



A Message from the President

Dear Colleagues,

We are half way through an incredibly hot summer in Eastern Pennsylvania. While many of us appreciate the great benefits of air conditioning this time of year, hopefully you have had the opportunity to enjoy this time of year with your family and friends. I am sure many of you have taken some type of well deserved vacation. Many of you have had the opportunity to participate in some of our region's great activities, including multiple art and craft shows, Musikfest, and even Eagles Training Camp. While the summer is winding down, there is still a little left to go prior to turning our attention to the Fall.

Past Events

I would like to thank those of you who attended the statewide ACHE breakfast, held as part of the HAP Leadership Summit on May 15. In addition, Representative Charlie Dent provided a "Legislative Update" on May 31 at Brookside Country Club, where we had more than 60 attendants. We had a strong response rate to our post-lecture survey, distributed to attendants via email; these surveys are extremely important to our Executive Leadership-in particular, our Programs Committee. Our goal is to provide our membership with topics and speakers that meet your needs. By providing us with a high level of feedback, you are assisting our team in planning for the future. As we move forward, I encourage all of you to take the time to complete these electronic surveys. And then on August 22, we held our second annual EPAHEN Summer Social at the beautiful Blue Mountain Vineyards in New Tripoli, where more than 30 attendants enjoyed a fun, relaxing evening.

Upcoming Events

On September 27, we will have another educational presentation entitled "Competing in a Pay for Performance Environment." This topic was highlighted by our membership as a key subject matter, and I am confident that industry leader Noblis will provide a comprehensive educational event. This program, including dinner, will take place at Lehigh Valley Hospital (Muhlenberg), starting at 6pm; and as an independent chartered Chapter of the ACHE, EPAHEN is authorized to award **2.0 hours of Category II** continuing education credits for this program.

Advancement to Fellowship

Over the past year, I have watched many colleagues throughout the nation make the transition to Fellow status. There are many reasons to make this transition, some personal, some professional. For me, the decision to advance from an Affiliate to an eventual Fellow involved both reasons. However, whether its me, an old friend from graduate school, or a colleague from across the country, we all share the common belief that advancement is the one of true commitments an healthcare professional can make in illustrating their ongoing commitment to growing themselves and their peers. This feeling is not personal, but shared amongst all valued members of our field. This includes physicians, senior administrators, healthcare recruiters and Board members who not only have awareness, but fully recognize that a Fellow is a true, distinguished leader in this ever challenging field.

Calendar of Events

Eastern Pennsylvania Healthcare Executive Network (EPAHEN)

September 27, 2007 * 6:00pm

EPAHEN Membership Meeting

Lehigh Valley Hospital-Muhlenberg

Topic: "Competing in a Pay-for-Performance Environment"

Presenter: Noblis

Healthcare Leadership Network of the Delaware Valley (HLNDV)

September 17, 2007 * 5:30pm

*Virtua Health Education Center
Voorhees (NJ)*

Topic: "Diversity and Disparities: The Role of Leadership"

Presenter: Robert C. Like, MD, MS;
Albert L. Gutierrez, FACHE, MBA, RT (R);
Janice L. Dreaschlin, Ph.D.

October 2, 2007 * 7:00am

*National Constitution Center
Philadelphia (PA)*

Topic: "Building an Organizational Talent Bank"

Presenter: Daniel J. Sinnott; Daniel J. Hilferty; Elyse A. Kaplan; Garry L. Scheib

American College of Healthcare Executives (ACHE)

September 17-20, 2007

Atlanta, GA Cluster

September 24-27, 2007

Phoenix, AZ Cluster

October 15-18, 2007

Palm Springs, CA Cluster

October 29-November 1, 2007

Dallas, TX Cluster

Information on these, and other upcoming local, regional and national events is also available at the EPAHEN web site:

<http://epahen.ache.org>

(note: no "www" !)

Notes From ACHE

Expensive US Healthcare System Underperforms, Study Says. *CCH (06/05/07)* A Commonwealth Fund study indicates that out of six nations--five of which have universal healthcare systems--the U.S. healthcare system ranks at or near the bottom in terms of healthcare quality, access, efficiency, equity, and healthy patients. The study also reveals that the U.S. healthcare system lags behind the other nations--New Zealand, Canada, the United Kingdom, Germany, and Australia--regarding the efficient use of nursing staff and information technology to provide quality care. Additionally, the study highlights the ability of the U.S. system to reduce wait times for nonemergency surgical procedures and specialist care and its efficiency gains in preventative medicine. Various hospital and patient data, on the other hand, suggest the investments in the U.S. healthcare system are not generating the returns expected. "If the [U.S.] healthcare system is to perform according to patients' expectations, the nation will need to remove financial barriers to care and improve the delivery of care," according to the report. The Commonwealth Fund also indicated the United States should follow the lead of other nations in relation to quality data reporting, pay-for-performance programs that generate incentives for improved care quality, and teamwork programs aimed at treating patients with chronic conditions.

Who Pays for Efficiency? *New York Times (06/11/07)* Healthcare system costs continue to rise and will continue to do so as the population ages, but Harvard University Health Economist David M. Cutler indicates money saving strategies can reduce overall healthcare costs, though there is little incentive for physicians to adopt those measures because of the initial investments required. Experts believe that cost-saving strategies could bolster healthcare efficiency by as much as 30 percent, with reductions in unnecessary testing, prescriptions, paperwork, and medical errors. Dr. Richard Baron recently upgraded his practice's information technology, converting paper medical records to electronic health records, and the conversion cost him about \$140,000 in initial investments, \$50,000 in maintenance and technical support, and another \$54,000 when he upgrades the three-year-old computers. However, Baron notes that transcription costs have declined, the office now handles over 6,000 patients with three less workers, and the re is greater information accessibility; but he notes the cost savings in actual dollars is less than the cost of computerizing his office. According to the Center for Technology Leadership, private and public insurers receive the highest portion of the benefits because fewer tests are called for and automated records handling is more efficient, while doctors only receive about 11 percent of the savings associated with electronic health records even though they are the ones putting up the initial investments in the new records systems. Some experts believe that technological advances can lead to higher healthcare costs; for example, specialty hospitals open up more readily to care for cardiac patients with the latest stent technology, but patients who need bypass surgery later on are less healthy and able to recover as quickly had they not undergone stent surgery first. University of California Clinical Professor of Medicine Dr. Dean Ornish says, "Medicine is currently practiced as part of a disease care system geared to reacting to the consequences of bad health instead of treating the underlying causes. More than 90 percent of heart disease is preventable," through diet, exercise, and stress management. Experts note that preventative medical programs can reduce treatment costs by 30 percent or more; but with 33 percent of insureds switching insurance carriers, many insurers are reluctant to provide coverage for preventative care.

Transparency Provides Better Look at Health Care. *USA Today (05/23/07)* The Internet is spurring transparency in the healthcare arena, with federal and state governments, the Hospital Quality Alliance, and the National Quality Forum leading the pack. Many hospitals are releasing data on their Web sites, but facilities differ as to the types and amount of information issued. Lebanon, N.H.-based Dartmouth-Hitchcock Medical Center's Web site, for instance, features a Quality Reports section with such information as death rates and length of hospital stays for particular procedures in comparison to the national average, as well as a calculator to help patients determine out-of-pocket

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Welcome New Members!

MaryBeth Bornhorst

Administrative Resident
Lehigh Valley Hospital

David Roberts

Director of Business Operations
Pocono Health Management

Robert Shuminski

Director, Pharmacy
Good Shepherd Rehabilitation Hospital

Robert Stover

Executive Director
Medical Associates of the Lehigh Valley

Jennie Ann Swartz

Practice Manager
Lehigh Valley Physicians Group

Peter Wozniak

Associate CEO
Easton Hospital

*The full EPAHEN membership directory
can be found on our web site (epaben.ache.org).*

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St. Luke's Hospital & Health Network
Stephen Kaja, FACHE, President-Elect
Lehigh Valley Physician Group
Deborah Corcoran, FACHE, Treasurer
Lehigh Valley Hospital and Health Network
Marie Clemens, Secretary
Hospital Central Services, Inc & Affiliates
Teresa Martis, Vice President, Membership
University of PA Health System
Michael Bonner, Vice President, Programs
Lehigh Valley Hospital and Health Network

I encourage all of you to revisit your current credentials and Category I and II credits at ache.org. Many of you will see that most of the pre-requisites for advancement have already been realized, and only completing the application and exam remain. I ask that you take the time to finish this valued process. Take the extra moment to achieve this valued milestone in your career. On behalf of our Board, we are committed to assisting you in any way possible, and ask that you contact us regarding any questions or support.

I look forward to finishing out our calendar year with great success. Its been a long summer, and I look towards seeing all of you at our upcoming events. Have a great remainder of the Summer, and I will see you at the Vineyards!!!!

Andrew Starr, FACHE
President, EPAHEN

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costs. Melanie Mastanduro, Dartmouth-Hitchcock's quality measurement director, says, "Fundamentally, we believe we're in a partnership with patients. Only if they have information can they make good decisions about their healthcare." Similar information is being offered on the Web sites of state health departments, but experts acknowledge the difficulties of interpreting hospital grades when so many factors are involved in their calculation.

To Make Changes, Manage Them. *HR Magazine (05/07)* Enterprise-wide change initiatives are increasing in frequency, rendering a company's ability to manage employees throughout the change process a top priority. Elements of change management include communication and the development of training programs, a road map for change sponsors, and a strategy for handling resistance. For example, the Tennessee Valley Authority, a large power company, selected a change management manager and created a template for outreach plans. Experts agree change management should start as early as possible, particularly during the project's problem-identification phase. Executives must communicate with staff to explain "that change is coming," and need to remain active during the entire process. According to a PricewaterhouseCoopers survey of executives, one obstacle to change is middle managers' lack of change management skills. Therefore, managers must build competencies and softer skill sets so they can reassure, coach, and empathize with employees during these periods. Employees, too, need a chance to ask questions and raise concerns; "town hall" meetings, discussions with supervisors, and surveys are some methods of getting feedback that can identify problems as the organization adjusts to change.

Visions of Health Care's Future: Bigger, More Patient-Focused Systems? *Hospitals & Health Networks (05/01/2007)* Healthcare industry experts concur healthcare systems must change to fulfill rising quality and affordability expectations, and many see healthcare's future as residing in integrated systems, patient-centric care, new physician-hospital relationships, and increased outpatient services. Costly new technology--like imaging systems and smart sensors--that improves quality and safety of care will be worth the investment as a way to solve staffing, financial, and infrastructure problems, say experts. Larger organizations should fare better in handling future demands from aging Baby Boomers and others, as they typically have the strong balance sheets necessary to access capital. In addition, larger systems can organize and synchronize care, ultimately utilizing electronic health records to their fullest potential; the industry is looking to "move from thousands of small physician group practices and independent hospitals toward larger, more clinically integrated healthcare organizations," says James Mongan, President and CEO of Partners HealthCare System. Kaiser Permanente and Veterans Affairs are prototypes of these systems, but in order for the organizational shift to work, physicians must give up some autonomy. However, experts report many physicians are headed in another direction, setting up independent facilities with outpatient services to compete with hospitals for patients. The Centers for Medicare and Medicaid Services indicate health insurance costs continue to rise by 6 percent or more and healthcare spending outpaces inflations; experts note that without further reform, premium growth will be out of control and care quality will continue to suffer. Experts suggest reforming the healthcare system to incorporate greater transparency regarding clinical outcomes, modified reimbursement practices, cost containment strategies, and value-based technology purchases. Finally, hospitals, physicians, and providers need to be able to adapt to the latest discoveries in the biological and pharmacological sectors in an effort to improve care delivery.