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A DECADE OF PROGRESS

2014 IMPACT REPORT

ENHANCING QUALITY, SAFETY AND EFFICIENCY



Southern Atlantic Healthcare Alliance

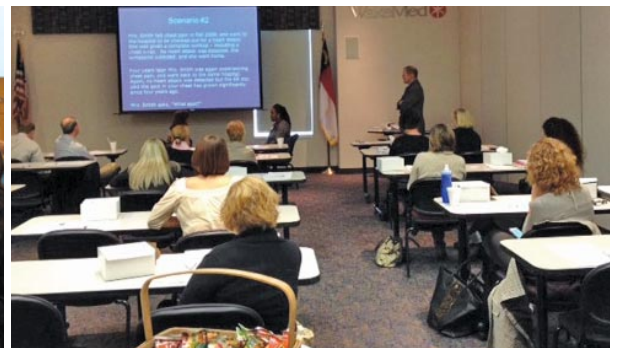


**2013-2014 BOARD OF DIRECTORS
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 Swati Bhardwaj, *Director of Operations*
 Carl Gryczynski, *Strategic Services Manager – Contracts*
 Marilee Johnson, *Strategic Services Manager*
 Cindy Nobling, *Executive Assistant/Office Manager*



A MESSAGE FROM OUR CHAIRMAN

It's hard to believe that it's been over 10 years now since a group of hospitals in central and eastern North Carolina came together in 2004 to form the Southern Atlantic Healthcare Alliance, or "SAHA" as we know it today. Several of those charter members remain members to this day – Betsy Johnson Regional Hospital (now Harnett Health), Halifax Regional Medical Center, Lenoir Memorial Hospital, Nash Health Care Systems, Onslow Memorial Hospital, Sampson Regional Medical Center, WakeMed, and Wayne Memorial Hospital. Others have been added over the years – Cone Health, Johnston Health, Morehead Memorial, Randolph Hospital, and VCU Community Memorial Hospital, our first Virginia member. Several others have joined and subsequently left SAHA's ranks due to mergers or acquisitions, but I have no doubt that they would still attest to the value that SAHA brings to its members.

I've had the honor of serving as a member of SAHA's Board of Directors for all 10 years since SAHA's founding; first as the Chief Executive Officer at Sampson Regional, and now as the President and Chief Executive Officer at Nash Health Care Systems. This continuity of service uniquely qualifies me to speak to the value that SAHA has delivered to its members over these past 10 years. Over these years, SAHA's value proposition has evolved into three primary functions – networking, education (through SAHA College), and contract negotiation using the aggregate purchasing power of SAHA members to gain more advantageous pricing for goods and services for our members.

In the following pages, these three pillars of SAHA's existence will be highlighted and quantified. The benefits of the networking opportunities that SAHA offers can't be overstated, and through SAHA College, staff at our member hospitals has access to seminars and workshops that are cost-effective and minimize travel and out-of-office requirements. But the most quantifiable aspect of SAHA's 10-year legacy lies in the positive cost-savings from participating in SAHA's contracts portfolio. In SAHA's 10 short years, members have realized aggregate savings of well over \$36 million generating an average return on investment for our members of over 5:1. And, as members of the newly formed Illucient Purchasing Alliance, SAHA's joint venture with the Coastal Carolina Health Alliance for contract aggregation, SAHA members should see even greater savings going forward!

It's been a great 10 years! I'm certain that the next 10 will be even better!

With best regards,

LAWRENCE H. CHEWNING
2014 / 2015 Incoming Chairman of the Board

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SOUTHERN ATLANTIC HEALTHCARE ALLIANCE MEMBERSHIP



Cone Health

Greensboro, NC

GUILFORD AND
ROCKINGHAM COUNTIES

President & CEO:

Terrence B. Akin

(336) 832-7000

www.conehealth.com



Halifax Regional Medical Center

Roanoke Rapids, NC

HALIFAX COUNTY

President: William Mahone

(252) 535-8011

www.halifaxmedicalcenter.org



Harnett Health System

Dunn, NC

HARNETT COUNTY

CEO: Daniel Weatherly

(910) 892-7161

www.harnetthealth.org



Johnston Health

Smithfield, NC

JOHNSTON COUNTY

President & CEO:

Charles W. Elliott Jr.

(919) 934-8171

www.johnstonhealth.org



Lenoir Memorial Hospital

Kinston, NC

LENOIR COUNTY

President & CEO: Gary Black

(252) 522-7000

www.lenoirmemorial.org



Morehead Memorial Hospital

Eden, NC

ROCKINGHAM COUNTY

President & CEO:

Howard Ainsley

(336) 623-9711

www.morehead.org



Nash UNC Health Care

Rocky Mount, NC

NASH COUNTY

CEO: Lawrence Chewning

(252) 443-8000

www.nhcs.org



Onslow Memorial Hospital

Jacksonville, NC

ONSLOW COUNTY

President & CEO: Ed Piper, PhD

(910) 577-2345

www.onslow.org



Randolph Hospital

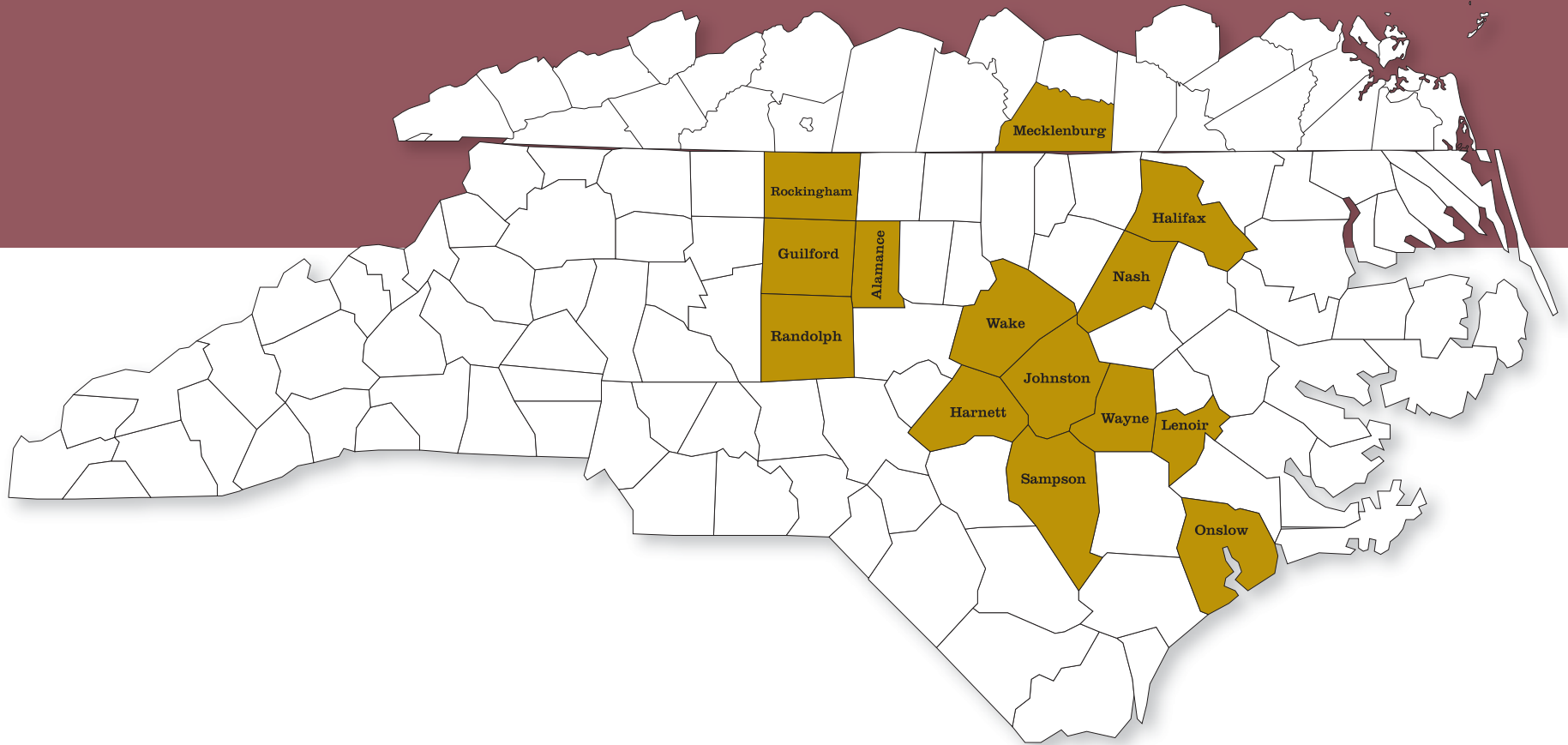
Asheboro, NC

RANDOLPH COUNTY

CEO: Steven E. Eblin

(336) 625-5151

www.randolphhospital.org



**Sampson Regional
Medical Center**

Clinton, NC

SAMPSON COUNTY

CEO: Dr. Shawn Howerton
(910) 592-8511
www.sampsonrhc.org



**VCU Community
Memorial Hospital**

South Hill, VA

MECKLENBURG COUNTY, VA

President & CEO:
W. Scott Burnette
(434) 447-3151
www.cmh-sh.org



**WakeMed Health &
Hospitals**

Raleigh, NC

WAKE COUNTY

President & CEO:
Donald R. Gintzig
(919) 350-8000
www.wakemed.org



Wayne Memorial Hospital

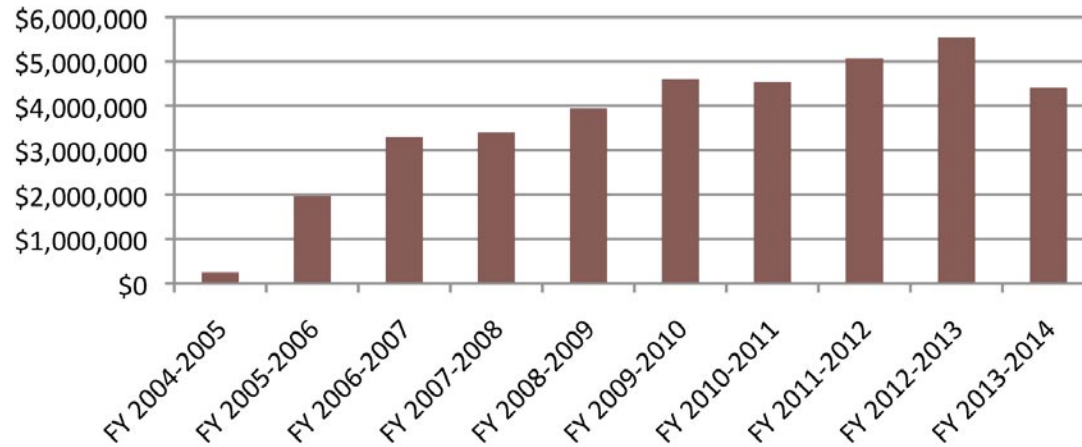
Goldsboro, NC

WAYNE COUNTY

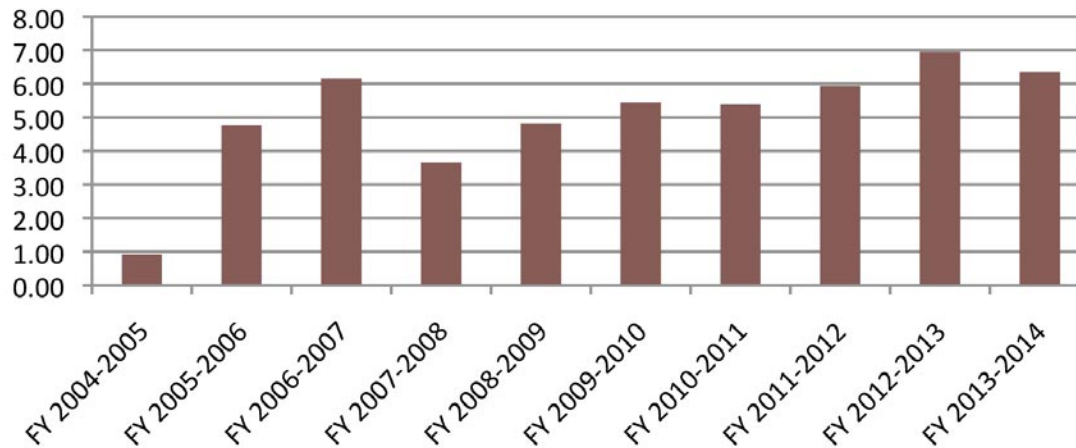
President & CEO: J.
William Paugh
(919) 736-1110
www.waynehealth.org

10 YEARS OF ROI

SAHA Yearly Membership Savings



SAHA Yearly Membership ROI



Members have experienced a healthy return on investment (ROI) from the time they joined the SAHA team to today. Most importantly, dollars invested in SAHA educational programs, idea exchanges and quality initiatives translate into more knowledgeable and effective workforces and ultimately healthier communities.



CONTRACT HIGHLIGHTS

Each year SAHA continues to find opportunities to bring value to its member hospitals. These opportunities are broad and vary to match member needs. The opportunities and resulting savings demonstrate the benefits of SAHA membership as hospitals and health systems continue to look for new ways to improve efficiency and their bottom lines.

Through FY 2014, SAHA's collaboration with member hospitals continues to transform and improve each member. Here are some of the opportunities realized in the past year:

Accelerated Claims, Inc.

Accelerated Claims, Inc. (ACI) provides six SAHA member hospitals with highly efficient motor vehicle accident and workers' compensation account management processes. ACI is unique because it dedicates a staff member to these SAHA hospital emergency departments. The ACI staff member meets accident patients as soon as possible. Participating hospitals increased cash collections on these complicated accounts and negotiated discount rates to save more than \$700,000 on fees.

FirstPoint Collections Resources, Inc.

Bad debt collections can be difficult, but they are necessary to every hospital's cash stream. FirstPoint Collections Resources, Inc. and their "Best in Class" full-service collections process helped four SAHA member hospitals successfully turn bad debt receivables into cash. In addition, SAHA was able to save participating hospitals \$148,421 by negotiating reduced fees with FirstPoint.

Lincoln Financial Group & Sun Life

SAHA and Progressive Casualty Insurance Company worked together to extend life, disability and stop-loss coverage savings to member hospitals by combining volumes. Seven member hospitals saved \$546,621 with Lincoln Financial Group by combining their volumes. Sun Life provided \$320,383 in savings for six hospitals.

10 YEARS OF EDUCATION & KNOWLEDGE SHARING



Providing education and collaborative opportunities to add value for member hospitals has been SAHA's goal for the past 10 years and will continue to be a primary focus. SAHA's education arm, "SAHA College" has significantly evolved and, in addition to providing approximately 30 seated educational sessions each year, has added online and on-demand educational courses – all in the spirit of innovation and solution orientation.

Since SAHA College's establishment, more than 5,100 "students" have attended SAHA College sessions on such topics as Enhancing the Patient Experience, Joint Commission Readiness, Employee Engagement, Leadership Development, and boot camps on Coding and CMS/Medicare

updates. Continuing education credits for many of these sessions are offered through professional accrediting entities like Wake AHEC, ACHE, NAHQ, ASRT and the APTA.

The past 10 years have flown by! Here are some of the highlights and milestones that demonstrate SAHA's value to our members:

- >> Partnerships with the NC Quality Center and the Carolinas Center for Medical Excellence.
- >> Participation in the 100K Lives Campaign sponsored by the Institute of Healthcare Improvement, focusing on medication reconciliation and rapid response team strategies.
- >> The Nursing Leadership Academy was coordinated in conjunction with The Advisory Board. Sessions were held to prepare staff for management roles and strategies were shared for "Taking Teams from Ordinary to Extraordinary: Practical Strategies for High Performance."
- >> Online/On-Demand, educational resources like the RAC University, Athena Forum, AHIMA and HCPro offer members the opportunity to learn at their own pace without incurring travel costs. SAHA pays for member access to these resources on behalf of the membership.

MAKING MHAs A REALITY

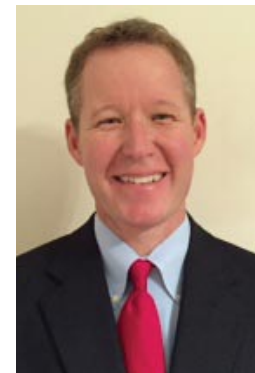
SAHA's partnership with Pfeiffer University helps staff at member hospitals pursue master's degrees in health administration. Classes for the special SAHA cohort are offered at the WakeMed Raleigh Campus. In addition to the convenience of location and time, several other perks, including tuition discounts, are available through this cohort. We are grateful to Dr. Joel Vickers and WakeMed for their support in this endeavor.

"Pfeiffer University highly values the relationship with WakeMed and SAHA that has been in place for more than a decade," said Dr. Vickers. "During that period of time, some 104 health professionals have graduated from the Master of Health Administration and the Joint Degree Master of Health Administration / Master of Business Administration programs that have been delivered on-site at WakeMed. We sincerely look forward to a continuation of this partnership in the future."



"Getting a master's degree in health administration had always been something I wanted to do, and the Pfeiffer program made that possible. The curriculum was well-rounded and the relationships I built with my fellow students will last a lifetime. It was well worth the time and effort! Thanks!" – Tracey Carson, Administrative Director, Johnston UNC Health Care

"The MHA program offered to SAHA members in partnership with Pfeiffer University has allowed me to pursue a goal I've had for many years. The program offers face-to-face interaction with professors and colleagues in a traditional classroom setting, which is what I was looking for. The program allows you to network with other talented professionals with similar goals. The practicality of the information is immediately relevant and impactful in my present position. I am thrilled to be a part of this program and appreciate SAHA for making this opportunity available to hospital systems that could not sponsor a program like this otherwise." – Howard G. Whitfield, OTR/L, Administrative Director, Rehabilitation Services, Wayne Memorial Hospital



NETWORKING



SAHA's team-based approach covers almost every area of the hospital. Leads in the various disciplines from member hospitals are represented on their respective SAHA teams and most get together on a regular basis to tackle challenges and share best practices. While each member is an independent entity and members may even be competitors in the marketplace, their collaborative spirit shines through under the SAHA umbrella. Team meetings and listservs facilitate healthy discussions and very often result in imparting pearls of wisdom without having to reinvent the wheel.

"I find value in networking with my peers through meetings at SAHA. Also, the meetings that the SAHA team puts together offer a wealth of knowledge that we can bring back to our organization. The topics are always pertinent to everyday operations. The value of working with companies who partner with SAHA is also beneficial to the organization for cost saving while using a reputable company. I look forward to future meetings at SAHA and networking with peers," – Sharon McGraw, HIM Director, Sampson Regional

Sharing best practices is at the heart of what we do. Several members have shared their achievements, right from the difficult start to the celebratory ending; whether the subject was the importance of ambulation, wound classification, reducing infections, touring a facility, looking at the latest automation software or working in a SIM lab.

10 YEARS OF TEAM-BASED ACCOMPLISHMENTS

- » **Human Resources team** – members worked together on cost-savings initiatives such as life and disability benefits, FMLA outsourcing and choosing to go with the Work Number which is a service paid for by SAHA.
- » **Pharmacy team** – members worked on solutions for pharmacy distribution, 24-hour pharmacy coverage and split-billing solutions for 340B.
- » **Business Office team** – members found a solution for patient registration services, self-pay collection services and outsourcing of motor vehicle and workers' compensation claims.
- » **CFO team** – executives coordinated access to resources like Open Markets' buying rooms for best pricing on equipment, BCE Healthcare Advisors for their peer-to-peer physician education to improve clinical documentation, RAC compliance and reimbursement, and JVION's predictive analytics tool.
- » **Health Information Management team** – members evaluated options for outsourcing transcription that resulted in lower costs and better quality service.
- » **Nursing & Patient Care teams** – working together, members enhanced peer-to-peer communication for better patient outcomes, greater compliance and improved efficiency, through in-person team meetings as well as the use of team-specific secure, members-only listservs. They also chose ShiftWizard for electronic scheduling. ShiftWizard began as a "nursing only" option and quickly expanded to ancillary departments.
- » **Rehab team** – members shared best practices and strategies for compliance with Joint Commission and CMS regulations that impact their areas.

"I greatly appreciate SAHA organizing our quarterly Rehab meetings . . . I find the opportunity to network with peers from member hospitals to be invaluable."

– Jay Smith, Director, Acute Care Rehabilitation, Cone Health



10 YEARS OF MULTI-DISCIPLINARY TEAM ACCOMPLISHMENTS

- » **Enhanced Communication** – Materials and Operating Room team members coming together to hear about effectively managing the supply chain in the OR, as well as joint meetings among RAC, Business Office, HIM and Case Management team members tackling the challenges of patient status and the RACs.
- » **Improved Care Quality & LOS** – Collaboration between the Rehab and Nursing teams to understand the importance of early ambulation to enhance patients' recovery.
- » **Staying Current** – SAHA partnered with Precyse to help member hospitals prepare for ICD-10.
- » **Learning while Networking** – After the Nurse Educators team toured the WakeMed Center for Innovative Learning, a state-of-the-art medical simulation facility, WakeMed and SAHA teamed up to offer simulation education experiences to interested members of the alliance.



“The collaborative partnership between the Center for Innovative Learning and SAHA has engaged nursing educators to consider how simulation can be utilized to directly impact patient outcomes. As health care continues to evolve, our hope is to continue to grow this partnership by helping to provide first-hand experience of the power and value simulation can provide.” – Amar P. Patel, D.H.Sc., MS, NREMT-P

“The SIM Lab tour at WakeMed offers hospital based educators the opportunity to see an example of top- notch instructional tools for the multidisciplinary team. Even if the educational budget does not allow for the purchase of high expense items, any educator who attends the tour can come away with a renewed excitement for healthcare education and some great ideas to incorporate into any learning experience. The day also gave educators the opportunity to network with other educators involved in SAHA.” – Lisa Guy, Clinical Educator, Randolph Hospital



WORKING TO MEET MEMBER NEEDS

SAHA conducts an annual survey of the membership to help gauge the alliance’s performance, identify the needs of members, and solicit their feedback on ways we can better meet those needs. The survey provides the input and feedback critical to our goal of providing value-added services to our membership in a timely and relevant manner.

Strengths

Statement	Average Score
SAHA staff is professional, courteous, and respond in a timely manner.....	4.91
SAHA staff facilitates meetings and educational seminars well	4.84
SAHA is a valuable resource for its members.....	4.74
SAHA communicates relevant information for my team(s) in a timely manner	4.72
I would recommend SAHA College sessions to a colleague	4.66

Opportunities for Improvement

Statement	Average Score
My leadership supports and/or encourages me to attend team meetings.....	4.38
My hospital leadership actively communicates and promotes SAHA in our organization	4.31
I am aware of the cost savings my hospital achieves through SAHA	4.20

While we celebrate our strengths, we appreciate the clear picture the survey gives us of the ways we can improve our service to member hospitals. Our focus going forward will be to better support member hospital leaders in their efforts to promote the value of educational offerings available through SAHA. In addition, we will work with hospital leaders to identify the most effective ways to communicate their individual cost savings to their workforces.



CCHA's Yvonne Hughes and SAHA's Bill Bedsole are all smiles after executing the Operating Agreement for the Illucient Purchasing Alliance.

Moving forward

As the preceding pages have demonstrated, over the past 10 years SAHA has been successful in providing great value to its members. But, as one of my mentors always reminded me, "we're judged on present-day performance." So while we can take pride in the value that we've brought to our members over these past 10 years, we realize that it's not enough to just keep on keeping on . . . we have to keep looking for ways to bring even greater value to our members.

We all know that over the past few years, mergers and acquisitions have dominated the healthcare headlines. Last fall, SAHA took a page from the healthcare merger and consolidation playbook and on October 21, 2014, filed Articles of Organization to enter into a joint venture with the Coastal Carolinas Health Alliance (CCHA) to combine the purchasing power of both alliances under one entity. That venture, known today as the Illucient Purchasing Alliance, effectively doubled the

negotiating footprint of each alliance and will provide members of both alliances with a broader and more price-competitive contract portfolio. For various reasons, there will still be a few SAHA-specific contracts that will only apply to SAHA members, and the same will hold true for CCHA, but most contracts going forward will be negotiated and marketed under the Illucient banner.

SAHA will remain fully independent with regard to our networking efforts, educational offerings, and governance. Our SAHA teams will continue to meet and share best practices, and SAHA College will continue to provide high-quality, low-cost continuing education for SAHA members. For all practical purposes, the formation of Illucient gives SAHA members the best of both worlds – our small, collegial atmosphere will be preserved, but our members will reap the savings benefits that come from being a part of a much larger organization.

Thank you for your support and dedication to SAHA these past 10 years. We're excited about the future for SAHA and pledge to continue to look for ways to provide even greater value to each of our members – moving forward. . . .

Bill Bedsole
Chief Executive Officer

“Think SAHA First” is our team mantra. With the constant change and evolution of healthcare, SAHA continues to provide value for members through education, collaboration, and cost savings.” — Rosalind McDonald, Chief Nursing Officer at Lenoir Memorial Hospital



Rosalind gave testimony to SAHA’s success by noting, “The Southern Atlantic Healthcare Alliance was initiated shortly after I attained my present position. As a member of one of the founding hospitals, the SAHA charter, as I understood, promised networking opportunities and facility cost effective buying through the collaborative of member hospitals. The prospects of both were exciting, and have materialized and benefited all member facilities, especially in the present healthcare environment. I have gained many professional acquaintances over the years. I have found the SAHA staff not only receptive, but reactive to all requests. The SAHA College offers excellent time-sensitive educational offerings not only for the Nurse Administrator level, but also for nurse managers.”

SAHA GOALS

- To build collaborative relationships between hospitals in the region with the purpose of improving the quality and delivery of healthcare for the patients we serve
- Support and strengthen our member hospitals through collaborative efforts, networking and educational opportunities
- Create value for members by providing validated savings or operational/quality improvement opportunities

SAHA MISSION

To support and strengthen our member hospitals.



Southern Atlantic Healthcare Alliance

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