

HOLY FAMILY MEMORIAL REFORM ROADMAP SUMMARY

The health care system, not unlike other industries, is in a dramatic state of flux and instability. Economic pressures, intense competition, reduced funding from government payors and the uncertainty of actualized outcomes of Obama reform legislation call for smart health care organizations to purposefully and strategically chart their future course.

In order to continue the 113 year HFM history and mission of providing care to the lakeshore region, wise allocation and smart growth, charted in a deliberate plan, is essential. The Reform Roadmap is HFM's strategy for thoughtful, deliberate and proactive transformation of the network and ultimate sustainability.

The overarching framework of the Reform Roadmap is intentional culture shaping, utilizing the HFM Innovator's Prescription consisting of Improvement, Innovation and Proactive Disruption processes. By weaving these into the leadership and operational fabric of the organization, HFM's senior administrative and physician leadership team is driving down the Reform Roadmap, with support from the HFM Board of Directors and its sponsor, the Franciscan Sisters of Christian Charity. Additional stakeholders include the overall leadership team, staff employees, volunteers, the local community and employers. In essence, the HFM Reform Roadmap seeks to engage in meaningful ways every person serving with and served by the organization. Improvement engages all employees and physicians; Innovation engages leadership and many employees and physicians; and Proactive Disruption engages leadership, selected physicians, Board and community leaders.

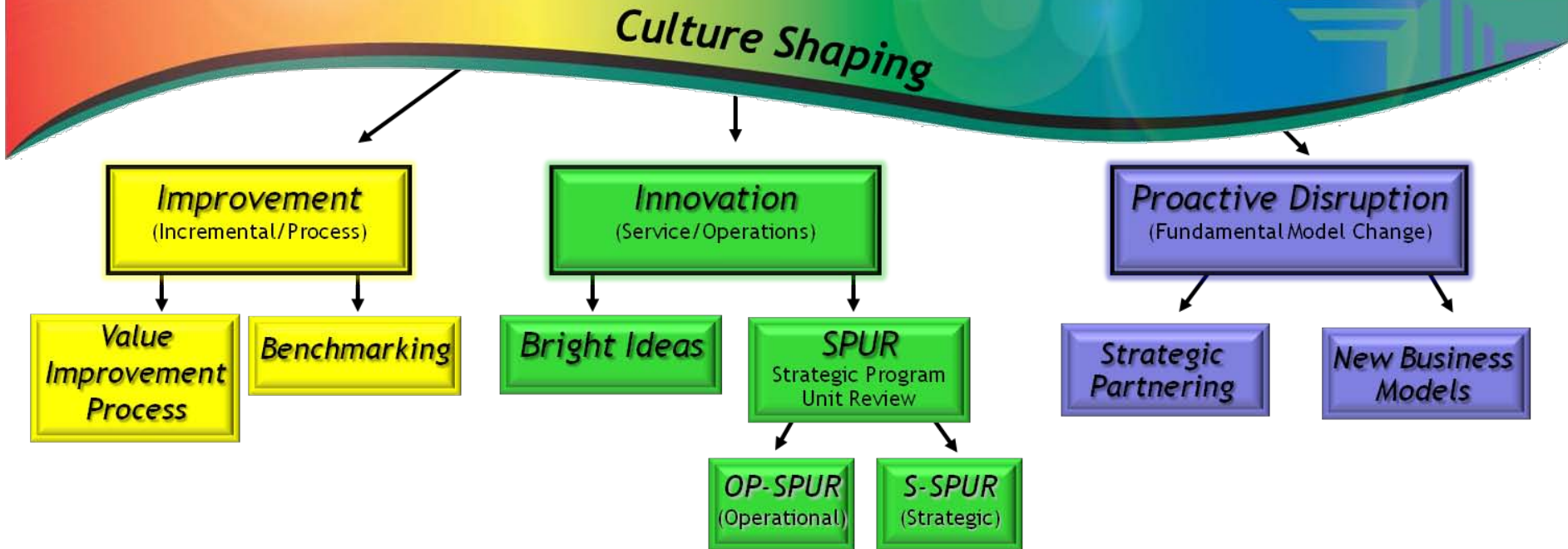
The ultimate objective is to systematically improve and redesign operations to be able to function at Medicare reimbursement levels while maintaining financial strength and excellent quality of care within our mission and values. We believe that the combined impact of Improvement (Lean/Six Sigma to reduce waste & add value), Innovation (wise allocation & smart growth) and Proactive Disruption (defining the market/Blue Oceans) will enable us to reach this objective. Our intentional culture shaping and organizational alignment embody this commitment.

Specifically, our targets include annual operational improvement of \$3.7 to 4.5 million each year from 2009 to 2017 to adjust appropriately to the new healthcare financing environment and function at Medicare reimbursement levels. HFM is well on its way with improvements of \$9.2m in 2009; 4.7m in 2010 and a projection of 4.5m for 2011.

As a culture of innovation, adaptation and achievement is continually shaped, HFM's Innovators Prescription provides a systematic methodology to attain the transformation needed to serve within its mission, vision and values well into the future.

Holy Family Memorial Reform Roadmap

To creatively and strategically transform HFM, using Improvement and Innovation tools, to fulfill our mission and achieve to a sustainable network for many years.



	Improvement Initiatives	Innovation Initiatives	Proactive Disruption Initiatives
2010	Knee implant project (\$375K impact) Lv of Absence VIP (\$180K impact) Infusion/Injection VIP (\$314K impact) Ops Bnchmk VIP (\$1.3M impact) 75% FTE participation in VIP Relocate/consolidate 20 Reed Depts Overall Improvement \$4 M impact	Initiate 3 Year SPUR process; repeat beginning 2013 Realign Leadership (31% reduction 2002-2011) Nuclear Medicine SPUR Growth (\$210K impact) TR Fitness/Rehab SPUR reposition (\$230K impact) Implement Medical Service Line QI process- continuum HIMSS Level 6.2 EMR Adoption SPUR- 50 programs, 35 completed 2010 \$760K impact	AHA Healthcare Sys Reform Fellowship Primary Care delivery trial design Regional Orthopedic s - Outreach Regional Clinical Integration exploration Begin Board level Blue Ocean discussions
2011	Fixed cost reduction- sell Reed Prop. Ops bnchmk targets to 50 th percentile Operational SWAT Teams Process Revenue Cycle Improvements Stress Test VIP (\$750K Impact) Target \$3 M Impact	Meds to Go – HarborTown Leadership Competencies- courage/capacity to lead Strategic LTC partnership formalization Migrate I & I goal setting to all areas of Network HIMSS Level 6.8 EMR Adoption SPUR: Dialysis S-SPURs: Women’s & Children’s and Ongoing Mgmt Target \$1 M	Regional Cancer Partnership ACO trial - Employer Disease Mgmt ACO trial - HFM Employees Patient Centered Medical home deployment Joint Cancer Collaborative Thought Leader Forum - Blue Ocean Short Visit Unit Pilot Target \$500K

Holy Family Memorial Reform Roadmap

Culture Shaping

Improvement
(Incremental/Process)

Innovation
(Service/Operations)

Proactive Disruption
(Fundamental Model Change)

	Improvement Initiatives	Innovation Initiatives	Proactive Disruption Initiatives
2012	Patient Experience <ul style="list-style-type: none"> • Patient Portal – Phase I • Women’s & Children’s • Ongoing Management Accountable Care Modeling Service Line Cost Containment Care coordination <ul style="list-style-type: none"> • Long term Care • End of Life Care • Transfers In and Out • Patient Mapping Implement Inpatient Review Team Consistent hospitalist protocols Limit weekend availability for non-emergent diagnostics	Provider complement - Primary/Specialty (S-SPUR) <ul style="list-style-type: none"> • Transitional Provider Compensation System • Satellite locations Complete Patient Centered Medical Home Test Models (including nursing homes) Finalize “first in market” Medicaid Medical Home model Complete SPURs focused on Acute Care, Retail and Surgical Clarify market needs in secondary market Execute approved new clinical services Aggressive Round 2 Op-SPURs to accelerate momentum Formalize the Clinical R & C process Achieve HIMSS Stage 7 (6.3 current)	Strategic continuity of care partnership in assisted living, group homes, etc. Formal partner referral paths Limited extended care beds within HFM Identify ways to apply IT and process improvement to redefine the patient experience in targeted areas. Disrupt targeted services and functions while continuing HFM’s intentional culture shaping process engaging all stakeholders in the change process. Redefine the governance process to embed fundamental inquiry & generative interaction

- Because Improvement (LEAN/Six Sigma, etc.) is well integrated into leadership and operations Reform Roadmap financial targets are now embedded into departmental & divisional budgets and are not targeted as extraordinary budget lines. Innovation is similarly treated. Leaders simply use these tools to attain their targeted goals. HFM needs to improve operations \$4-6 million dollars each year, and these three tools will be applied to achieve this.
- SPURs are an intensive process asking fundamental questions about why a service exists, its degree of excellence and if there is a better way to do it.

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2013	Patient Portal – Phase II Assist leadership, staff and physicians in meeting Reform Roadmap targets	Re-engineer Hospitalist Program to accelerate effective care management (better outcomes at reduced cost/better reimbursement) and exceptional patient experiences Take individual patient care coordination to a new level Complete Blue Oceans 2 Concept for HarborTown Phase II Execute secondary market strategy	Identify how Accountable Care can be viable “whole organization” Business Model Finalize process to determine which potential strategic partners offer an upgrade to what HFM is currently doing to effectively and compassionately serve its community
2014	Patient Portal – Phase III Assist leadership, staff and physicians in meeting Reform Roadmap targets	Execute HarborTown Phase II Blue Oceans Concept Refine and accelerate SPUR Process for Round 2-3 Integrate individual initiative/leadership for all staff to apply “bright ideas” thinking to their roles into the Above & Beyond reward system	Rebalance delivery system assets (inpatient, outpatient, clinic, retail and wellness) in anticipation of evolving role in population management