIENCE AN INCREASE IN THE NUMBER OF ADMISSIONS COMING THROUGH THE ED OF 1-2 PER DAY BEGINNING IN APRIL THEN JUMPING TO 3-4 MORE PER DAY BY JUNE. WE NEED TO BE APPROACHING 110 PATIENTS PER DAY IN THE ED BY THE END OF THE YEAR.

RADIOLOGY DEPARTMENT... OUT-PATIENT AND ED X-RAY EXAMINATIONS ARE UP BY 5.2% OVER LAST YEAR, AND RADIOLOGY EXAMINATIONS CONTINUE TO TREND UPWARD. THIS GROWTH IS OCCURRING DUE TO BETTER RADIOLOGISTS' SERVICES, IMPROVED OPERATIONAL PERFORMANCE OF EXISTING EQUIPMENT, AND OPERATION OF THE NEW FLUOROSCOPY

EQUIPMENT. THE NEW EQUIPMENT WILL BE ARRIVING OVER THE NEXT FEW MONTHS, AND WE SHOULD EXPECT SUBSTANTIAL INCREASE IN BOTH I/P AND O/P EXAMINATIONS DURING THE LAST-HALF OF THE YEAR. SPECIAL BUILD-OUT IS BEING PLANNED FOR THE MRI AND INTERVENTIONAL ANGIOGRAPHY EQUIPMENT. CONSIDERATION IS UNDERWAY TO PLACE THE MRI IN A MODULAR STRUCTURE OUTSIDE THE BUILDING NEAR THE ENTRANCE BY THE OLD RADIATION THERAPY AREA ADJACENT TO RADIOLOGY. THE ANGIOGRAPHY EQUIPMENT WILL BE LOCATED WITHIN THE RADIOLOGY DEPARTMENT IN UNUSED SPACE. WE SHOULD ALSO EXPECT A CORRESPONDING INCREASE IN ADMISSIONS WHEN THIS EQUIPMENT IS ALL INSTALLED AND OPERATIONAL. WE ASK YOU TO SHARE THIS EXCITING NEWS WITH YOUR COLLEAGUES.

PROJECTED TIME FRAME FOR NEW RADIOLOGY EQUIPMENT TO BE

<u>EQUIPMENT TYPE</u>	<u>PROJECTED INSTALLATION DATE</u>
32-SLICE CT	7/15/08
ANGIO-CATHETERIZATION	8/30/08
NUCLEAR MEDICINE CAMERA	7/30/08
PORTABLE X-RAY MACHINE	5/15/08
DIGITAL X-RAY DUAL HEAD MACHINE	6/1/08
2 ND DIGITAL X-RAY DUAL HEAD MACHINE	6/1/08
PORTABLE ULTRASOUND-CARDIOLOGY	5/15/08
2 ND PORTABLE X-RAY MACHINE	6/1/08
MRI W/ 1.5 MAGNET	8/30/08
C-ARM	5/1/08
FLUOROSCOPY MACHINE	NOW IN USE

Other Matters

WE BEGAN THE *REFERENCE LABORATORY SERVICE FOR HADLEY AND CAPITOL HILL* HOSPITALS DURING THE WEEK OF MARCH 17TH, AND WE ONLY MINOR START-UP DIFFICULTIES. THIS REFERENCE LABORATORY SERVICE SHOULD INCREASE OUR LABORATORY TEST VOLUMES SUBSTANTIALLY, AND PROVIDE AN EXCELLENT SERVICE TO OUR SISTER HOSPITALS.

SURGERY DEPARTMENT...
WE HAVE BEGUN THE

THE BOARD OF DIRECTORS HAS APPROVED A NEW *MISSION STATEMENT, VISION STATEMENT, AND VALUES STATEMENT*, AND THESE ARE SHOWN AT THE END OF THIS REPORT.

A WORK GROUP OF SHA EXECUTIVES IN EACH OF OUR THREE HOSPITALS IS WORKING TO *CONSOLIDATE CORPORATE MATERIAL MANAGEMENT*. EACH FACILITY WILL CONTINUE TO HAVE ITS SEPARATE STORE ROOM OPERATION. WE WILL

DETERMINATION PROCESS FOR REPLACEMENT OF EQUIPMENT IN THE OR. HITT CONSTRUCTION AND HTB ARCHITECTS ARE WORKING WITH TO PLAN THE RENOVATION OF SIX OPERATING SUITES AND TWO PROCEDURE ROOMS. THE GOALS ARE TO BRING THE SUITES INTO REGULATORY COMPLIANCE FOR AIR TURN-OVER, TEMPERATURE CONTROL, MEDICAL GASES AND LIGHTING. THIS PROJECT SHOULD BE READY TO PRESENT TO THE

CONSOLIDATE THE MANAGEMENT AND PURCHASING PROCESSES. WE WILL SAVE MONEY ON THE COST OF GOODS PURCHASED AT ALL THREE FACILITIES. EUGENE KELLEHER IS OUR NEW DIRECTOR OF MATERIALS MANAGEMENT EFFECTIVE IMMEDIATELY (GENE WAS FORMERLY THE DIRECTOR OF CAPITOL HILL AND HADLEY HOSPITALS).

CHILDREN'S NATIONAL MEDICAL CENTER

GOVERNING BOARD IN THE NEAR FUTURE.

GENERAL MEDICAL STAFF ISSUES... THE MEDICAL STAFF IS REVISING ITS BYLAWS AND RULES & REGULATIONS. MORALE IS IMPROVING AMONG PHYSICIANS, AND THEY ARE BEGINNING TO TELL ABOUT THE PROGRESS BEING MADE AT GSCH. PHYSICIANS ARE ONCE AGAIN BECOMING OPTIMISTIC ABOUT OUR FUTURE.

NEGOTIATIONS.... WE ARE ANALYZING THE RENOVATION OF APPROXIMATELY 10,000 SQ. FT. OF SPACE LOCATED ON THE FIRST FLOOR INCLUDING THE PRIMARY CARE CLINIC. IF THE PROJECT IS FUNDED BY THE DISTRICT, CHILDREN'S NATIONAL WOULD PROVIDE PEDIATRIC ED SERVICES, AS WELL AS, SHORT-STAY PEDIATRIC OBSERVATION. WE WILL KEEP YOU INFORMED OF OUR PROGRESS ON THIS PROJECT.

WE HOPE THAT YOU ARE PERSONALLY FULLY ENGAGED IN EXECUTION OF OUR PERFORMANCE IMPROVEMENT, AND ARE DOING YOUR PART TO INSURE OUR FUTURE SUCCESS. SHOULD YOU HAVE QUESTIONS ABOUT THIS NEWSLETTER, PLEASE CONTACT ME. THANK YOU FOR YOUR CONTINUED SUPPORT.

GARY L. ROWE
INTERIM CEO

AT GREATER SOUTH EAST COMMUNITY HOSPITAL, WE HAVE A MISSION, VISION AND VALUES THAT ARE IMPORTANT TO THE HOSPITAL BECAUSE THEY PROVIDE THE FRAMEWORK FOR A SUCCESSFUL HOSPITAL COMMUNITY.



OUR MISSION:

TO BE A COMPREHENSIVE HEALTH CARE ORGANIZATION THAT CARES FOR THE SICK AND PROVIDES QUALITY, COST COMPETITIVE SERVICES IN A FINANCIALLY SUCCESSFUL ENVIRONMENT WHILE IMPROVING THE HEALTH AND WELL BEING OF OUR COMMUNITY

VISION STATEMENT

OUR VISION IS TO BE THE PREFERRED MEDICAL CENTER FOR

- OUR PATIENTS**
- OUR PHYSICIANS**
- OUR STAFF**
- OUR COMMUNITY**

VALUES:

CUSTOMER SERVICE: EVERY CUSTOMER INTERACTION IS AN OPPORTUNITY TO MAKE A POSITIVE DIFFERENCE. EXCELLENT SERVICE MUST BE THE RESULT OF OUR EFFORTS.

COMMUNICATIONS: WE EXPECT A CLEAR AND OPEN EXCHANGE OF INFORMATION THAT WILL ENHANCE THE UNDERSTANDING OF OUR INTERNAL AND EXTERNAL CUSTOMERS' NEEDS, WANTS AND EXPECTATIONS.

ETHICS, HONESTY, AND INTEGRITY: WE BELIEVE IN A CODE OF ETHICS THAT EMBODIES MUTUAL RESPECT, FAIRNESS AND TRUTHFULNESS.

INNOVATION: WE VALUE THE WILLINGNESS AND ABILITY OF ALL EMPLOYEES TO CREATE THE FUTURE TOGETHER. WE SUPPORT AND ENCOURAGE NEW IDEAS, APPROACHES AND ATTITUDES THAT RESULT IN NEW AND IMPROVED SERVICES AND CUSTOMER SATISFACTION.

PEOPLE: EMPLOYEES, PHYSICIANS, VOLUNTEERS AND STUDENTS WILL ULTIMATELY DEFINE OUR SUCCESS. WE TREAT ONE ANOTHER IN A DIGNIFIED, RESPECTFUL AND COURTEOUS MANNER. WE VALUE AND ARE COMMITTED TO OUR RICH TRADITION OF CULTURAL DIVERSITY.

QUALITY: WE STRIVE TO PROVIDE SERVICES THAT EXCEED OUR CUSTOMERS' NEEDS, WANTS AND EXPECTATIONS.

TEAMWORK: WE SUPPORT AN ENVIRONMENT THAT FOSTERS WORKING COOPERATIVELY TO ACHIEVE A COMMON GOAL.

