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Northwest Hospital & Medical Center Standing Advisory Committee (SAC)

Meeting Minutes

Meeting #8

November 12, 2014

Adopted January 21, 2016

Northwest Hospital & Medical Center

1550 N 115th Street

Executive Boardroom, Suite 202

Medical Office Building

Seattle, WA 98133

Members and Alternates Present

Attendance was not recorded

Staff and Others Present

Ms. Cindy Hecker, Executive Director, Northwest Hospital & Medical Center

Ms. Pamela Renna, Senior Director, Business Development & Strategic Planning,
Northwest Hospital & Medical Center

Ms. Karen Peck, Director, Marketing & Public Relations, Northwest Hospital & Medical
Center

I. Welcome/Agenda Overview

II. Introductions

Brief introductions.

III. 2014 in Review

Ms. Cindy Hecker, Executive Director of Northwest Hospital & Medical Center (NWH) provided highlights and activities around the campus, the status of healthcare in general, and future developments.

For fiscal year 2014, almost 10,500 patients were admitted to the hospital from July 1st to June 30th of 2014. NWH has approximately 2,000 employees, 750 medical staff, and an additional 190 medical staff were added last year. Many independent providers who have been functioning at NWH who were officially employed are now moving to join hospitals part of a national and local trend.

There were about 450,000 outpatient visits, made up of a combination of clinics and procedural visits. The hospital saw about 34,000 emergency room visits, which was an increase in the last year. About \$17.8 million in charity care for the 2014 fiscal year.

Ms. Hecker was thrilled to share the various awards the hospital has received for its quality and service that they provide to the patients and the community. NWH has

been recognized for their physicians and HealthGrades awards for excellence and various services. The Washington State Hospital Association recognized NWH for achieving best practices and achieving many quality metrics. Also, NWH was accredited by the Commission on Cancer (CoC) and continues to grow its oncology program with a partnership with the Seattle Cancer Care Alliance (SCCA). The hospital received an award from the Joint Commission for being a top performer on quality care measures.

The campus is focusing on its growing partnership with SCCA and expanding its oncology and cancer services. There was a remodel of an existing area in this building with a brand new medical oncology clinic that is staffed by University of Washington (UW) physicians through SCCA and SCCA staff.

The hospital continues to grow not only its medical and radiation oncology, but is bringing in appropriate physicians to handle services for patients that come with oncology and cancer issues. The hospital hired a colorectal surgeon to deal with all types of cancer related to the colon.

The hospital continues to expand its reconstructive breast services to extend services and manage patients that receive post breast cancer reconstructive surgery. NWH also continues to expand its neurology presence and lung cancer programs.

Other areas include a new clinic that feeds into the hospital's cancer strategy along with cosmetics. Ms. Hecker mentioned that UW Medicine as a whole does not have a cosmetic surgery clinic within the system. The residency programs for plastic surgeons requires them to be exposed to aesthetic surgery. The hospital partnered with UW Medicine and opened a clinic on this campus this spring, and the plastic surgeons are doing reconstructive surgery for patients after their cancer treatments.

Ms. Hecker mentioned that many years ago there was a colorectal presence in the campus, but there was limited physician access as they were closely aligned with Swedish. The hospital decided to partner with UW as they have a robust colorectal surgery program, and the hospital hired Dr. Erin Lange, who started this summer so she can provide this type of service that the hospital did not have in the past.

The Sandpoint Primary Care group that was located in this campus and the U District opted to join with the Swedish system so the hospital has to rebuild the group with new primary health care providers. The new clinic will be rebranded as a NWH Primary Care clinic.

Ms. Hecker mentioned the Wound Care Center that is available on campus, noting it recently added a third hyperbaric oxygen chamber for patients who needs this type of treatment.

She also mentioned the transition to integrate with the UW Medicine system. This is the fifth year of integration. Some of the overarching support structures that were integrated revolved around compliance and risk management. The focus this year is on the NWH Foundation and its integration into the UW Medicine Advancement Department. This integration assists NWH on appeals and employee giving programs. It allows NWH to receive all the donor proceeds and provides a much larger presence in the community, as well as maximizing NWH benefits through philanthropic giving. This integrated program benefits both the donors and UW Medicine.

Another important thing to highlight is living in this community and receiving care through NWH. The hospital continues to expand the electronic and medical record system. If a patient receives care in one of the NWH clinics, they now have the ability to go online and contact their physician and acquire their medical records, history, test results, etc. electronically.

IV. UW Medicine Accountable Care Network overview/update

Ms. Hecker discussed the Accountable Care Network. She mentioned that healthcare is evolving and changing due to the Affordable Care Act (ACA) that was enacted three years ago. There were guidelines that were put into place to be able to form Accountable Care Networks. These are groups of healthcare professionals who come together to try to maximize patient's experience, improve the health of the population they are serving, and also reduce cost. This was mandated in order to move forward in healthcare.

UW Medicine launched their own [Accountable Care Network \(ACN\)](#) in the last few months. This network is linked not only to the eight entities within the UW system, but also partnered with other organizations to be able to have access from as far as north as possible and as ACN Care Network have access to that service along the I-5 corridor.

Presently, there are approximately 700 primary care providers involved in the network, 4,000 specialists, 550+ clinics, 20 hospitals, and 24 urgent care clinics. It is a very broad UW ACN, and the goal is for easy, same day access to healthcare and primary care visits, access to contact centers to schedule appointments, urgent care, emergency care and a 24 hour nurse advice line.

(Note: A list of these providers in the Accountable Care Network was distributed to the Committee)

This network was created as a request by employers and hospital systems to come together to accomplish the three things that were described earlier (improve access, value, decrease cost). Boeing was the first employer to come and work with the community in the development of the ACN agreement. There was a Request for Proposals (RFP) process and multiple groups applied. Boeing chose two networks, UW Medicine and Providence/Swedish. Boeing has two networks they are working with for their non-union employees, they will have an option to sign up to receive care at a decreased cost if they decide to sign up and receive care from these two networks. This is an experiment, and considered cutting edge across the country by a huge employer working with the health system in this manner. Sharing and analytics will take place. There will metrics to be met regarding quality, access and satisfaction. If the network were able to provide service at a lower cost, the network will share the benefits to Boeing, if not, then a penalty will be issued. This has been in the works for almost three years, and a lot of thought was put in to how to share the information and drive the cost of healthcare down and maintain quality of access.

V. Ballard Multi-Specialty Clinic

The expansion for UW Medicine and particularly NWH is the opening of a new clinic in Ballard located at 1455 NW Leary Way. This is a primary care clinic for UW Medicine along with an urgent care clinic. The Sports Medicine Clinic that has been in Ballard for 15 years will also be moving into the new building. UW Medicine has not had a clinic in Ballard besides the Northwest Sports Medicine Clinic. This is a new market for UW Medicine and the Ballard community will have an opportunity to go to UW Medicine for their primary and urgent care needs. The clinic will offer same day appointment service for primary care. The Sports Medicine clinic will be moving in January, the UW Neighborhood Clinic will open in February, and the Urgent Care will open prior to June. There will be a community open house on February 7, 2015 for the neighborhood.

Ms. Hecker acknowledged the work that Ms. Pamela Renna, Sr. Director of Business Development for NWH, and her team did in coordinating the project such as securing the property, required permits, etc. The clinic is scheduled to open in January 2015. The clinics comprise about 30,000 sq. ft. in the building and house The Sports Medicine Clinic, the UW Neighborhood Primary Care Clinic, Physical Therapy and Urgent Care services.

VI. Patient Story/Patient Feedback

For many years the focus of the hospital was around quality. For the past three years, NWH has dedicated its mission around service. Five years ago, UW Medicine partnered with a national group called Studer Group to maximize the patient's experience. The group has been working diligently with UW Medicine. NWH started the patient experience journey by looking at patient's responses, their satisfaction scores and once the hospital did further analysis and evaluation, the hospital determined that there are areas for improvement. The hospital has known that patient satisfaction and experience are ethically and morally the right thing to do, but because of regulatory compliance, will be penalized if the hospital does not meet an exemplary patient experience score.

This is a constant focus of this organization, and NWH has received excellent feedback in many areas, but also acknowledges that there are other areas that need improvement. Ms. Hecker mentioned that they are pleased with the tools and tactics that the Studer Group provided in order to maximize the listening and communication skills to maximize the patient's environment in order to increase the overall patient's experience.

(Note: A short video was presented to share about a patient's experience at NWH while he was undergoing care due to the H1N1 virus.)

Ms. Hecker mentioned that as a commitment to this initiative and the success of the patient's experience, UW Medicine hosts a Leadership Development Institute three times a year where 500 to 600 leaders from across the system representing both physicians and administrative leaders come together to learn and discuss and continue to grow the patient's experience.

VII. Future Developments

Ms. Hecker provided a brief update on future developments and the focus areas for next year. She mentioned that Ms. Renna's team has done a fabulous job in providing the facilities assessments of the entire campus to determine where the needs are. The campus has been here for over 50 years and there are various areas and upgrades that needs to occur. There is a need for a long term strategic plan that includes when and how to finance the major projects. A tremendous amount of time was spent on developing this plan and it will be shared with UW Medicine to identify the necessary investments to ensure all of the life safety and aesthetics of the campus are maintained.

Both the inpatient and outpatient clinics need a refresh. The team has been looking at common areas of the organization that requires a refresh. The team will also start looking at large projects such as doing a remodel of the three major floors to bring it up to standard and make it more appealing to patients and visitors.

Primary care is also very important as well as emergency care services. There has been an increase in emergency room visits and they want to make sure that NWH has access points to the north end of the community. The hospital is looking at existing providers that have not aligned and are independent to see if they are interested in aligning and be part of UW Medicine/Northwest.

Last year a new building feasibility assessment was started to look at the needs of the campus. One area identified was the Childbirth Center. The center was built over 30 years ago and has undergone several facelifts, but now requires a major renovation in order meet the expectations of the community today.

The other area that the hospital is looking at is orthopedics and this is a huge service for the campus. The orthopedic care that is being provided needs to be streamlined, quicker turnaround times and better amenities.

An assessment was done about major remodeling of the existing buildings to accommodate these two services, and the cost was very significant because of the age of the buildings. It made more sense to build a new building from the ground up than to invest \$30 million for a remodel.

A tremendous amount of time was spent looking at what the hospital could accommodate within the present Master Plan which has 150,000 sq. ft. still unbuilt. The financial aspect of the project has not been secured and the hospital has been working with UW Medicine to secure the financing of these projects.

Ms. Renna mentioned that the timeline of this project is dependent on financing. Once the financing is secured, an expected two and half years for permitting, design and construction.

A comment was made if there is enough room around campus for new construction. They would demolish an existing building and build on top of that. This is a 33 acre campus and there is capacity to build in multiple locations and they are currently determining the appropriateness of the location, height limit restrictions, and financing. In the interim, because of the need for the Childbirth Center, it is currently undergoing a facelift in order to continue to compete as much as possible in that market.

A comment was made if there is a midwife program that exists on campus. There is a midwife program. When NWH integrated with UW, the midwife program was moved and now operates on campus.

The other big investment for this coming year is the registration, schedule and billing system. The current system is no longer supported in the market. As healthcare evolves, regulatory compliance and payment structures are changing, the hospital does not have a robust infrastructure to be able to support these changes. There were many workarounds and processes in order to be able to function, but in order to function in an efficient way with good data and information, a system upgrade is necessary. UW Medicine upgraded their system to EPIC, and NWH is building off on that framework which will be less costly. This is a yearlong project that interfaces with different departments.

VIII. Public Comments, Questions and Answers

A question was raised if there is a less acute patient, will they be sent to UW Hospital. It will all depend on the type of services that patient needs. There is ICU care in this hospital. If it is a transplant patient, the UW Medical Center is a transplant expert and the patient will be sent there. When a baby is delivered and determined that it would need a high level NICU care, there is a Level 2 nursery that exists on the campus, but a higher level care will be transferred to the UW Medical Center. NWH is a Level 4 trauma center, and takes patients with basic traumas, but if a patient suffers acute and higher level trauma intervention, the patient is transferred to Harborview Medical

Center. NWH is able to manage most of the care in the community, and having a partnership with the University, the hospital now has easy access to higher level expertise for certain diagnoses.

A question was raised about a thought in the Master Plan in incorporating helicopter services to Harborview from NWH. There is not a plan to incorporate helicopter services due to the fact that the distance is not that far that ground transport can't be used.

A question was raised regarding the Boeing project, and is Boeing self-insured and will be able to make a connection to a big insurance provider or will they still work with a separate insurance provider and if all three tiers come together. It will still come in all three tiers, there is still BlueCross and they are still the front-end insurer.

A question was raised whether the Accountable Care Network (ACN) is a healthcare provider and not an insurance plan. That is correct, ACN is not an insurance plan.

A question was raised about the new construction and whether the goal of the hospital is to have it done in the next five years and if there is a huge donation, it can be completed sooner. In order to begin the project, it would take about two and half years of planning, design, build, permitting, and construction, etc. The goal is to have a new building to support these services in the next three to four years, but the project team has not determined what financing options are available in order to move forward. The project team is conducting a feasibility study in order to prioritize the needs and show the return on investments and services that it needs to grow, a strategic plan for the next five years in order to make a case to be able to support the financial commitment. That cost is about \$85 million for Phase 1 which would be the construction of the five story building with two floors shelled out, and a total of \$112 million to complete the whole project.

A comment was made about not knowing that hospitals rely on donations. NWH opted this past year to roll a smaller program into the larger UW development since they have access to a large donor pool. It is important for NWH to have this type of support. NWH does not have a big donor pool. Ms. Renna is the representative with the Development office to create ideas going forward on how to grow the donor pool for NWH.

A question was made about parking stalls availability around campus. There is one floor in the garage that is still available. The new building is proposing to have an underground parking

A question was asked about the Affordable Care Act (ACA) whether the hospitals are happy or dissatisfied with it. The reaction has been mixed. It is positive because now there are programs that extends care to the uninsured population, it is a positive for the hospital because there was a large percentage throughout UW Medicine that were no pay and now will be able to get some coverage through WA State AppleHealth to offset costs. The key is to provide high quality, high service and access and decrease costs. The balance is how to provide the expanded level of care and service and not decrease the quality and create mediocre care for everyone, and that is the current risk. Medical education dollars that the hospitals are getting now will be taken out, other dollars are being taken away to cover the cost of expanded coverage and organization's will need to figure out how to maintain quality care. It is a watch and wait scenario, and there are already a lot of mandates for the first year around electronic records, databases, etc. that has created huge expense for the hospitals. Many hospitals are raising their costs in order to meet the expenses. It is the hope that this will continue to evolve in a positive way, but there still exist vulnerabilities in the ACA.

A question was raised about electronic medical record changes, are they beginning to see and recognize any efficiencies in saving money to offset some of these costs. That is the ultimate goal, the timeline with the hospital's efficiencies will not line up with the decrease in funding. Currently, NWH is not efficient with its electronic medical records. The providers are having to learn to provide care in a different way and at the same time learn to provide care in the electronic world, the mandate of documentation and billing pieces are mounting, the efficiencies are still non-existent at NWH and nationally.

A question was raised if we can get there. This is what the hospital is going to strive to, and maybe in the next 10 years, improvements can be made, but federal and Medicare funding are being cut in order to pay for the new healthcare reform.

A question was raised whether uncompensated care in the ER has gone down because of the ACA. There has been a big push in the state of WA around the Medicaid population and there was a mandate three years ago to cut the cost and coordinate care better for that population. There was a lot of push to move patients out of the ER and

get them into the right location. A Social Worker was added to the ER to connect patients to the resources they need. There was a decline in ER visits, but as patients obtain coverage, they seek care in the ER and the cycle continues.

A question was raised about reimbursement comparison between AppleHealth and Regence. AppleHealth is an extension of the Medicaid program, and payment is less than a quarter on a dollar. Depending on the contracts, it is about 75 to 80 cents on a dollar for BlueCross and Regence.

A question was raised about facilities space on the hospital and physician's offices on campus, is that a trend that is increasing. NWH does not charge a facility fee for its clinic business, and there are procedures that has a facility fee attached to it i.e. outpatient surgery. If a patient goes to a primary care clinic that is associated with NWH, there is not a separate facility fee. UW and many other area hospitals have these fees. Will these go away? Every year it is on the State Legislature docket and in the budgeting process to remove the facility fee. The reason it was there is because of the clinics associated with the hospitals, the clinics have the overhead costs of the hospital that needs to be compensated.

A question was raised if they see a decrease of ER visits due to the local clinics in Northgate/Shoreline area. There was no effect. The volume did go down on the NWH campus once Swedish took over Edmonds. There were more patients going in that location, but since the clinic openings, there was no change.

IX. Adjournment

No further business being before the Committee, the meeting was adjourned.