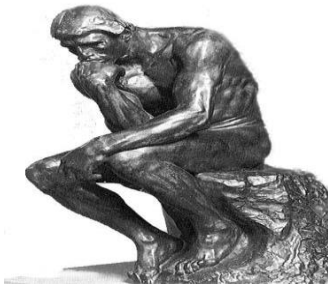




HEF February 2013



Newsletter



My Reflections

Warren S. Marcus, PhD, MPH

HEF President

Here it is the middle of February and we are in many ways in a season of transition.

As climate changes make weather prognostication more challenging, shifting societal policy and priorities regarding health care have created their own ambiguities and uncertainties that exacerbate the challenge of maintaining a health care delivery system relevant to wide and diverse panoply of health care needs. Like the weather, the collective national mood and will indeed make it difficult for us, as individual's or even collectively, to significantly shape. Nonetheless, our capacity to adapt and innovate creatively to circumstances must remain robust.

In spite of the conundrums that we face as providers and managers within the health care system, we need to remain ever open and vigilant for the

opportunities to enhance cost efficiencies, while rendering care in a manner that emphasizes quality care. Through constant honing of our professional skills and expertise by involvement with groups such as ACHE, we can and will weather the shifting winds of change and lead the way toward a system of care that reflects excellence in wellness promotion and humane treatment management.



Healthcare Executive Forum

Join us on **Tuesday February 26th** for an exciting **Early Careerist Program about Service Lines!**

SERVICE LINES: Learn about the history, management and operations of service lines

Presented by John B. Henry, Jr. RN, NP, MBA

Time and Location

When: February 26, 2013

Where: Smith Auditorium at Erie County Medical Center

Registration: 4:45 pm – 5:00 pm

Program: 5:00 pm – 6:00 pm

Tour of Renal Center of Excellence and Networking: 6:00 pm – 6:45 pm

RSVP - Please contact Ashleigh Lamson at ashleigh.lamson@gmail.com

Mr. Henry has over 20 years' experience in the healthcare arena and currently holds the position of Vice President, Center of Excellence for Transplantation and Kidney Care at ECMC. In addition, he has extensive experience in service line development and strategy.

“As an independent chartered Chapter of the American College of Healthcare Executives, the Healthcare Executive Forum, Inc. is authorized to award 1.0 hours of ACHE Qualified Education credit toward advancement or recertification in the American College of Healthcare Executives.”

“Participants in this program who wish to have it considered for ACHE Qualified Education credit should list their attendance when they apply to the American College of Healthcare Executives for advancement or recertification.”

Noteworthy News from Our ACHE Regent



Winter 2013

Dear Colleagues:

2013 Congress – Changing Healthcare by Design

Don't forget to register for the March 11 -14, 2013 Congress on Healthcare Leadership, a great venue for learning about what's new in healthcare, meeting old friends, and networking with colleagues from across the nation. Over the last few years, sessions at the Congress have provided invaluable ideas and contacts for improving how we all do our jobs and this year's Congress looks to be even better so please join us in Chicago.

Leadership Change

Thomas C. Dolan, PhD, FACHE, CAE, our retiring ACHE President and CEO, has been a tremendous leader of ACHE for over 27 years. His commitment to ACHE, to our profession, to its highest standards, and to embracing and facilitating diversity has been outstanding and leaves a wonderful legacy to all of us. We will miss him and wish him well.

Those of us who have met and have gotten to know Deborah J. Bowen, FACHE, CAE, our incoming ACHE President and CEO, recognize the next great generation of ACHE leadership. Deborah is an enthusiastic and outgoing advocate with great energy, terrific insight, and a wonderful sense of humor – all essential characteristics when dealing with our tumultuous industry. Drop Deborah a line and wish her well as she embarks upon her new position. She's going to be a fabulous leader for ACHE.

CEO Sessions

This spring the Health Care Management Association of Central New York will again be sponsoring small group sessions for ACHE members with hospital CEO's through the

central New York region. These sessions were very well received last year and we encourage you to take advantage of them. A schedule for the remainder of 2013 is being prepared and will be sent to you shortly for your review. You will be asked to select a first and second choice from the schedule just in case any one session gets too crowded, but last year several members were able to attend more than one session. Look for the announcement which should be out by early February.

Professional Development – Early Careerist Journal Club

The first quarterly meeting took place on January 10, 2013 at the Erie County Medical Center and featured HEF Board Member, Christopher Kalkhof, FACHE, who presented on: **Mergers, Acquisitions and Strategic Alliances: Process and Perspectives.**

Promotion of Advancement to ACHE Fellow

Starting in January and running through the end of May, HEF is offering a 12 session advancement training program in preparation for the Board of Governors Exam. This activity is being led by Jonathan I. Lawrence, MHA, FACHE – President and CEO of Lake Erie Regional Health System and HEF Board member.

Niagara University (NU)

During 2012, HEF co-sponsored a regional symposium on health management with Catholic Health and also developed, in coordination with NU, two (2) face-to-face programs where 3 credits were awarded. This event was underwritten, in part, by Catholic Health. Providers, academicians and students had an opportunity to network and exchange thoughts with program speakers at both events. Another face-to-face event is scheduled for April 25, 2013.

D'Youville College (DYC)

Based on the success of the NU model, a similar activity is being planned with DYC for the Fall of 2013.

Upcoming events include:

Tuesday, February 26, 2013 - Early Careerist Program on Service Lines and a tour of the recently completed Erie County Medical Center Regional Transplant Center led by HEF Member, John B. Henry Jr., Vice President, Center of Excellence for Transplantation and Kidney Care at ECMC.

March – 2013 - ACHE Qualified Education program on Meaningful Use led by Mike Galang and John Hennessey of Roswell Park Cancer Institute. Details to follow.

Fall 2013 - A face-to-face event in Skaneateles. Details to follow.

Sincerely,



Betsy Wright, FACHE
Regent for New York - Empire Area

President/CEO
WCA Hospital
betsy.wright@wcahospital.org



James W. Connolly, FACHE
Regent for New York - Hudson Valley/Adirondack Area
President/CEO
Ellis Hospital
connollyj@ellismedicine.org



News from HEF Member Christopher J. Kalkhof, MHA,
FACHE, Executive Consultant.

For those who would like a copy of the January 10, 2013 HEF Program on Merger, Acquisitions and Strategic Alliances: Process and Perspectives by Christopher J. Kalkhof, MHA, FACHE, Executive Consultant -- our presenter has graciously agreed to share the material. See below for a word document article and the additional power point attached to covering e-mail note for more information.

January 10, 2013
Kalkhof Topic Title and Program Content

Healthcare Executive Forum Program

- **Presentation Date:** Thursday, January 10, 2013, 5:00 pm to 6:00 pm
- **Presentation Duration:** 45 - 50 minutes and 10 to 15 minutes for Q&A
- **Event Location:** Erie County Medical Center, Smith Auditorium, 3rd Floor

PRESENTER

- Christopher J. Kalkhof, MHA, FACHE; Executive Consultant | 14 Morningside Lane, Williamsville, NY 14221 | 716.912.0309 Mobile

PRESENTATION TITLES

- ***Merger, Acquisitions and Strategic Alliances: Process and Perspectives***

TOPIC OVERVIEW

Merger, Acquisitions and Strategic Alliances: Process and Perspectives

In a post-healthcare reform business environment and with the full measure of the Affordable Care Act (ACA) being implemented in 2014, provider organizations are increasingly being faced with strategic decisions about how their business environment will change, the sustainability of their historical business model and what they need to do to strategically reposition their organizations for the future. While hospital mergers, acquisitions and strategic alliances (MAS) have always been part of the corporate strategy book, there has been a pronounced increase in activity over the last couple of years as well as an increased trend in MAS activity between non-traditional partners. In no small part, the increased MAS activity is directly related to the ACA.

Traditionally, the business rationale for pursuing a MAS was linked to anticipated improvements in net revenues and market share as well as reducing costs. As our healthcare system evolves away from acute-centric, volume driven fee-for-service care delivery and financing model towards population health and risk-based payment arrangements the business rationale associated with MAS activity has also expanded to pursue additional “synergies.”

Synergies being pursued in preparation for a post-ACA business environment now focus much more on transformative and integration related opportunities vs. sustaining baseline opportunities. The synergy dimensions have also expanded from cost and revenue considerations to also include capital and clinical synergies. In addition to planned MAS activity there is also an increased trend towards opportunistic situations

as more-and-more healthcare organizations become financially destabilized and find themselves in an uncompetitive market position.

During this presentation we will review the overall process used by healthcare organizations with respect to MAS Strategy, Target Screening, Due Diligence/Pre-Integration Planning, Transaction Execution, Integration and Divestiture. We will delve into more detail with respect to the Due Diligence and Pre-Integration Planning Stage which is the make or break of a transaction going forward. We will also review actual case examples from across the country with respect to both not-for-profit and for profit healthcare organizations.

PRESENTER BIO – CHRISTOPHER KALKHOF, MHA, FACHE – EXECUTIVE CONSULTANT



A senior strategy and revenue improvement executive with more than 27 years of diverse, innovative and results oriented healthcare provider/health plan management, consulting and turnaround management experience.

Chris has spent much of his time over the last several years assisting clients optimize their net revenue potential and to strategically re-position their organizations in the marketplace; resulting in direct net revenue improvements of nearly \$1 billion per annum. Over the span of his career he has gained revenue improvement and strategic re-positioning work experience in over 20 states and has been involved with over 100 strategic repositioning/new business development initiatives.

Positions Chris has held:

- Provider managed care consulting lead with three national management consulting firms
- Senior VP of Delivery Systems/Payer Relations for a nine hospital health system
- VP Managed Care for a community/teaching hospital
- Director of Managed Care at a physician owned hospital
- A Partner in a practice management firm and the Director of Marketing Administration and Professional Relations with a statewide health plan

Chris received his Master of Health Administration degree from Tulane University and his Bachelor of Science, degree from Allegheny College and he is a Fellow in the American College of Healthcare Executives.

Finally, Chris is a former Chapter President of the HEF, a current Board member and has served on several HEF committees.



Futurescan 2013 Is Now Available

What is on the horizon for your healthcare organization? [*Futurescan 2013: Healthcare Trends and Implications 2013–2018*](#) will help you plan for emerging leadership challenges. Written by an expert panel, this highly respected annual guide highlights key trends affecting the nation's healthcare organizations. The expert insight in these pages is supported by data from a survey of 625 healthcare leaders across the country.

For more information on Health Administration Press publications, visit ache.org/HAP.

Increase Market Share by Word of Mouth and Relationship Management

In Chapter 7 of *Managing Word of Mouth for Leadership Success: Connecting Healthcare Strategy and Reputation*, Michael E. Cafferky focuses on leveraging the "grapevine" and repairing the disconnect that often exists between an organization's promotional messages and its customers' perspectives.

In Chapter 8 of *The Primary Care–Market Share Connection: How Hospitals Achieve Competitive Advantage*, Marc D. Halley states that referrals drive the healthcare business and that they are secured only through strong relationships among physicians, between physicians and the hospital, and between physicians and patients.

[Access these resources here.](#)

ACHE Celebrates 80 Years Dedicated to the Healthcare Management Profession

This year the American College of Healthcare Executives is celebrating 80 years of serving the healthcare management profession. The association was founded on Feb. 13, 1933, as the Association of Hospital Administrators with the goal of elevating the standards of hospital administrators through education and training.

Register Now for 2013 Congress

Registration and lodging for ACHE's [2013 Congress on Healthcare Leadership](#), March 11–14, are open. Congress brings you the best in professional development, opportunities to network with and learn from peers, and the latest information to enhance your career and address your organization's challenges in innovative ways.



News from Healthcare Leadership Network of the
Delaware Valley (HLNDV) an ACHE Affiliate Chapter

Greetings fellow ACHE Members,

I have the pleasure of announcing an inaugural event in the Philadelphia area sponsored by the Healthcare Leadership Network of the Delaware Valley (HLNDV) Chapter which will provide for six (6) ACHE face-to-face credits right here in the Northeast. The event will explore many current topics such as ACO's and Personal Career Planning with local experts as panelists.

The Spring Institute will be held on Friday, April 12th at Temple Administrative Services Building, 2450 Hunting Park Ave., Philadelphia, PA 19129 which is conveniently located off of major highways in Philadelphia. HLNDV encourages you to join us for this terrific event. If you have any questions, feel free to contact me at president@hlndv.ache.org or our event chairs Bill Myers (856) 725-6815, bill.myers@comcast.net or Carol Sysak (215) 321-7741, carol.sysak@trimex.com .

Thanks in advance for sharing this great opportunity with your chapter and fellow healthcare professionals. We look forward to seeing you in April.

Sincerely,
Christine Winn, FACHE
President, HLNDV

See further details in the attachment located in the cover e-mail.



Interesting Reading

***Journal of Healthcare Management* Is Now Available as a Digital Publication**

The January/February 2013 issue of the *Journal of Healthcare Management* is now online, presented in a new digital publication format. The mobile web app is an added benefit for members and does not replace the print editions. Digital publications provide an enhanced experience for readers by delivering interactive digital versions of ACHE publications, replacing the PDF versions of new issues.

The mobile web app functions through any browser, and it's only available to members and subscribers. A digital edition of [Healthcare Executive](#) (login required) is also available, and a digital edition of the next issue of *Frontiers of Health Services Management* will be available soon. App versions of all three publications will soon be available at no charge from Apple's App Store.

Check out the new [digital edition of the *Journal of Healthcare Management*](#) (login required).

IHF: What Makes a Healthcare System "Good"?

There is no perfect healthcare system, but many operate significantly better than others.

Comparing the strengths and weaknesses of a number of different health systems and measuring their performance is a common tool used to answer the question of what makes a healthcare system "good," as well as to introduce new reforms in the health sector, because it allows us to say that we are as good as, or performing better than or not as well as, this or that country.

At the end of the year, several of these studies were published, bringing new data and more possibilities for analysis. We present in this newsletter the latest publications of

the Organisation for Economic Co-operation and Development: “Health at a Glance: Asia/Pacific” (which includes an analysis of 27 countries) and “Health at a Glance: Europe 2012” (with an analysis of 35 countries). The issue also includes the most recent comparable data for selected indicators of health, The Commonwealth Fund's International Profiles of Health Care Systems 2012, and an overview of the healthcare systems of 12 developed countries. Finally, we could not ignore the important work included in the new “Global Burden of Diseases, Injuries, and Risk Factors Study” published by The Lancet. This study involved nearly 500 researchers from more than 300 institutions in 50 countries and compiled perhaps the largest amount of data in the world for specific analysis.

We are sure that all of this information will broaden the field for researchers, and policymakers will have enough material to produce new studies and conclude original estimations.

[Access the IHF Newsletter here](#) (login required) or [here](#).

Hospitals' Fiscal Strategy in an Era of Reform

Hospitals increasingly will need to conduct more in-depth audits of the cost implications of care processes and delivery than before, as they face the compounding pressures of regulatory reform and leaner budgets. In particular, they will have to focus on four factors that will affect their long-term costs. They will have to assess the impact of demographic changes on the Medicare Trust Fund, Medicare spending trends, morbidity among the non-Medicare population, and the complex nature of the healthcare market. Collectively, the first three factors will generate intense pressure on healthcare costs, while the fourth impedes the ability of market mechanisms to control cost increases.

From [Fiscal Strategy in an Era of Reform](#)
Healthcare Financial Management (01/13) Young, David W.