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Top CEO Strategies for 2005

EXECUTIVE SUMMARY

This is our January CEO Roundtable report, in which we invite some of the leaders of Scottsdale Institute member organizations to share their top IT-enabled strategies for the coming year. In keeping with the spirit of the issue, we've mixed a good blend of size and geography, from New York and Massachusetts to Indiana, Colorado, Texas and California.

While most Information Edge reports focus on specific case studies or single topics, the January issue is our chance to take a snapshot of a handful of leading healthcare organizations across the country. Not surprisingly, all are focused on IT–enabled process change, including clinical systems and enterprise resource management. What's new this year is the emphasis on PACS, telemedicine and regional health information organizations or RHIOs. Organizations continue to integrate IT internally but—spurred on by National Healthcare IT Coordinator Dr. David Brailer's emphasis on interoperability and a national health information infrastructure—are beginning to seriously move in the direction of community IT networks.

Another driver is pay for performance, which most executives expect to become the model for federal reimbursement in the next five years. No executive questions the importance of IT investments. Indeed, an increasingly external perspective is broadening the scope of IT-enabled change.

Walter Ettinger, MD, President UMass Memorial Medical Center Worcester, Mass.

UMassMemorial

Snapshot
Beds: 1,099
Employees: 11,664
Hospital Admissions: 58,884
Medical Staff: 1,461

"Our strategies arise from our vision of becoming one of the top academic medical centers in the country by 2008," says Walter Ettinger, MD, president of UMass Memorial Medical Center, the teaching hospital for the University of Massachusetts Medical School. The first of UMass Memorial's four goals is to *create a great patient experience* on both the community level (through local primary care) and the regional level (by virtue of its role as a major tertiary-care referral center).

To provide leading-edge, safe and reliable care while continuing to grow its tertiary care business, UMass launched this year a four-year program to implement a full EMR with decision support for both inpatient and outpatient care, including CPOE and a pharmacy system with bar-coding capability.

"We have more than a million ambulatory visits a year," says Ettinger, adding that the medical center is close to selecting a vendor for the hospital and ambulatory system. "We believe an electronic medical record will help in several ways. It's gospel that it will help improve patient safety and quality by allowing us to embed a lot of process change using IT."

For example, like many other provider organizations, UMass Memorial has developed order sets and protocols to meet CMS guidelines for pneumonia, AMI and CHF. "We can hardwire those into an EMR to improve patient safety, patient access and satisfaction—as well as enhancing productivity. As an industry we've got to catch up to the productivity bandwagon like the rest of the U.S. economy. With an EMR we can develop new models of care to do this," Ettinger says.

A second IT-enabled strategy is to focus on telemedicine in the areas of stroke care and the ICU. The State of Massachusetts mandates a certain level of care at hospitals that treat stroke victims, including having a neurologist interpret CT scans and visually exam the patient to determine, say, weakness in the left or right arm. Using PACS, radiologists and neurologists at a single site can cover stroke patients at multiple hospitals; and high-definition video allows those neurologists to visually exam the same patients.

Like other SI members, UMass Memorial is planning to adopt the eICU product from Visicu for remote monitoring of the main hospital's seven ICUs and eventually at its four owned and possibly other affiliated facilities. "That's good for them as well as us," says Ettinger, because it assures high-quality patient care and provides back-up care for smaller communities.

Finally, in 2005 the organization aims to begin the task of improving productivity through implementation of an ERP system. "As we look at ways to improve our cost structure, an integrated ERP system will allows us to determine the effect of staffing or supply-chain changes," says Ettinger. That strategy is imperative, he says, considering rising costs and an expected flattening out of reimbursement due to the nearly $500-billion federal-budget deficit.

Tom Priselac, President and CEO Cedars Sinai Health System Los Angeles

CEDARS-SINAI

Snapshot
Beds: 877
Employees: 9,000
Inpatient visits: 46,416
Outpatient visits: 244,253

On the clinical side, Cedars is focusing on IT integration to better focus on the JCAHO's core measures, or indicators of care, related to AMI and pneumonia. "We've been linking our various information systems with our results-viewing system, called 'Web VS,'" says Priselac. Web VS is

WELCOME NEW MEMBER

The Scottsdale Institute is proud to welcome new member Parkview Health based in Fort Wayne, Ind.

Parkview Health was formed in 1995 and is a not-for-profit family of 7 hospital facilities, 19 physician practices, 2 long-term care facilities, home health, laboratory services, 3 EMS organizations, Managed Care Services, Parkview Research Center and 2 fitness centers serving a 14 county region in Indiana and Ohio. The system is also home to the Samaritan Flight Program which has two medical helicopters serving a 100 mile radius around Fort Wayne and a 100 mile radius around Rochester, Indiana.

Hospitals include 575-bed Parkview Hospital, which is a Level II Trauma Center, 39-bed Parkview North Hospital, 24-Orthopaedic Hospital at Parkview North, and Parkview Behavioral Health which is a free standing inpatient psychiatric hospital —all located in Fort Wayne; 36-bed Parkview Huntington Hospital, in Huntington, 33-bed Parkview Noble Hospital, in Kendallville, and 45-bed Parkview Whitley Hospital in Columbia City. With a medical staff of 700 and employing 5,800 full and part-time staff, Parkview Health's mission is to provide trusted quality care and to improve the health of the communities it serves.

Welcome Charlie Mason, president and CEO, and Patricia Thompson, senior vice president and CIO and the entire Parkview Health team.

an Internet-based system that provides all of a hospital patient's clinical history except progress notes.

In addition to providing information like clinical test results to physicians, Web VS acts as a decision-support tool providing alerts and reminders to doctors that a heart-attack patient, for example, should receive aspirin or beta blockers. The goal is also to integrate the system with patient eligibility information.

Secondly, Cedars is continuing to deploy its EMR, already installed in certain of its physician-affiliated outpatient clinics. This year, the organization will significantly expand that effort to large medical groups.

A challenging factor with Cedars is the diversity of its physician relationships. "We're like Noah and the flood: we have two of every type," says Priselac. Those groups include full-time faculty physicians who are already making use of an ambulatory EMR, a multi-specialty medical group affiliated through it's medical care foundation to which Cedars is looking to expand its EMR during the next year and then hopefully further expanding the EMR to the foundation-affiliated IPA . Cedars-Sinai is also looking forward to the opportunity to link private practicing physicians through an EMR. How to do the latter, he says, raises some nettlesome regulatory questions as to exactly what hospitals like Cedars can and cannot do with community physicians. [Note: This issue will be reviewed in detail at SI's Winter Conference, Feb. 3-4.]

Besides the obvious advantages of improved patient care and convenient online access to medical records for physicians, Priselac says the EMR is needed to address increasing use of pay-for-performance programs by California health plans.

On the business-process side, Cedars will be replacing its OR information system with a system that should dramatically improve coordination of all the clinical and business processes in the OR. That includes implementing resource scheduling and management to optimize the ORs.

A second business-process initiative involves the PCX project, which included a CPOE initiative well-known for its struggles with physician adoption. From the beginning, however, the PCX project had other non-CPOE components, including coding and abstracting that has been up and running for two years and a patient management/order communication module that has been running successfully since October. A patient accounting module is currently under assessment.

Priselac says one of the benefits of these efforts is improved revenue-cycle management. More accurate front-end information on patients eliminates delays in collection. On the clinical side, the care process has been enhanced as a result of the improved capability of the new system.

Thomas Royer, MD, President and CEO CHRISTUS Health Houston

CHRISTUS Health

Snapshot
Hospitals: 40
States: 6 and Mexico
Assets: $3.4 billion

WELCOME NEW MEMBER

The Scottsdale Institute is proud to welcome new member Saint Luke's Health System based in Kansas City, Mo.

Saint Luke's Health System provides a wide range of primary, acute, tertiary and chronic care services in the Kansas City area. It includes nine hospitals with a tenth opening in March, multiple physician practices, including family practice physicians, pediatricians and internists, as well as several specialists. The president and CEO of the health system is G. Richard Hastings, who was recognized last year as one of the top CEOs in the United States by Modern Healthcare magazine.

The health system includes Saint Luke's Hospital of Kansas City; Saint Luke's Northland Hospital, Barry Road and Smithville Campuses; Saint Luke's South; Crittenton; Wright Memorial Hospital, Trenton, Mo.; Anderson County Hospital, Garnett, Kan.; Cushing Memorial Hospital, Leavenworth, Kan.; and Hedrick Medical Center, Chillicothe, Mo. Saint Luke's East, Lee's Summit, Mo. begins operation in March, 2005.

Saint Luke's Hospital was recognized by President Bush with the Malcolm Baldrige National Quality Award in 2003. It is a 629-tertiary care hospital offering many special programs and services through a network of physicians representing 57 medical specialties.

John Wade serves as the VP/CIO of Saint Luke's Health System and also serves on the Board of Directors of HIMSS. Welcome to Rich Hastings, John Wade, and the entire management team at Saint Luke's Health System.

An overall strategy for CHRISTUS in 2005 is to unify its IT platforms to Meditech Inc. "We're moving to one platform so we can more rapidly systematize our data systems across the health system," says President and CEO Royer. That effort ties into the organization's first specific initiative, which is to improve care management by combining case management, clinical management and utilization management to ensure that the patient is always in the right place at the right time and given the right level of care within the shortest period of time possible.

"That effort will improve our volumes which will improve revenue," says Royer.

A second 2005 initiative, he says, "is to make sure our business literacy is at its peak. That's also IT-driven." This effort involves installing revenue-cycle, supply-chain and productivity management processes and systems. Such systems are must-haves, notes Royer, given that labor eats up almost half of total healthcare expenses, and supplies, including pharmaceuticals, almost a quarter. "If you can manage those two areas, you're talking about 75% of expenses," he says, adding that by focusing on both clinical and financial health CHRISTUS should also improve physician integration. "Physicians want to collaborate or joint venture with organizations that are quality-focused and fiscally sound."

All of these initiatives should better position the organization to address its fourth area of emphasis for 2005: building stronger ambulatory strategies.

The umbrella for everything is patient care management, which melds together clinical management and utilization management, the latter to make sure the organization is not overusing tests and is getting the patient out of the hospital as quickly as appropriate. "At the same time, we're monitoring satisfaction of patients, associates and physicians," says Royer, and all should improve as a result of the effort.

"We'll be getting the patient out of the hospital sooner, there will less liability cost, we'll decrease readmissions and reduce physician malpractice. As we move to pay for performance we need to better align incentives," he says, by these initiatives.

"IT is foundational to everything we're doing at CHRISTUS," says Royer.

For physicians, CHRISTUS is putting a strong effort into developing PACS, laboratory systems and an EMR so physicians can read medical images, lab studies and portions of the EMR from their offices.

CHRISTUS also has some innovative strategies for 2005. Royer is enthusiastic about robotics used in surgery and pharmacy processes, the latter with bar-code scanning to better manage pharmaceutical inventory. And he is especially excited about a potential major breakthrough: a cardiac scanner at a CHRISTUS hospital in Mexico that could replace cardiac catheterization, with the side benefit of reducing use of arterial stents for borderline cases.

Upcoming Events

For information on any of these teleconferences, please contact the Scottsdale Insititute office at 952.545.5880 or register on our Website scottsdaleinstitute.org

February 8
ROI: Integrating CPOE Across the Enterprise
- Alberto Kywi, CIO, Cottage Health System, Santa Barbara,Calif.

February 9
End to End Availability: Achieving Uptime and Managing Downtime (Part I)
- Mary Finlay, deputy CIO, Partners HealthCare, Boston
- Gayle Simkin, CIO, Catholic Healthcare West, San Francisco
- Nancy Staggers, RN, PhD, Catholic Healthcare West, San Francisco
- Rich Pollack, interim CIO, Clarian Health, Indianapolis
- George Brenckle, CIO, University of Pennsylvania Health System, Philadelphia
- Karl West, associate VP, IS, Intermountain HealthCare, Salt Lake

February 22
Case Study: CPOE Implementation Lessons Learned for Community Hospitals
- Jim Anzeveno, CIO, Faulkner Hospital, Boston

February 23
CDS Readiness
- Zynx Health, Beverly Hills, Calif.

more events on next page

Christopher Dawes, CEO
Lucile Packard Children's Hospital at Stanford
Palo Alto, Calif.

Lucile Packard Children's Hospital AT STANFORD

Snapshot
Beds: 264
Medical Staff: 669
Patient Discharges: 12,460
Clinic Visits: 107,334

The stage for 2005 was set a year ago when Lucile Packard signed an agreement with Cerner Corp. for a new hospital-wide information system, for which it is now heavily involved in the first phase of implementation. The first phase will go live in March. Lucile Packard also signed an IT outsourcing agreement with Perot Systems to manage its IT infrastructure—data center, network, desktop computers—as well as to assist with IT strategic planning.

"We're running at capacity, so a key priority for 2005 is to improve management of the hospital," says CEO Christopher Dawes. That means installing systems to improve patient throughput and staff management skills, to improve staff recruitment and retention and to maximize satisfaction. The ICU is already beyond 95% capacity; med/surge areas are between 88% and 90%.

Lucile Packard has already reengineered its admission/discharge and bed-management processes by installing an electronic bed board and implementing a software algorithm to predict when patients are to be discharged.

Other 2005 goals are focused on quality of care, an area for which Lucile Packard has been recognized by the Leapfrog Group when it was one of 11 hospitals selected out of 858 across the country to meet the Leapfrog Quality Index for evidence-based quality. "We were the only children's hospital" so honored, says Dawes, adding that "IT played a key role."

Lucile Packard has instituted a 27-indicator, patient-safety dashboard used as the basis for quarterly reports to the hospital's board. The indicators include adverse drug events, infection rates and a number of non-ICU codes. The organization also just implemented new software to automate TPN therapy, eliminating a step in which the pharmacist has to make manual measurements, greatly minimizing errors.

A third goal is to implement a new hospital-wide clinical information system. "We're going through a complete clinical reengineering, incorporating a new paperless model for processes, including CPOE. That's a three-year project and we're in year one," says Dawes.

A fourth goal arises from Lucile Packard's role as a regional referral center for children. "We get patients from throughout California and 38 other states for liver, kidney, heart, bone marrow and small intestine transplants. We're continuing to grow and expand our regional programs," he says.

California's Proposition 61, a $750-million bond issue passed last year, provides $74 million to Lucile Packard and each of the children's hospitals in the state for capital

Upcoming Events continued

February 28
Evanston Northwestern Healthcare's Enterprise EHR Implementation: A Case Study from this year's Davies Award Winner
- Tom Smith, CIO, ENH, Evanston, Ill.

March 1
End to End Availability: Achieving Uptime and Managing Downtime (Part II)
- Mary Finlay, deputy CIO, Partners HealthCare, Boston
- Gayle Simkin, CIO, Catholic Healthcare West, San Francisco
- Nancy Staggers, RN, PhD, Catholic Healthcare West, San Francisco
- Rich Pollack, interim CIO, Clarian Health, Indianapolis
- George Brenckle, CIO, University of Pennsylvania Health System, Philadelphia
- Karl West, associate VP, IS, Intermountain HealthCare, Salt Lake City

March 8
Bio-surveillance through Community Interoperability
- Heartland Health, St. Joseph, Mo.
- Cerner, Kansas City, Mo.

March 10
Usability Testing: Incorporating Human Factors Engineering in Healthcare Software Design
- Kate Peterson, senior usability specialist, MasterCard International, O'Fallan, Mo.

March 15
e-Prescribing Case Study: Newton Wellesley Internists
- Daniel Z. Sands, M.D., CMO, Zix Corporation, Boston
- Steve Davis, director of Physician Recruitment and Retention, Zix Corporation, Boston

more events on next page

Upcoming Events continued

March 23
The Unintended Consequences of CPOE: Examples from Leading Healthcare Institutions
- Dean F. Sittig, Ph.D., director, Applied Research in Medical Informatics, Kaiser Permanente, Portland, Ore

March 24
Taconic IPA Leads the Development of a Multi-vendor Community Health Information Exchange
- John Blair, CEO, Taconic IPA, Fishkill, N.Y.

March 29
Sutter Health Launches CarePages Connecting the Hospital, Patients, and their Families
- Tim Hearing, CIO, Sacramento Sierra Region, Sutter Health, Sacramento, Calif.

April 14
Point of Care Medication Administration: Case Studies Demonstrate Approaches and Impact
- Lauren Sabet, Emerging Practice Research group, FCG, Boston
- Fran Turisco, Emerging Practice Research group, FCG, Boston

April 27
Nursing Unit of the Future and Integration with IT
- Jon Burns, senior executive for Information Technology, Cleveland Clinic Foundation

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expenditures. Dawes says the funds are necessary because all of those hospitals are high MediCal (Medicaid) providers. Lucile Packard plans to use the funds as part of the hospital's larger $120-million building program whose first phase will be complete in 2006, including six new OR suites, a 20-bed ICU and an expansion of diagnostic services at Lucile Packard's 27-bed cancer center.

Herb Pardes, President and CEO NewYork-Presbyterian Health System New York

NewYork-Presbyterian
The University Hospital of Columbia and Cornell

Snapshot
Beds: 2,455
Discharges: 102,058
Outpatient Visits: 868,065
Emergency Visits: 181,023

"We've been fortunate to have strong IT leaders for some time," says President and CEO Pardes, whose sprawling system counts as one of its 2005 goals to compile data on quality from all its 58 facilities. Doing that will make it possible for NewYork-Presbyterian to bring outlier clinicians more into line with quality parameters, he says.

A second area of emphasis will be developing the organization's business-intelligence system, which will provide data on financials and factors like length of stay and FTEs. The system will facilitate decision-making by about 175 executives throughout NewYork-Presbyterian. "We're trying to make the front end as user-friendly as possible," says Pardes, adding that infectious-disease information will also be added to the system to make it more robust.

NewYork-Presbyterian's third focus is to continue its ambitious, 18-month-old implementation of Six Sigma standards for quality and customer satisfaction. The initiative, which will produce quality-assurance and length-of-stay reports, will target bed capacity, inpatient medical management, cardiology services, supply chains and radiology services. It will also cover areas like patient safety, ambulatory care, perioperative and laboratory services, and operational benchmarking.

The organization has 40 Six Sigma Black Belts, 136 change facilitators, 99 teams and more than 500 employees participating in the effort. "There's a clear impact from Six Sigma on the culture. The overarching goal is to better manage, measure and understand data, but to also be better clinicians, because we're an academic medical center," says Pardes.

Specifically in the clinical area, NewYork-Presbyterian is developing an eICU for cardiothoracic and surgical ICUs partly to be able to pick up on patient problems earlier and avoid crises. After establishing the eICU at the main campus this year, it will eventually expand it to other sites.

Other clinical projects continuing in 2005 include rollout of CPOE from Eclipsys to

one of its campuses, while the organization implements parts of the system—coding nursing documentation and clinical decision-support—in another five campuses. Finally, the organization is implementing an ER-tracking system to better determine each ER's status, including factors like length of wait time and number of beds available.

The challenges for such a big health system—NewYork-Presbyterian covers the tri-state region of New York, New Jersey and Connecticut and handles one-in-five health episodes in New York—are myriad. The system includes two medical schools, Cornell and Columbia, with nearly 5,000 physicians between them. The other challenge, says Pardes, is "the tremendous amount of detail" involved in implementing a clinical system. Users are enthusiastic and looking forward to the system, but configuring it to workflow in a legacy-system environment riddled with 400 different vendors' products is a demanding task.

Covering such a large and densely populated area, it's not surprising that NewYork-Presbyterian is involved in creating a regional health information organization, or RHIO, initially among its own hospitals, among other things to electronically identify infectious disease breakouts. Also, the health system is developing a patient-health monitor that stores data from any vendor's bedside monitors and puts the information into decision support. Given the breadth and depth of these IT-related efforts, Pardes says, "We're pushing the envelope."

Daniel Evans, CEO
Clarian Health Partners, Inc.
Indianapolis

Clarian Health Partners
Methodist | IU | Riley

Snapshot
Beds: 1,319
Employees: 11,088
Admissions: 55,579
Outpatient Visits: 175,000

Clarian's number-one initiative for the next 12 months is to implement knowledge-driven care, says CEO Daniel Evans. "We're using IT to put best practices in workflow to reduce variability."

Clarian is also undertaking a massive simplification of its existing IT infrastructure, which fills 4-million square feet of space, including 600 data closets with old Marconi network switches. The goal is to reduce that number to 150 closets that will integrate all voice, data and imaging technologies.

Another initiative is what Evans calls the "literal cultural integration" of IT into an interactive model of clinical practice so physicians will be able to enter orders, retrieve results and benefit from decision-support tools. As part of that effort, Clarian expects to complete its CPOE implementation by the end of the year.

Finally, Clarian is participating in cross-provider data sharing through the Indiana Health Information Exchange, a commu-

nity wide initiative in which healthcare providers share common software and access to a common database. "It won't matter if a patient presents herself at Clarian if she did her tests the day before at a competitor hospital," says Evans, adding that in the past, hospitals used clinical messaging as a competitive advantage. "My mother lives closer to our competitor's main hospital than to ours. I consider it a high moral duty to facilitate the free flow of data community wide. Information is power and it belongs to the patient," he says.

Evans credits nearby Regenstrief Institute, a medical informatics research center in Indianapolis with the country's largest collection of open-source clinical data, for leadership in the RHIO. "We're eager to institute community-wide access to information," he says. [Regenstrief CEO Mark Overhage, MD, will speak at SI's Winter Conference, Feb. 3-4.]

Evans, who became CEO two years ago after being chairman of Clarian's board of directors, brings an outsider's passion to his job. "The mindless competition as providers hoard data is immoral. There's more accuracy in my pizza data than my medical record. It leads to inefficient utilization, if not outright negative outcomes," he says, decrying the fact that many healthcare executives are still slow to embrace IT.

Evans also asserts that healthcare must make a stronger effort to catch up with the rest of American society. "It's reasonable for me the customer to expect my doctor to have the right information technology. [When the physician isn't up to date in that area,] I find that hard to swallow. We're all on the same page on this. In Indiana, we're all willing to lay down our competitive concerns."

An ardent consumer advocate, he believes that consumers should have access to the same kind of information about providers that they do about cars from J.D. Powers & Associates. And he is adamant about the need for industry executives to better step up to the task. Says Evans, "An industry that the IOM says kills 100,000 people a year cannot be proud of its leadership."

Kevin Lofton, CEO
Catholic Health Initiatives
Denver

CATHOLIC HEALTH INITIATIVES

Snapshot
Hospitals: 68;
States: 19, 68
rural and urban communities
Employees: 67,000

CHI updated its strategic plan recently for its core strategies: people, quality, performance and growth. "IT embodies each one," says CEO Kevin Lofton, who notes that the organization's update added a fifth: information.

He cautions, however, that CHI views health information from the perspective of information management (IM)—of which IT is a subset. The new CHI strategic plan states that "CHI will be the trusted health

What's New

The Leadership Report
SI, HIMSS Analytics and Lawson Software have undertaken a significant research project on emerging models of healthcare IT Governance. This in-depth study is intended to uncover new, successful approaches to managing healthcare IT and share them broadly across the healthcare industry. The Leadership Report is the first in a series of annual reports designed to assist senior executives with strategic IT issues and solutions. Watch for the web-based survey which is designed to capture perspectives from CEOs, CIOs, CFOs, CMOs, CNOs, CMIOs, and other executive stakeholders. Please take the survey and encourage your peers to do so. Results and successful, innovative practices will be unveiled at the SI Spring Conference in Scottsdale. A link to the survey will be available at the SI, Lawson and HIMSS Analytics websites.

more What's New on next page

information partner in the communities it serves." Lofton says the new perspective reflects the rise of consumerism in healthcare. "Part of our role is education enhanced by IM" with physicians as partners, he says.

CHI has six specific objectives for 2005:

1. Organizational readiness (support the system-wide initiative);
2. Information management (quality across all settings);
3. Knowledge management;
4. Alignment and relationships (with consumers, communities, physicians);
5. Consumer empowerment;
6. Support of core strategies.

In terms of organizational readiness, over the next 30 months CHI is consolidating IT administrative operations such as billing for its sprawling 68 hospitals into its new National Data Center south of Denver. That doesn't mean, however, that everyone will use the same clinical information system.

"One lesson we learned from our earlier work—as well as studying Catholic Healthcare West in Phoenix—is that our strategy doesn't have to require all our hospitals to be on the same clinical platform," says Lofton. "It doesn't work for us." What's different about CHI, he says, is the scope of size in its hospitals, ranging from very small—eight to 10 beds—to intermediate on up to very large—500 beds.

A second big system integration initiative for the next 36 months is CHI Connect, the integration of the supply chain, finance, human resources and payroll functions. To accomplish this, CHI has selected and is implementing the Lawson suite of products. CHI has selected as their "alpha site" Memorial Hospital in Chattanooga Tennessee, after which hospitals will be converted in waves of four to six facilities.

"This will allow us to connect all of our back-office platforms. Consolidation of back-office functions takes the administrative costs out of the system," says Lofton, adding that even if a hospital has a daily patient census of only eight, it still has to have a payroll desk and a supply-chain operation. "We're projecting that we can save $50 million in annual costs," he says, noting that a new, centralized ERP system will eliminate the current need for CHI national staff to spend time helping smaller hospitals process payroll and supply orders.

Telemedicine combined with PACS comprises a third major initiative for the year. "Two thirds of CHI facilities are rural; 28 are sole community providers, so we're in the process of setting up hubs for telemedicine and PACS so radiologists can read medical images for multiple hospitals out of a single location."

Finally, CHI is launching an advanced clinical system from Cerner at five of its largest hospitals simultaneously. Knowledge management is the key to sharing of best practices across CHI. "For two years we put basic platforms in place using technology we already had, using 'public folders.' Now we're installing a software package to make it easier to access," says Lofton.

What's New continued

Clinical IT Benefits Measurement and Benchmarking

SI members are working with a HIMSS task force to test a data-collection instrument that will ultimately be offered to all SI and HIMSS members. The goal is to standardize the way healthcare organizations define and measure operational benefits realized from clinical system investments. HIMSS staff will collect and manage the data. Once operational, SI will use it to identify leading practices for case study presentations and discussions about success factors and lessons learned.

Knowledge Management

Ten SI members have begun a collaborative project to share information and experiences in managing and implementing Knowledge Management programs across the enterprise. Data collection has begun, and details can be found on the SI website. If your organization is interested in participating, please contact the SI office or executive director.

The prototype is the CHI Pharmacy Project. "We pulled five pharmacy directors and made them regional directors and worked on formulary management," he says. Launched three years ago, the pilot has resulted in annual savings of $7 million by emphasizing generics and reducing medication errors.

"That's been our most successful pilot. In essence it was a project designed to capture internal and external knowledge," says Lofton, adding that such investments in knowledge-management strategy have become critical to CHI's vision. "We want to continue developing CHI as a learning organization."

Conclusion

As Scottsdale Institute members face 2005, we should be feeling an increasing sense of community. IT advances like PACS, telemedicine and Internet file sharing combined with unrelenting cost pressures—and a national urgency to better link information sources—are bringing us to more connectedness. It's just another indication that the long-overdue transition from traditionally inner-directed healthcare to a more outer-directed industry is finally occurring.

Scottsdale Institute Conferences 2005

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April 20-22, 2005
Camelback Inn
Scottsdale, Ariz.

Fall Conference 2005
Sept. 15-16, 2005
Spectrum Health and Trinity Health
Grand Rapids, Mich.

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