



Southern Atlantic Healthcare Alliance

FISCAL YEAR 2009 ANNUAL REPORT

NAVIGATING OUR COURSE





SOUTHERN ATLANTIC HEALTHCARE ALLIANCE MEMBERSHIP



Beaufort County Medical Center

Washington, NC

BEAUFORT COUNTY

CEO: Bill Bedsole

(252) 975-4100

www.brhealthsystem.org



Betsy Johnson Regional Hospital

Dunn, NC

HARNETT COUNTY

CEO: Kenneth E. Bryan

(910) 892-7161

www.bjrh.org



Carteret County General Hospital

Morehead City, NC

CARTERET COUNTY

President: Frederick A. Odell, III

(252) 808-6000

www.ccgh.org



Halifax Regional Medical Center

Roanoke Rapids, NC

HALIFAX COUNTY

President: Will Mahone

(252) 535-8011

www.halifaxmedicalcenter.org



High Point Regional Health System

High Point, NC

GUILFORD COUNTY

President: Jeffrey S. Miller

(336) 878-6000

www.highpointregional.com



Johnston Health

Smithfield, NC

JOHNSTON COUNTY

President & CEO: Currently Open

(919) 934-8171

www.johnstonhealth.org



Lenoir Memorial Hospital

Kinston, NC

LENOIR COUNTY

President & CEO: Gary Black

(252) 522-7000

www.lenoirmemorial.org



Lexington Memorial Hospital

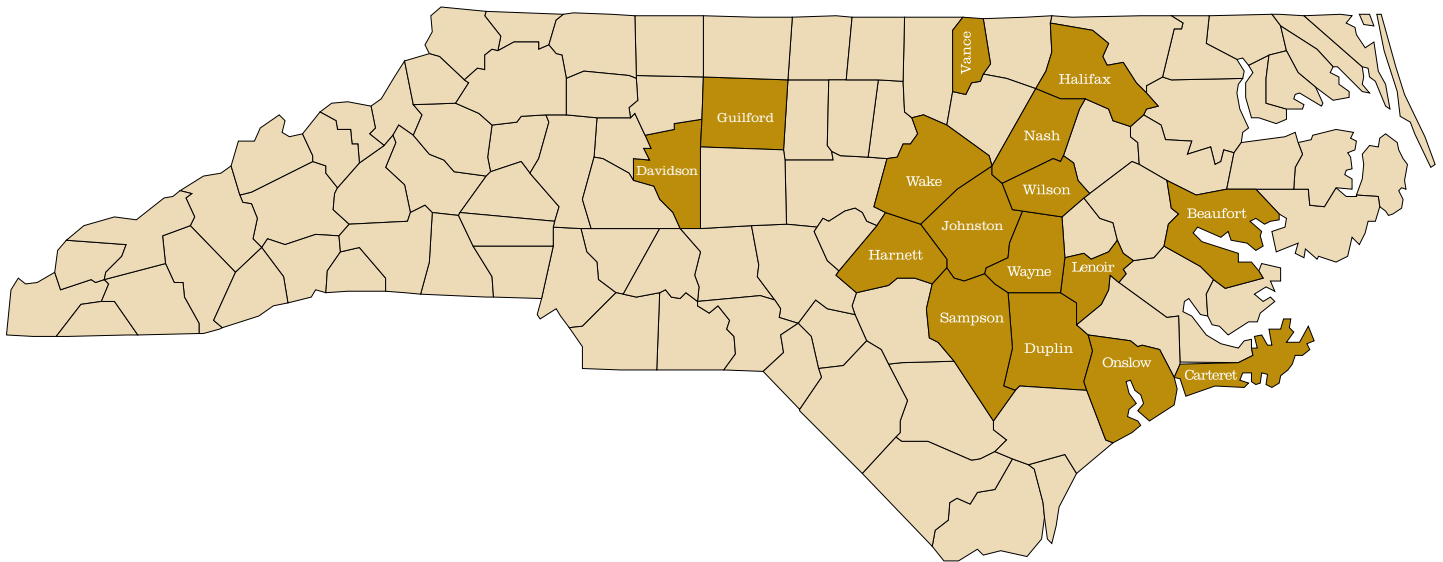
Lexington, NC

DAVIDSON COUNTY

President & COO: Dennis R. Ayers

(336) 248-5161

www.lexingtonmemorial.com



Maria Parham Medical Center

Henderson, NC

VANCE COUNTY

President & CEO: Robert Singletary

(252) 438-4143

www.mphosp.org



Moses Cone Health System

Greensboro, NC

GUILFORD COUNTY

President & CEO: Tim Rice

(336) 832-7000

www.mosescone.com



Nash Health Care Systems

Rocky Mount, NC

NASH COUNTY

CEO: Larry Chewning

(252) 443-8000

www.nhcs.org



Onslow Memorial Hospital

Jacksonville, NC

ONSWLOW COUNTY

President & CEO: Ed Piper, PhD

(910) 577-2345

www.onslowmemorial.org



Sampson Regional Medical Center

Clinton, NC

SAMPSON COUNTY

CEO: David Masterson

(910) 592-8511

www.sampsonrmc.org



WakeMed Health & Hospitals

Raleigh, NC

WAKE COUNTY

President & CEO: William K. Atkinson, PhD

(919) 350-8000

www.wakemed.org



Wayne Memorial Hospital

Goldsboro, NC

WAYNE COUNTY

President & CEO: J. William Paugh

(919) 736-1110

www.waynehealth.org



Wilson Medical Center

Wilson, NC

WILSON COUNTY

President & CEO: Richard Hudson

(252) 399-8040

www.wilmed.org

BOARD OF DIRECTORS EXECUTIVE COMMITTEE

Jeff Miller, High Point Regional Health System, Chairman
Larry Chewning, Nash Health Care Systems, Vice Chairman
Bill Atkinson, PhD, WakeMed Health & Hospitals, Treasurer
Bill Paugh, Wayne Memorial Hospital, Secretary
Ed Piper, PhD, Onslow Memorial Hospital, Member at Large

SAHA STAFF

Dale Armstrong, Chief Executive Officer
Swati Bhardwaj, Project Manager
Cindy Pittman, Project Manager
Matt Wilcox, Project Manager
Cindy Nobling, Executive Assistant

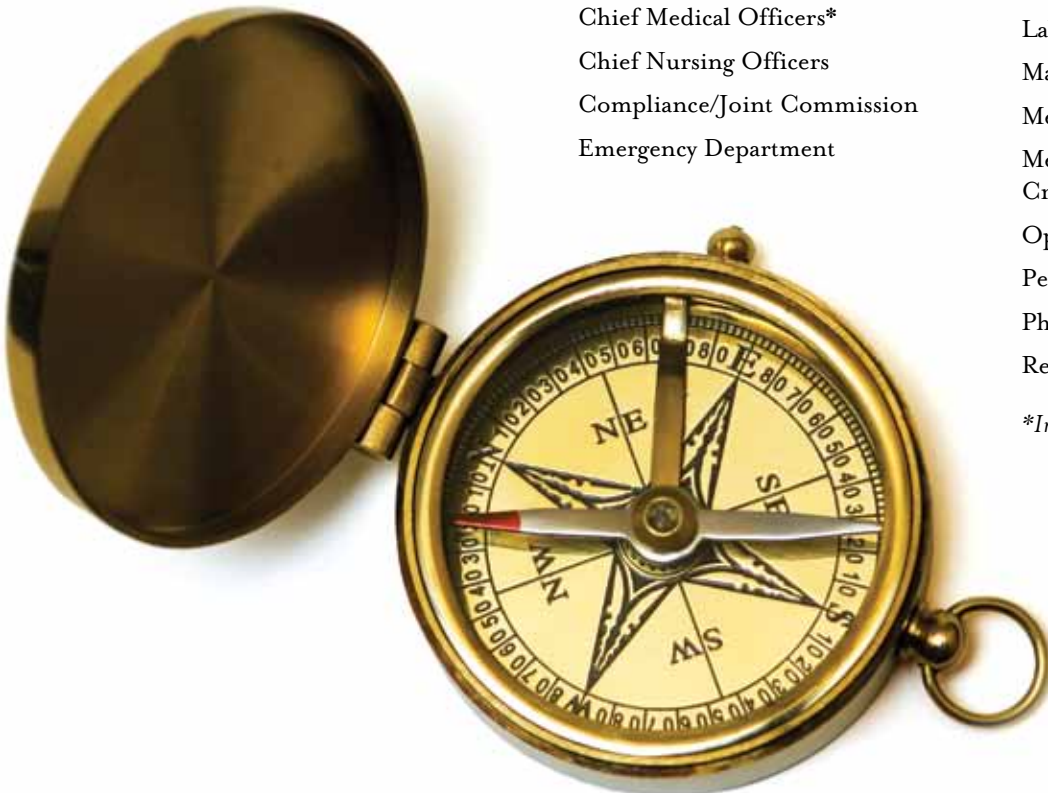
SAHA TEAMS

We credit the success of our alliance to the efforts, innovations and dedication of SAHA teams.

BioMed/Facilities
Business Office Managers
Case Management
Chief Financial Officers/
Finance Committee
Chief Information Officers
Chief Medical Officers*
Chief Nursing Officers
Compliance/Joint Commission
Emergency Department

Food Services Directors
HCAHPS
Health Information Management
Home Care
Human Resources
Infection Control/Practitioners
Lab Directors
Materials Management
Medical Librarians
Medical Staff Coordinators/
Credentialing
Operating Room Directors
Performance Improvement*
Pharmacy Directors
Rehab*

**Indicates new team*



Navigating Our Course

Our country and our industry have certainly seen their share of rough waters during the past year. A volatile U.S. economy coupled with declining reimbursements and the uncertainties that accompany health care reform have been daunting to say the least.

Despite these many challenges, your hospital teams' continued commitment to the Southern Atlantic Healthcare Alliance (SAHA) has yielded significant results.

During the past year, members realized a \$4.81 savings for every dollar they invested in SAHA. That's about \$1.16 more than last year's return on investment and a significant accomplishment considering our nation's economic climate.

This increase in our return on investment certainly demonstrates SAHA's growing significance to area hospitals. But, aside from our relevance as a group purchasing organization, there are many other important indicators of our efforts "to fulfill our mission to improve the quality and delivery of healthcare to those we serve by supporting and strengthening our membership through collaborative efforts, networking and educational opportunities."

Collectively, the SAHA family of member hospitals is focused on high-quality care, delivered efficiently, effectively and safely. This report highlights several of the quality, safety, education, cost efficiency and membership milestones we reached during the past year. Congratulations to the SAHA membership for exacting significant success!



DALE ARMSTRONG, FACHE, CEO

Southern Atlantic Healthcare Alliance



CHARTING OUR COURSE FOR COST SAVINGS

Teamwork, negotiating and exceptional vendor partners helped members enjoy a \$4.81 average savings on every dollar they invested in SAHA during the past year. Here are some of the initiatives and efforts that help us continue on our course to exceptional cost efficiency.

RAC Readiness, Recovering Revenue & Helping the Uninsured

SAHA contracts with Executive Health Resources (EHR) and R&B Solutions will yield over \$280,000 in savings for participating members.

Ten hospitals – Beaufort, Betsy Johnson, Carteret, High Point, Lenoir, Maria Parham, Moses Cone, Onslow, WakeMed and Wayne – now work with EHR to ensure medical records are ready for review should a Centers for Medicare and Medicaid Services recovery audit contractor (RAC) visit their sites. EHR, a physician advisor Company™, provides hospitals with seven-days-a-week teams of specially trained, technology supported Physician Advisors, who are focused on hospital clinical compliance and revenue integrity improvement.

“We are having a wonderful experience with EHR. They help us feel more secure with our decisions concerning the status of patients,” says Sharon Williams, Case Management director, Beaufort County Medical Center.

EHR is also helping participating hospitals manage their retrospective and concurrent denials. Thanks to the efforts of the SAHA Case Management Team, participating hospitals have realized a collective savings of more than \$200,000.

Helping the uninsured and underinsured gain access to health care coverage can be a labor-intensive process. But its importance to patients and hospitals is undeniable. Three SAHA members – WakeMed, Wayne Memorial and Lenoir Memorial – are taking advantage of SAHA’s partnership with R&B Solutions in providing its Rapid Application for Medical Programs (RAMP) technology. RAMP technology guides users to collect financial data, helps identify a patient’s potential eligibility for financial assistance and, in turn, helps the participating hospital reduce bad debt. As part of the agreement, R&B Solutions is offering their RAMP product to SAHA members at a discounted price and waiving the usual \$10,000 implementation fee. SAHA savings will exceed \$80,000 throughout the two-year contract term.

Pharmacy Team Navigates Savings

The SAHA Pharmacy Team efforts enhanced coverage, convenience and cost savings during the past year. SAHA contracted with Ameridose, a national retailer of sterile admixing solutions, for high usage, pre-filled sterile medications and pre-filled operating room syringes. The purchase of pre-filled syringes reduces costs and increases efficiency by decreasing the space, labor and time it takes to stock and prepare syringes. The Pharmacy Team was working in line with SAHA’s focus on patient safety, hence the push for latex-free products when negotiating the contract. Ameridose brokered deals with multiple vendors to ensure we had ready access to latex-free kits. Annual estimated savings from the Ameridose contract for the past year totaled nearly \$50,000.

“SAHA has become not only a partner in our effort to control operating expenses, but a great network for CEOs and their leadership teams to share information and learn from each other. We’ve placed increased value on this relationship as we move forward.”

RICK HUDSON, president & CEO, Wilson Medical Center

SIGNED, SEALED AND CONTINUING TO DELIVER

Participating SAHA hospitals and their vendor partners finalized agreements that yielded significant benefits for members in FY 2009.

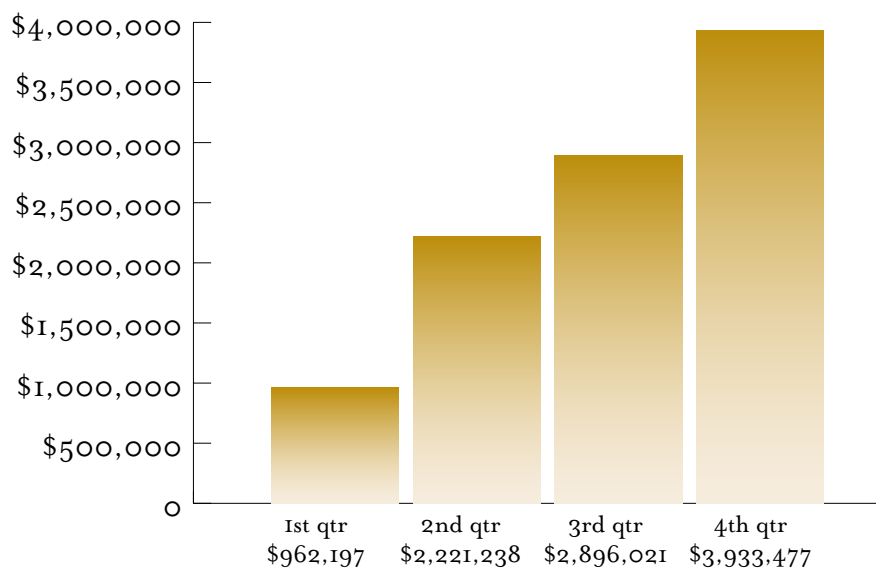
- Family Medical Leave Act Outsourcing
Human Resources Team
- Custom Procedure Trays
OR Team
- HIM Reference Materials
Health Information Management
- Kreg Pricing Analysis
Chief Financial Officers
- Biosite
ED & Lab Teams
- EHR for RAC Audits
Case Management Team
- Life & Disability Coverage
Human Resources Team
- Stop Loss Coverage
Human Resources Team
- Collections
Business Office Team
- Exhaust Clean
Food Service Directors Team
- Transcription
Health Information Management
- Aerscher Diagnostics/ Hemaprompt
Lab Team
- 24 Hour Pharmacy
Pharmacy Team
- DA Specialists
Health Information Management
- Ameridose
Pharmacy Team
- Staff Care Team
Physician Liaison Team
- GNYHA Ventures
Health Information Management/ Chief Information Officer Teams
- CCH Healthcare Library
Business Office Team
- HealthSource
Human Resources Team

The Pharmacy Team also negotiated a deal with Cardinal Health for after-hours pharmacy coverage. This service fills an important gap for member hospitals that do not have 24-hour, on-site pharmacies. Service for those hospitals that choose to join the contract began December 1. Carteret County General Hospital was the first to sign the contract, and other SAHA members are anticipated to follow. Debra Pittman, the Pharmacy director at Carteret sums it up best: "We are off to a great start!"

Collections on Course

Members involved in SAHA collections contracts saw a collective savings of \$150,000 with the negotiation and finalizing of the new, one-year agreement. All the terms and conditions of the original contract, including the pricing tiers, apply to our new agreements with First Point Collections and Mosaic Revenue Solutions (formerly Credit Consultants of Central Carolina). SAHA welcomes Maria Parham Medical Center to the contract. Additional participating members include Halifax Regional Medical Center and Carteret General Hospital.

Total Quantifiable Savings for FY 09





GUIDING THE WAY WITH QUALITY AND PATIENT SAFETY EXCELLENCE

Clinical quality and safe patient care. These are the highest priorities for all SAHA member hospitals. Yes, our members are competitors, but when it comes to improving clinical quality and patient safety, they come together and share their best practices to collectively and positively impact patients throughout our region. SAHA's concise strategy to facilitate quality and patient safety knowledge-sharing opportunities was implemented in FY 09, and it is helping members achieve important successes.

Powerful Partnerships

A key tactic in SAHA's strategy to help members improve quality and patient safety is new and enhanced partnerships with the right organizations. SAHA serves as a key go-between for members and these agencies.

Partnering to Improve Surgical and Cardiac Care

New and existing partnerships between SAHA and the North Carolina Center for Quality and Patient Safety (NC Quality Center) promote the sharing of best practices to improve hospital performance related to national initiatives.

NC SCIP Progress

Ten SAHA members are highly engaged with the NC Quality Center to improve the quality and safety of surgical care through the North Carolina Surgical Care Improvement Project (NC SCIP). As part of its partnership with the NC Quality Center, SAHA helps members and the center locate resources and gather information.

We are happy to report that SAHA members participating in the NC SCIP collaborative showed a 9 percent increase in the SCIP 5 Optimal Care Score from the third quarter of 2008 to the first quarter of 2009. Thanks to the efforts of our members, our collaborative's collective SCIP 5 Optimal Care Score increased dramatically by 12 percent.

SAHA SCIP Participants

- Betsy Johnson Regional Hospital
- Beaufort County Medical Center
- Carteret General Hospital
- Johnston Health
- Lenoir Memorial Hospital
- Maria Parham Medical Center
- Nash Health Care Systems
- Onslow Memorial Hospital
- WakeMed Health & Hospitals
- Wayne Memorial Hospital

"The NC SCIP collaborative is a statewide initiative led in partnership by SAHA and the NC Quality Center. SAHA has provided invaluable support in the collaborative not only to its hospitals but also to the NC Quality Center team in leadership, recommendations and participation. As a result, together, we are making surgical care safer in North Carolina."

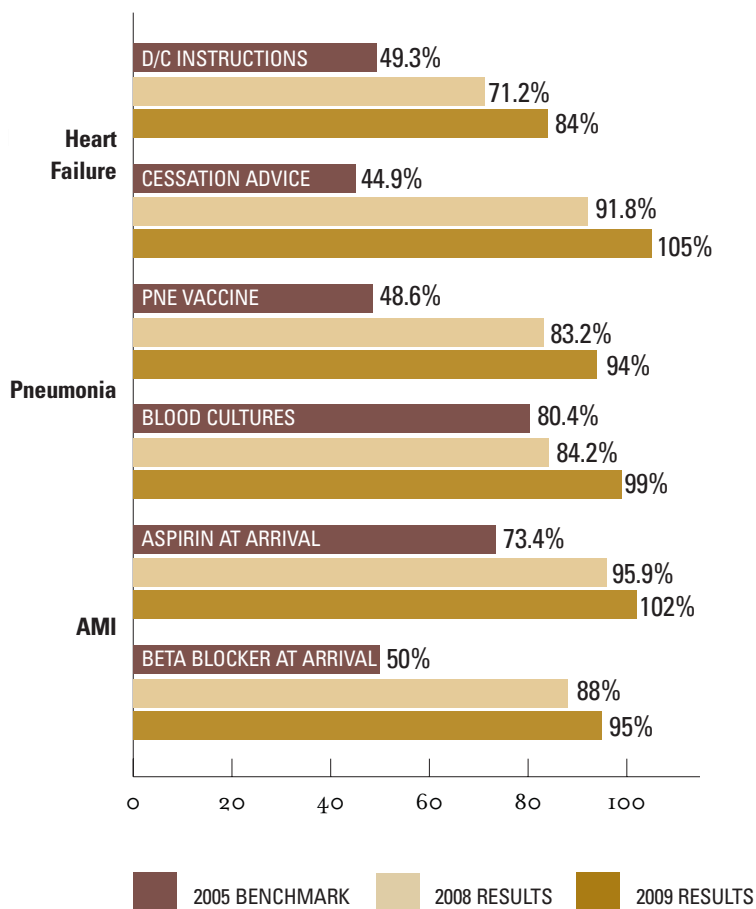
DR. CAROL KOEBLE, director of the North Carolina Center for Quality and Patient Safety

Cardiac Care Collaborative

SAHA and the NC Quality Center formed another partnership to identify ways to better collect and report heart attack, pneumonia and congestive heart failure data to the Centers for Medicare and Medicaid Services (CMS) to appropriately measure their progress against other U.S. hospitals. Six SAHA members currently work with the SAHA/NC Quality Center collaborative to improve cardiac care outcomes.

SAHA hospitals have been striving to improve their compliance with CMS best practices since 2005, and they are making steady progress.

Our CMS Core Measure Progress and Success



TeamSTEPPS™ Strategy for Patient Safety Quality

Team Strategies and Tools to Enhance Performance and Patient Safety (TeamSTEPPS) is an evidence-based system that puts teamwork and communication at the forefront to improve health care quality, safety and efficiency. The Department of Defense Patient Safety Program, in collaboration with the Agency for Healthcare Research and Quality, developed TeamSTEPPS. SAHA members had the opportunity to learn about the implementation and successes of the TeamSTEPPS process from Susan Hohenhaus, an international expert in patient safety strategies and teamwork initiatives.

Thirty-two individuals from 10 SAHA member hospitals attended the educational offering and gave it excellent reviews. The audience included operating room directors, nursing unit staff, emergency room nurses and performance improvement specialists.

Now, SAHA members who have specific patient safety initiatives also have a tremendous tool and trainer to help them make important improvements. SAHA's own Swati Bhardwaj successfully completed the TeamSTEPPS Master Trainer Preparation program offered by the Agency for Healthcare Research and Quality at Duke University and is available to assist SAHA members with TeamSTEPPS implementation. With drivers Sharon McNamara, RN, director of Surgical Services, and Denise Howard-Hall, RN, the Orthopaedic OR Team at the WakeMed Raleigh Campus have successfully implemented TeamSTEPPS.



NAVIGATING WITH SHARED KNOWLEDGE & EDUCATION

SAHA College: Making SAHA Education More Meaningful

Now, all formal SAHA educational programs offer continuing education units (CEUs) or continuing medical education (CME) credits. This value-added benefit of SAHA membership is made possible by a partnership between SAHA and Wake Area Health Education Centers. During the past year, 12 SAHA programs carried educational credit, and our staff and administration looks forward to providing more CME and CEU offerings in the years ahead. Members agree: “SAHA has been a great resource, delivering timely topics and insightful speakers. When compared to other professional organizations, the small cost and time commitment to attend has allowed more staff to enjoy continuing education opportunities.”

SAHA Members Enjoy the Convenience of Web-based Education

Our members' time is precious, and so is ongoing education on coding, compliance and other important topics. Last year, SAHA signed new and enhanced agreements to make more programs available to members online and on budget.

- > **Online Coding Education** – SAHA negotiated an enhanced contract with the American Health Information Management Association (AHIMA). In the past, HIM Team members could only participate in a few programs without additional costs to them. Now, HIM, rehabilitation and home health coders at SAHA member hospitals have access to all AHIMA online classes. And, the SAHA-specific portal allows members to see all the available AHIMA programs in one place. The cost of the sessions would be \$4,000 per hospital

without the SAHA-AHIMA contract.

“The SAHA-AHIMA program allows us to provide continuing education for our coding and clinical documentation staff on a regular basis,” said Phyllis Dreading, director of Health Information Management, Wayne Memorial Hospital. “Even our Case Management staff and UR coordinators often take part. We have access to a variety of subjects and the latest information in an inexpensive, informal format. The money we save allows us to purchase extra useful items for our department, such as minor equipment, supplies and reference books. My staff and I thank you all for providing this excellent educational medium.”

- > **Web-based Health Care Compliance & Management Training** – A new partnership with NC Pro, a leading provider of continuing education for health care compliance and management, also opens the door to more diverse online educational offerings for SAHA members. CMS compliance and interpretation, Stark law updates, shared governance and nursing practice improvement are among the programs included in our package.

2009 Highlights

FY 2009 was a year of success, especially when it came to knowledge sharing. Here are just a few facts and figures about the educational programs SAHA members enjoyed:

- > SAHA College provided 23 educational offerings
- > 417 individual participants from all member hospitals learned and shared knowledge at these events
- > SAHA classes received an average satisfaction rating of 4.7 out of 5

“SAHA has really proven that when health care leaders and managers share ideas and ways to improve care delivery, good things happen for our patients.”

JEFF MILLER, president, Highpoint Regional Health System

WELCOME ABOARD TO OUR NEW TEAMS



New teams and initiatives are part of SAHA's dynamic, new strategic plan to provide even more value-added service and support to member hospitals. Three new SAHA teams joined our ranks in FY 2009. They include the Rehab, Chief Medical Officers and Performance Improvement teams.

More for Medical Officers

Physician leadership development, medical staff governance and infrastructure, peer review, behavior and compliance were all topics of discussion during the first meeting of the new SAHA Chief Medical Officer (CMO) Team in November 2008. The physicians recognized an opportunity for leadership training as they become increasingly involved in the administrative decision-making process at the hospitals they serve. SAHA is pursuing appropriate educational opportunities for physicians on this and other topics in response to their needs.

Working Together to Improve the Way We Care for Patients

In January, SAHA welcomed the New Year and a new Performance Improvement (PI) Team. Eleven representatives from nine member hospitals attended the team's first meeting. Marion Martin from Moses Cone Memorial Hospital presented an overview on quality in health care, and the team enjoyed a hearty discussion on the various aspects of quality, its impact on operations and strategies to improve processes that positively impact quality. Prior to the meeting, the team participated in a short survey to express their expectations for the group and topics of interest. Responses from the survey

were compiled and shared with the team during the meeting. Since then, the team met to share best practices on various topics of interest including policies and procedures, conducting root cause analysis, learning about ISO 9000 and medication reconciliation. Betsy Johnson's presentation on keeping policies and procedures updated was very well received. Team members from Moses Cone were especially appreciative of the information shared with the team. The team consensus is to make patient safety a priority in all team initiatives. The PI team looks forward to another great year of sharing and learning.

Sailing into the Future

There is no question that SAHA has become an integral partner in the continued success of all its members. As we chart our course through what appear to be continued, turbulent economic waters, it is critical that we maintain our strong history of adding value in quality, safety, cost savings, revenue enhancement, education, information sharing and networking.

In addition to maintaining our focus on current successful initiatives, we are also excited about future opportunities. Our Board, during its September strategic planning meeting, incorporated two new core values into our 2010 strategic plan: Innovation and Solution Orientation. They are appropriate additions to any organization, but especially so in today's dynamic environment.

It is true that there will continue to be challenges ahead, but as health care professionals, we successfully deal with challenges every day. The SAHA team looks forward to working with you as we move into 2010.



Southern Atlantic Healthcare Alliance

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 its members by providing validated savings or operational/quality improvement opportunities

SAHA MEMBER STATISTICS

- 16 Member Hospitals
- Average Member ROI: 4.81:1
- Total Employees: ~29,000
- Total Beds: 4,878
- Net Patient Revenue: \$3 Billion

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Cary, North Carolina 27511
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www.sahalliance.org