



A MESSAGE FROM OUR CHAIRMAN

I consider myself fortunate to have been able to serve as the Chairman of the Board for the Southern Atlantic Healthcare Alliance this past year. It was both a learning and rewarding experience.

Looking back, 2012 was a year of tremendous change and growth for SAHA.

Our new CEO, Bill Bedsole, came on board in August of 2011; and, as the former
CEO at one of our original member hospitals, Bill was already familiar with SAHA's
history and service culture. This ensured a smooth transition from the solid
leadership that Dale Armstrong had provided as our former CEO, and allowed
SAHA to continue to meet the needs of our members without interruption.

Bill was also well known in the state, and that familiarity proved a tremendous asset in facilitating the recruitment of four new members to our Alliance — Alamance Regional Medical Center in Burlington, Morehead Memorial Hospital in Eden, Randolph Hospital in Asheboro, and our first out-of-state member, Community Memorial Healthcenter in South Hill, Virginia. These new members not only expanded our footprint in the region, but also enhanced the stability of our organization. They immediately immersed themselves in the networking opportunities that SAHA provides, and took advantage of many of the savings opportunities provided under SAHA's contract services portfolio.

During the year, SAHA also expanded and renegotiated many of the contracts that we offer. As a result, 2012 set a record for the highest average return on investment for our members at almost 6 to 1, with aggregate savings topping the \$5 million mark for the first time in our history.

The next few pages will give you a brief overview of SAHA's accomplishments this past year. I am extremely proud of these achievements and look forward to another successful year for our Alliance in 2013.

Thank you for allowing me to serve as the Chairman of our organization.

WILLIAM MAHONE, V

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Chairman of the Board

2011 / 2012

SOUTHERN ATLANTIC HEALTHCARE ALLIANCE

MEMBERSHIP



Alamance Regional Medical Center

Burlington, NC

ALAMANCE COUNTY

President & CEO: John G. Currin, Jr., FACHE (336) 538-7000 www.armc.com



Cone Health

Greensboro, NC

GUILFORD AND ROCKINGHAM COUNTIES

President & CEO: Tim Rice (336) 832-7000

www.conehealth.com



Harnett Health System

Dunn, NC

HARNETT COUNTY

CEO: Kenneth E. Bryan (910) 892-7161

www.harnetthealth.org



Lenoir Memorial Hospital

Kinston, NC

LENOIR COUNTY

President & CEO: Gary Black (252) 522-7000

www.lenoirmemorial.org



Community Memorial Healthcenter

South Hill, VA

MECKLENBURG COUNTY, VA

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



High Point Regional Health System

High Point, NC

GUILFORD COUNTY

President: Jeffrey S. Miller (336) 878-6000

www.highpointregional.com



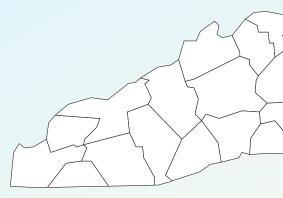
Morehead Memorial Hospital

Eden, NC

ROCKINGHAM COUNTY

President & CEO: W. Carl Martin (336) 623-9711

www.morehead.org





Halifax Regional Medical Center

Roanoke Rapids, NC

HALIFAX COUNTY

President: Will Mahone (252) 535-8011

www.halifaxmedicalcenter.org



Johnston Health

Smithfield, NC

JOHNSTON COUNTY

President & CEO: Charles W. Elliott Jr. (919) 934-8171

www.johnstonhealth.org



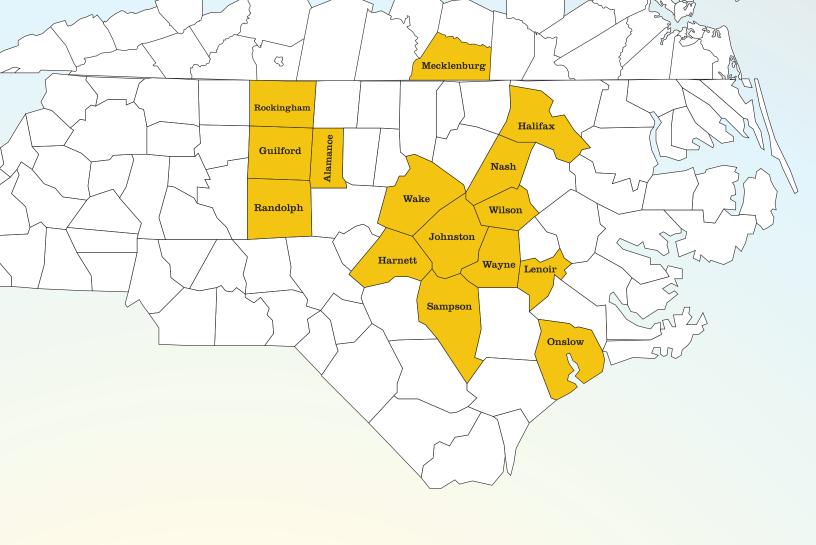
Nash Health Care Systems

Rocky Mount, NC

NASH COUNTY

CEO: Larry 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



WakeMed Health & Hospitals

Raleigh, NC

WAKE COUNTY

President & CEO: William K. Atkinson, PhD (919) 350-8000 www.wakemed.org



Randolph Hospital

Asheboro, NC

RANDOLPH COUNTY

CEO: Steven E. Eblin (336) 625-5151

www.randolphhospital.org



Wayne Memorial Hospital

Goldsboro, NC

WAYNE COUNTY

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



Sampson Regional Medical Center

Clinton, NC

SAMPSON COUNTY

CEO: David Masterson (910) 592-8511

www.sampsonrmc.org



Wilson Medical Center

Wilson, NC

WILSON COUNTY

President & CEO: Richard Hudson (252) 399-8040 www.wilmed.org







AHA members work in fast-paced, dynamic environments, delivering highly advanced medical care every day to every patient. They face constant challenges to stay abreast of new technologies and discoveries, to manage health care costs, to plan strategically for growth and change, and to meet federal and state regulations regarding quality and patient safety.

At SAHA, we feel the impact of the challenges faced by our members, albeit indirectly, and we deal with constant change. However, we remain focused on our original, basic mission of providing value to our members with return on investment, education and networking. Because we continue to do that and do it well, our members can do what they do best—take care of patients—while also taking advantage of cost savings, educational opportunities and learning from each other through networking with their peers at SAHA.

In 2011-12, SAHA added value for its members in every area:

- We generated savings of \$5,062,159 with contract negotiations and educational offerings.
- We added more value through education, delivering jam-packed information sessions in person and online, many of which allowed our members to earn continuing education credits while saving them time and money.
- We have become more collaborative, adding joint team meetings to meet the need for departments within the
 hospitals (and hospital members within SAHA) to communicate more effectively and to adapt to changes in market
 and health care reform. This initiative resulted in more open dialogue and information sharing that has benefited our
 members tremendously.
- We actively solicit views from our members about the services, resources and types of education sessions they want and need, and what would help them the most. When we gather their input, they push us to ever higher levels of excellence, and, as a result, everyone benefits.

Return on investment, education and networking make up the cornerstone of our organization. By building on these basics, we have strengthened our own core values and provided increased value to the health care managers, directors, physicians, nurses and other clinical and non-clinical professionals who comprise our membership.

Crucial to creating value for our member institutions – in cost savings, operational efficiency and quality improvement – are the SAHA networking teams. Directors, managers and chief officers of the various service lines and health care operations that comprise today's hospitals make up these teams. Each team meets several times a year to discuss common areas of interest, identify educational needs, explore opportunities for cost savings and build collaborative relationships by sharing information, ideas and best practices.

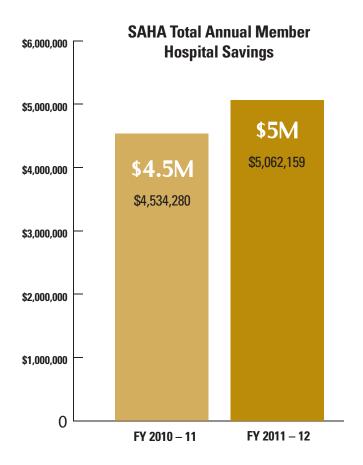
Return on Investment

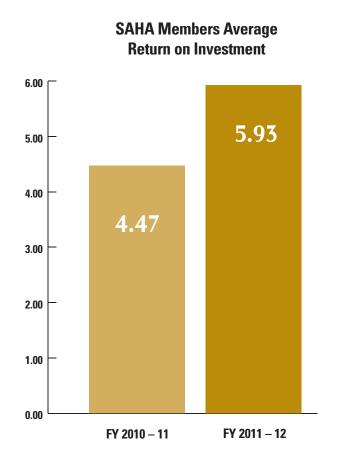


ne of SAHA's basic competencies and a core benefit to members is cost savings, achieved through aggregating member volume and negotiating discounts on custom contracts. Savings to members reached \$5,062,159 for fiscal year 2012, with an average return on investment (ROI) of \$5.93 (savings on every dollar invested in SAHA), compared with \$4.47 the previous year.

SAHA Returns to GPO-Neutral Status

The five-year contract with VHA expired in 2012, and SAHA has now returned to its original GPO-neutral status. SAHA members will notice no change in SAHA operations or resources, and SAHA members with VHA as their chosen GPO will continue to enjoy supply savings through the formation of a new VHA network, CAHN, just as non-VHA members enjoy supply savings through their chosen GPO. SAHA contracts remain in place and are not affected by this change in status. The change allows SAHA more flexibility and is a win-win for all members.





major benefit of SAHA membership is leveraging the power of numbers to negotiate contracts that save our members money while gaining them specialized and technical knowledge that would be difficult for them to afford on their own. SAHA has dozens of contracts and agreements with vendors and specialized service providers and consultants who offer our members premium services at a reduced cost.

An example is our contract with Executive Health Resources (EHR). Of our 16 members, 13 have signed up to work with EHR (with resulting savings of \$1 million), which provides solutions to meet regulatory compliance and operational needs while managing clinical care and maintaining sound financial performance.

Significant savings also came from SAHA's contract with Accelerated Claims Inc. (ACI), which manages the medical claims of motor vehicle accident victims that present in a hospital's emergency room. By providing management for motor vehicle accounts, ACI assists hospitals in achieving increased patient satisfaction and cash flow. SAHA's agreement with ACI resulted in savings of about \$350,000 for the two member hospitals currently working with the vendor.

Other new SAHA Contracts/Agreements and the associated SAHA Team are:

- Allgood Professional Services (Business Office)
- · AuthentiDate (Case Management)
- Axial Exchange, Inc. (Emergency Department/Case Management)
- Dr. Stephan Dorman, Consultant (Compliance/Medical Staff Coordinators/Quality)
- EDCO (Health Information Management)
- e-Scan (Business Office)
- Halogen (Human Resources)
- HQI Partners (Core Measures/Quality)

- Landmark (Health Information Management)
- Modern BioMedical (BioMed)
- PHS West (Nurse Managers)
- PMMC (Business Office)
- ProPhysics (Radiology)
- Recondo (Business Office)
- Restaurant Technology, Inc. (Food Services)
- Steritech (Environmental Services)
- The Beryl Institute (HCAHPS)
- Total Living Choices (Case Management)
- Triad Isotopes (Radiology)

Education

n addition to our purchasing power, one of SAHA's greatest strengths lies in providing education opportunities for members. SAHA built on this basic value by offering more free and low-cost education sessions on pertinent professional development and industry topics, reaching members through live sessions, teleconferences and webinars. Being a member-driven organization, this programming is designed from member input.

In 2011-12, SAHA:

 Hosted 21 live sessions on a variety of topics ranging from Managing Across Generational Differences to more technical subjects such as laser safety, to compliance oriented areas like medical staff standards and medication management. Nearly 700 attendees from various disciplines participated in the sessions.

Professional Development Topics included:

- · FMLA and Union Update
- · Managing Difficult People
- · Navigating Management in Times of Social Media
- · Generational Differences

Industry Topics included:

- Joint Commission Updates
- · Managing the Agitated Patient in the ED
- Medication Management
- · Meaningful Use
- Value Based Purchasing and HCAHPS
- · Laser Safety in the Operating Room
- · Diabetes Service Line Management
- · Ventilator Associated Pneumonia (VAP)
- Avoiding Costly Billable Unit Issues for Pharmacy

Free online education continues to be a huge member benefit. SAHA purchased more than 170 hours of online continuing education for members at no charge this fiscal year from sources such as AHIMA, HCPro, RAC Monitor/MedLearn, AHC Media, web-based Health Care Compliance and Management Training (in partnership with HCPro), Athena Forum and more. Most of these also qualified for Continuing Education credits/units (CEUs).

In 2011-12, SAHA renewed its agreement with Athena Forum, an online education tool for case managers, which grants access to its course curriculum and 340 continuing education (CE) certificates for registered nurses, social workers, ACMs and certified case managers. Athena Forum's CE certificates are accredited by the American Nurses Credentialing Center (ANCC) the National Association of Social Work (NASW) and the Certified Case Managers Commission (CCMC). The cost of this program was underwritten by SAHA, saving its members more than \$40,000.

SAHA is now authorized to award pre-approved qualified credits for various education sessions toward advancement or recertification in the American College of Healthcare Executives (ACHE).

Here's a selection of offerings:

- Annual Joint Commission Update
- Medical Staff Standards Update
- Medication Management

Recent Sessions Offered to Members

Navigating Management in Times of Social Media and Generational Differences: This session focused on the popular use of social media and how employees can undermine marketing campaigns, create workplace harassment issues and broadcast your hospital's secrets to the world, and how you can best handle and manage this.

Generations at Work: Experts explained the generational differences in today's workplace that can lead to misunderstandings about work ethic, respect for authority, paying one's dues and even proper dress. This session provided practical strategies and tips for how to manage and work in a multigenerational workplace.

Credentialing Boot Camp: This half-day long training, geared toward physicians on credentialing, covered four major areas:

- · Landmark Cases Establishing Legal Precedent
- · Principles of Effective Credentialing and Privileging
- Linking OPPE and FPPE to Credentialing and Privileging Decisions
- How to Manage Behavioral Issues

Laser Safety Training Program: This program focused on laser safety in the operating room and included didactics as well as hands on training for the attendees. In addition to learning about essential safety steps while using lasers, the session delved into the scientific aspects of lasers, including laser biophysics and tissue interaction. Best practices on the use of multi-wavelength lasers and laser safety protocols appropriate for healthcare facilities were also discussed.

inda Manning, RN, BSN, CCM, of Cone Health in Greensboro, NC, is particularly pleased with the Athena Forum offered through SAHA. The online convenience enabled her to get the credits she needed to maintain her case management certification, and the depth of the programs keeps her on the cutting edge of her field. She said her director encouraged her team to use the program offered by SAHA to get continuing education credits online.

Manning said she needed to complete her CE hours at a time when she was dealing with family illnesses that would have made it difficult for her to attend classes. "It was very convenient for me to be able to study from home," she said.

"Also, case management is on the move all the time, and changing constantly. The Athena Forum taught me ways to deal with certain patient types I might not see often, how to more specifically define home health care needs and what equipment or supplies might be needed, so I can better prepare patients for their return home," she said.

"I really felt I had been to school," she said after completing her Athena Forum coursework online.



Collaboration and Communication

he current health care environment requires collaboration and communication across departments and disciplines to continue to be successful. To reflect this need, SAHA channeled its focus to joint team meetings this year, encouraging and facilitating knowledge-sharing and networking across multi-disciplinary departments. In addition, there was an added effort for team-based education in a setting where everyone feels encouraged to share knowledge and ideas.

Some of the joint team meetings that proved productive were a CNO/Nurse Managers retreat and a joint session for HCAHPS, Quality and Core Measures. They addressed such hot topics as enhancing the patient experience and improving staff and patient satisfaction, value-based purchasing, and meaningful use. Also, a joint meeting with Pharmacy and the Business Office Managers teams established a common platform to solve billing issues involving medications.

Another important topic was addressing strategies and improving documentation to avoid and improve outcomes on RAC and other audits at several joint RAC, HIM, Business Office, Clinical Documentation and Case Management team meetings, as well as during a private session with EHR for SAHA members.

Our newest team, Physician Practice Managers, met to hear from the Advisory Board on best practices for managing physician practices. This growing trend among hospitals—purchasing physician practices—is intended to improve efficiency of care and to better position the hospitals and physician practices financially for health care reform.

Tracey Woodruff, administrative director of Patient Care Services for Johnston Health, said she looks forward to collaborating with other team members who are managing physician office practices.

"As a team, we have already begun looking at software from the Advisory Board that will help us obtain data and information we need to manage these practices efficiently and effectively," she said. "While we are just getting underway, I am encouraged by the interest and energy of the team and I look forward to being very productive."

SAHA Teams

- · BioMed/Facilities
- · Business Office Managers
- Case Management
- Chief Financial Officers/Finance Committee
- · Chief Information Officers
- · Chief Medical Officers
- · Chief Nursing Officers
- · Clinical Documentation
- Compliance/Accreditation
- · Core Measures
- Education
- · Emergency Department
- Environmental Services
- · Food Services Directors
- · HCAHPS/Patient Satisfaction
- · Health Information Management
- Home Care
- Human Resources
- · Infection Control/Practitioners
- · Lab Directors
- · Materials Management
- Medical Staff Coordinators/Credentialing
- · Network Administrators
- Nurse Managers
- · Operating Room Directors
- Patient Advocacy
- Patient Safety
- · Pharmacy Directors
- Physician Practice Managers
- Quality
- RAC
- Radiology
- Rehab
- · Respiratory/Pulmonary

Quality & Patient Safety Compliance

atient safety is a top priority and focus of all hospitals. SAHA has brought more teams together to focus on quality and patient safety initiatives. By openly sharing information and best practices, SAHA members set aside competition to stay patient centered.

Teams meet quarterly or monthly, in person or by conference call. They also send out inquiries on the member listsery, which means information is shared immediately and good practices can be implemented sooner rather than later.

"Networking is essential so we are not reinventing the wheel, to afford people best practices and apply the knowledge so we can make improvements to better serve our patients," said long-time SAHA team member Jo Malfitano, DNP, MBA, RN, CPHQ, NE-BC, who is Performance Improvement & Accreditation Manager at Onslow Memorial Hospital.

Even though some team members are from competing hospitals she said, all are very open about sharing information that can help others.

"There is no competition—everyone is looking out for the patient. That is the theme," Malfitano said. So while the open, collaborative approach benefits team members tremendously, in the end, it benefits patients the most. The Quality Team meetings focus on keeping members updated on quality issues such as Value Based Purchasing, Meaningful Use, and Hospital Quality Measure Reporting. Elizabeth Hood, Senior Quality Analyst in the Wayne Memorial Hospital Performance Improvement Department, said she looks forward to these meetings.

"We have been able to see relevant software demonstrations at the meetings such as Midas+ and Sentry 7 for surveillance," she said. "This is a great time-saver for participants and gives us a chance to determine if we want to further explore the product without having to arrange an introductory demo at our facility."

She said it was also helpful to be introduced to telemonitoring for patients at home, which may be an option for hospitals concerned with readmission rates.

"Team members share their hospitals' practices for performance improvement and are very generous with forms and ideas," she said. "We are all facing increased requirements to meet federal guidelines and to assure quality care for all patients. The team helps us to stay aware of the requirements. The team is also interested in improving the patient experience and we share methods that are successful in our hospitals."

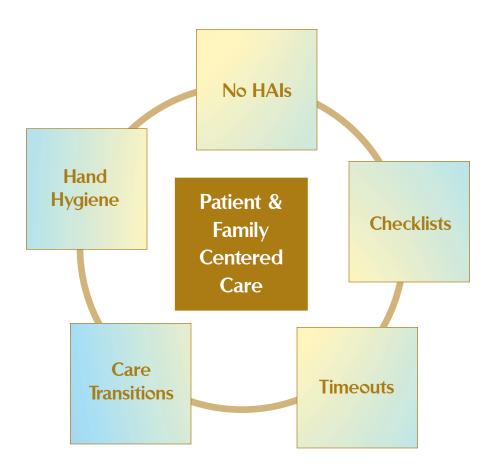
Because the meetings are well-planned, well organized and stay on task, Hood said "it is definitely worth my time to participate in the SAHA meetings."

The Value of Your Feedback

eam member surveys serve as a great feedback tool for building on core strengths and continuing to provide value to our members. Two surveys were conducted this year, one for active team members and the other for listserv-only team members. Active teams are those that meet on a regular basis to work on active initiatives while listserv-only teams use the listserv as a means of communication and may meet only as needed for new initiatives or education.

What are we doing well? SAHA scored an overall average of 4.31 out of 5.00. Team members strongly agreed that SAHA adds value to their organizations and is doing a great job in anticipating and meeting the needs of our members. Team members were highly satisfied with the frequency and appropriateness of communications from SAHA. They also were satisfied with the professionalism and knowledge of SAHA staff, the opportunities for networking, the length and content of team meetings and the relevance of educational programs sponsored by SAHA.

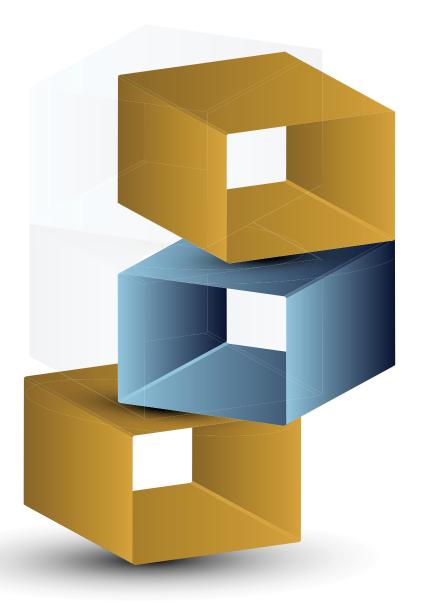
Being a member driven organization, we pride ourselves in listening to our members. Our satisfaction surveys indicate that members would like to receive quarterly updates on contracts and prefer more time for networking and discussions during team meetings. We look forward to providing these resources to our members to better meet their needs.



t SAHA, when we think about building on the basics, we think about the many ways we have added value for our members and had a positive impact on their organizations. We start with the basic fundamentals of our mission—return on investment, education and networking—and build on that to ensure that our members receive meaningful, practical benefits.

During this past year, we have strengthened SAHA by providing more programs, negotiating more contracts and expanding networking opportunities for members. We know that when we provide our members with the resources they need to grow and improve, everyone benefits: SAHA, our member hospitals, their staff, and most importantly, their patients.

We look forward to another exciting year of growth and change, and intend to continue working closely with our members to strengthen programs and services. By building on the basics, we are creating an ever stronger foundation to meet whatever the future may bring.





Southern Atlantic Healthcare Alliance

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