

P.1 ORGANIZATIONAL DESCRIPTION

P.1a(1) Cardinal Glennon Memorial Hospital for Children was founded in 1956 in response to the increased demand for pediatric medical services following the post World War II baby boom. Local pediatricians joined with the Archdiocese of St. Louis to found the Hospital. The Franciscan Sisters of Mary, who have a long tradition of providing health care in St. Louis, were recruited to manage the hospital. During the next 47 years, the Hospital would participate in and contribute to revolutionary changes that occurred in pediatric medical care. During that period of time, thousands of children benefited from the advanced medical technology and loving care provided by the people who are Cardinal Glennon Children's Hospital.

In 2004, the Hospital, consisting of 190 licensed beds, continues to operate at its original location at 1465 South Grand Boulevard in St. Louis, Missouri. SSM Cardinal Glennon Children's Hospital (CGCH) is now owned by the SSM Health Care System which has managed it since its inception. SSM Health Care provides the hospital with its mission, vision, values, quality principles, characteristics of exceptional health care, and a frame-work for strategic and financial planning. In addition to the SSM and SSM/St. Louis Board of Directors to which the Hospital reports, CGCH also has a Foundation Board, composed of business, medical, and religious leaders, which guides fundraising activities, supervises foundation asset investments and management, and advocates for CGCH in the public and government sectors.

Through its partnership with physicians, CGCH provides pediatric care to both inpatients and outpatients. Of the 190 licensed beds, over 60 are considered to be critical care beds.. In 2003, CGCH had 5,567 inpatient admissions, 112,600 outpatient visits, and 37,052 emergency department visits.

CGCH's primary service area is predominantly urban with 75% of patients originating from St. Louis City and County, St. Charles, Franklin, and Jefferson Counties in Missouri, and from St. Clair, Madison, and Monroe Counties in Illinois. The other 25% of patients originate primarily from an area within a 125 mile radius of the hospital.

P.1a(2) SSM Cardinal Glennon Children's Hospital supports the SSM Health Care mission and embraces its core values and quality principles. CGCH's special mission is to provide exceptional health care services to patients from birth to 18 years of age.

MISSION STATEMENT

Through our exceptional health care services, we reveal the healing presence of God.

VISION STATEMENT

Through our participation in the healing ministry of Jesus Christ, communities, especially those that are economically, physically, and socially marginalized, will experience improved health in mind, body, spirit, and environment within the financial limits of the system.

CORE VALUES

In accordance with the philosophy of the Franciscan Sisters of Mary, we value the sacredness and dignity of each person. Therefore, we find these five values consistent with both our heritage and ministerial priorities:

- Compassion
- Respect
- Excellence
- Stewardship
- Community

QUALITY PRINCIPLES

- Patients and other customers are our first priority
- Quality is achieved through people
- All work is part of a process
- Decision making by facts
- Quality requires continuous improvement

CHARACTERISTICS OF EXCEPTIONAL HEALTH CARE

- Exceptional clinical outcomes
- Exceptional patient satisfaction
- Exceptional employee satisfaction
- Exceptional physician satisfaction
- Exceptional financial outcomes

Along with the rest of SSM Health Care, CGCH has been committed to continuous quality improvement (CQI) since 1990. In recent years, SSMHC's pursuit of the Malcolm Baldrige National Quality Award has provided CGCH with the impetus to use the Criteria for Performance Excellence as a tool to improve organizational performance.

P.1a(3) CGCH has 1600 employees who work in partnership with a Medical Staff of 477 physicians to provide health care services. Approximately 65% of the employees are professionals who represent a variety of educational backgrounds. Registered nurses comprise approximately 42% of the total staff. Of the hospital staff, 86% are women and 20% represent minority groups, while 6.5% are classified as officers or managers. Hospitality services

including Food Service, Environmental Services, and Patient Transport Services are provided by CGCH staff managed, via contract, by the Aramark Corporation. There are no bargaining units within the hospital.

Physician staff members are not employed directly by CGCH but are appointed members of the medical staff who must be privileged to practice at CGCH. The majority of the physician staff members are community physicians whose primary connection to CGCH is to refer patients for diagnostic testing, specialty consultation, or hospitalization when indicated. Approximately 100 members of the physician staff are faculty physicians who are employed by St. Louis University and are assigned to practice at CGCH.

Special safety requirements for employees include control of exposure to bloodborne pathogens, hazardous and biohazardous material management, radiation monitoring, life and environmental safety plans, and emergency preparedness.

P.1a(4) CGCH’s primary campus consists of an acute care hospital and a doctor’s office building located in mid-town St. Louis. CGCH’s major medical equipment includes state-of-the-art technology such as MRI, 16 slice CT scanner, ultrasound, diagnostic imaging, surgical lasers, bi-plane cardiac catheterization lab and sophisticated laboratory equipment. A standardized, system-wide information system supports the hospital’s operations and provides linkages to the other members of the SSM Health Care System.

P.1a(5) CGCH operates under the requirements of the federal sector, including OSHA, EEOC, NRC, and EPA (health, safety, and environmental, and within city and state regulations. The hospital is accredited by the Joint Commission for the Accreditation of Healthcare Organizations (JCAHO).

P.1b(1) SSM Health Care’s Board of Directors consists of both religious and lay persons, and meets four times per year. Reporting to the System Board are four regional and three local boards. One of the regional boards is the SSM/St. Louis Board of Directors, which meets 6 times per year and to which the CEO of SSM Cardinal Glennon Children’s Hospital reports. This board is responsible for medical staff credentialing and performance assessment and improvement. CGCH provides a performance report to the regional board on a quarterly basis along with annual reports on staff competence and the state of the environment.

P.1b(2) Pediatric patients and their immediate families have always been the primary customers of CGCH. CGCH further segments this customer group into inpatients, emergency department patients, outpatient surgery patients, and other outpatients. For purposes of assessing and meeting customer needs, pediatric patients and their immediate families are considered as a unit with identical key requirements. In addition to patients and their families, those community-based physicians who refer patients to CGCH for services are also considered to be customers. Key customer requirements have been identified for all customers in the following table.

PATIENTS/ FAMILIES	KEY REQUIREMENTS
<ul style="list-style-type: none"> • Inpatients • Emergency Department Patients • Outpatient Surgery Patients • Other Outpatients 	<ul style="list-style-type: none"> • Accurate diagnosis and treatment • Safety • Frequent, consistent, understandable, and respectful communication • Successful clinical outcomes • Family-centered environment and care • Timely access
REFERRING PHYSICIANS	KEY REQUIREMENTS
	<ul style="list-style-type: none"> • Timely access to diagnostic, consulting, and treatment services for their patients • Timely and accurate communication of information about specific patients, including accurate diagnostic results

P.1b(3) Staff physicians are essential partners in providing exceptional health care services. They are the primary source of referrals for health care services and provide a vital role in providing those services. As a key provider of physicians (approximately 20% of the Medical Staff), St. Louis University is also recognized as a key partner in providing health care services.

Other partners include other SSM Hospitals where CGCH provides pediatric services. For example, at St. Mary’s Health Center, CGCH provides neonatology medical staff coverage and administrative management to the Special Care Nursery.

Relationships with major suppliers are selected and managed at the system or regional network level to provide and distribute supplies and other services

system (or network) wide. The hospital's role in supply chain management with the major suppliers is primarily one of providing information to the System and Network purchasing groups about necessary specifications, inventory requirements, and levels of supplier performance.

P.1b(4) Purchase decisions that are made by the System or Network to meet the needs of the hospitals which primarily serve adults, may not be appropriate for a children's hospital. To ensure that CGCH's requirements are considered, the hospital assigns staff to actively participate on Value Analysis Teams which make recommendations for equipment and supplies to support the operations of the hospitals.

Communication with physicians is accomplished through a variety of mechanisms. Key clinical information is provided by intranet sites which provide connectivity to various resources including clinical laboratory information. Physicians play key roles in a model of shared accountability through their participation in various committees which provide input and oversight to hospital operations, including the leadership committees.

P.2. ORGANIZATIONAL CHALLENGES

P.2a(1) SSM Cardinal Glennon Children's Hospital is one of two free-standing pediatric hospitals in the St. Louis Metropolitan Area. The other pediatric hospital, St. Louis Children's Hospital, is the chief competitor for tertiary level pediatric health care. Another major competitor is St. John's Mercy Hospital which provides pediatric emergent, neonatal, and critical care services. In 2003, CGCH was third among St. Louis hospitals providing pediatric inpatient care with 14% of the market.

P.2a(2) While many children's hospitals focus significantly on research activities, CGCH is best known for its focus on the provision of exceptional clinical services in a family-centered environment. This focus has provided an advantage in recruiting staff members who are also dedicated to providing exceptional clinical services.

CGCH's membership in the SSM Health Care System provides a competitive advantage in the form of additional prestige associated with being the first health care organization to win the Malcolm Baldrige National Quality Award. System membership also provides a culture of continuous quality improvement that encourages teamwork, organizational learning, and innovation. Participation in the System

sponsored Clinical Collaboratives provides a framework for improving clinical outcomes.

In 2003, CGCH opened a new inpatient tower which includes 48 single patient rooms specifically designed to accommodate patients and their families in an environment that supports privacy. Additional renovation is planned to convert other patient rooms for single patient use. It is expected that this enhancement to the family-centered environment will create additional demand for inpatient services.

P.2a(3) CGCH participates in the National Association of Children's Hospitals and Related Institutions (NACHRI) Case Mix Program, a database which includes data from 60 children's hospitals. This database provides comparative results for patient acuity, length of stay, resource utilization, and charges for a wide variety of diagnostic categories. Comparative data is also available through NACHRI for financial and productivity measures. Local comparative and competitive data related to market share is available through the Hospital Industry Data Institute (HIDI).

CGCH participates in the SSM Health Care patient satisfaction program and receives hospital-specific results along with comparative results from the other SSM Hospitals

P.2b CGCH's key strategic challenges are those that face all health care organizations including:

- Increased patient and payer expectations related to clinical outcomes, patient safety, and customer service
- Market shortages of nurses and other key allied health professionals
- Open medical staff positions in key service lines
- Increasing market competition
- Increasing financial pressures, including rising costs and declining reimbursement, which affect the organization's ability to acquire new technology

In addition, CGCH's geographic location in the heart of an urban area provides a significant challenge to gaining market share in a metropolitan area where population growth is occurring in areas increasingly farther from the city.

P.2c(1) Continuous Quality Improvement (CQI) is the approach used by CGCH to achieve organizational improvement in all aspects of its operations. Inherent in this approach is the focus on the CQI principles and the use of a 7- step model for

improvement which is based on the Plan-Do-Study-Act Cycle.

P.2c(2). Organizational learning occurs through CGCH's involvement in SSM Health Care and within the hospital itself. SSMHC fosters best practice sharing in a variety of ways including an annual Sharing Conference which highlights best practices from around the system; functional groups, such as those for Lab, Pharmacy, and other key areas, which share ideas and practices; sharing of CQI team results through the SSM Quality Resource Center; Clinical Collaborative which provide educational programs in addition to sharing of best practices

Within the hospital itself, various learning opportunities are available including a monthly Q-School presentation which focuses on some aspect of performance improvement; the monthly Q-Report – a newsletter which focuses on internal CQI projects or best practices; Grand rounds presentations which share clinical best practices; inservice presentations which introduce new practice information to clinical caregivers

1.1 ORGANIZATIONAL LEADERSHIP

1.1a(1) CGCH is a mission-and-values driven organization whose culture is reflected in its mission, vision, core values, and quality principles. The mission and core values attract leaders and staff to become and remain a part of CGCH so that, ultimately, the mission and core values are driven throughout the organization by leaders and front-line staff.

CGCH's senior leadership system consists of :

- Administrative Council (AC) – composed of hospital senior leaders and medical staff leaders
- Medical Executive Committee (MEC) – composed of leaders of the Medical Staff along with senior hospital leadership
- Quality Improvement Council (QIC) – composed of key members of the Administrative Council and the Medical Executive Committee

CGCH's short- and long-term strategic directions are established through the SSMHC Strategic, Financial, and Human Resource Planning Process (SFPP) established by SSM Health Care (Figure 2.1-1). The AC, with input from medical staff, hospital managers, and employees, develops strategic initiatives which are consistent with the mission and values of the organization and support the strategic initiatives of SSM Health Care and SSM Health

Care/St. Louis. These initiatives are intended to support delivery of exceptional health care as defined by the Characteristics of Exceptional Health Care.

Performance expectations for senior leadership are established by SSM Health Care and communicated via the SSMHC Executive Leadership Handbook. Performance expectations in support of the strategic initiatives are communicated and deployed to hospital staff primarily through the use of two tools: 1) Departmental Goal Posters, and 2) Employee Passports.

Relationships with key suppliers are managed by SSM/St. Louis, which establishes two-way communication to articulate SSMHC's values, directions and expectations to those suppliers. Relationships and communication of values, directions, and expectations to key partners are managed by CGCH in a variety of ways. Physicians, including those who represent Saint Louis University, are included in decision-making at all levels, including development of the Strategic, Financial, and Human Resource Plan.

1.1a(2) Senior leaders create an environment for empowerment, innovation, and organizational agility by combining a structure of shared accountability with the use of continuous quality improvement (CQI) principles, methods, and tools. This enables the organization to empower staff to identify, quantify, and address their own opportunities for improvement and develop innovative solutions in a manner that is timely and responsive to the ever-changing needs of patients and other stakeholders.

Shared accountability for achievement of exceptional health care is achieved through a system of multi-disciplinary committees and teams, each of which is chartered to monitor and improve some aspect of hospital operations. (Figure 1.1-1). In addition to these permanent groups, the Hospital also sponsors temporary (3-12 months) CQI teams which are created to address problems, improve performance, or to design new processes.

To support the spread of a CQI Culture, all CGCH senior leaders and managers attend a minimum of 28 hours of CQI training during their first 6 months in a management position. Leaders of CQI teams are also required to attend this training. The training focuses on the use of a 7-step model to improve or design processes, the use of a variety of tools to measure and analyze processes as well as to manage group/team dynamics.

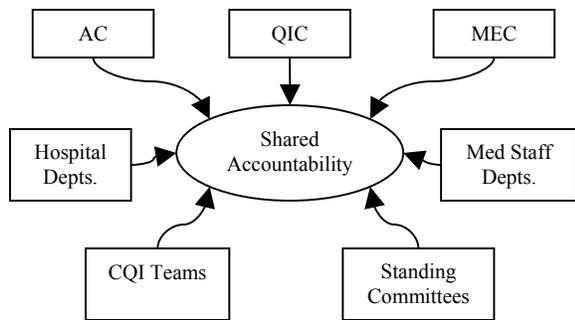


Figure 1.1-1 STRUCTURE FOR SHARED ACCOUNTABILITY

Organizational and staff learning are encouraged and supported by participation in activities which support the exchange of best practices as well as individual learning. Learning is also supported by participation in focus groups sponsored by the National Association for Children’s Hospitals and Related Institutions (NACHRI), which bring together groups of interested pediatric hospitals to share information and best practices. When systems or process are identified for design or re-design, leadership supports benchmarking visits to other non-SSM organizations that have demonstrated best practices. The lessons learned during these visits are brought back to the hospital for adaptation and adoption by the team or group assigned to the project.

SSM Health Care and CGCH leadership support an environment to foster ethical and legal behavior through the following mechanisms:

- A Corporate Responsibility Program, which provides a mechanism for staff to report concerns to an independent third party and training courses for all employees
- Policies addressing ethics in marketing, billing, and admission, discharge, and transfer of patients
- A Department of Revenue Integrity to ensure proper and legal coding practices
- A staff code of conduct
- Access to legal opinions when needed
- Employment of the Catholic Healthcare Auditing Network to audit billing and financial practices

1.1b The SSM/St. Louis Board of Directors delegates operational responsibility for CGCH to the President/CEO of CGCH. To ensure that CGCH management is accountable for the organization’s actions and financial performance and that stakeholder interests are protected, the Board provides oversight by regularly reviewing, and, as needed, acting upon reports provided by CGCH.

In addition to Board oversight, CGCH leadership is subject to a defined Performance Management Process to review and assess organizational performance. As part of this process, consideration is given to progress in achieving the strategic plan’s short- and long-term goals, performance compared to competitors or best-performing organizations, and achievements in meeting changing health care needs. The Performance Management Process defines the roles and responsibilities of hospital leadership in managing the performance of CGCH, defines a consistent set of performance reporting tools to be used, and establishes standardized definitions and indicators to ensure consistency in performance measurement.

The performance indicators used to measure organizational performance relate directly to the five Characteristics of Exceptional Quality by including measures related to clinical outcomes, patient/employee/physician satisfaction, and financial performance. The report which summarizes these indicators is known as the Hospital Operations Performance Improvement Report (PIR), and includes measures of growth, reimbursement, productivity, expense, liquidity, profitability, service, clinical quality, and satisfaction.

In addition to Board and System Management review of performance, a monthly meeting, known as Operations Review, is held, which includes CGCH administrative, departmental, and medical staff leadership and the Executive Vice President/Chief Operating Officer of SSM/St. Louis. At this meeting all elements of the PIR are reviewed in detail, variances are explained, and action plans discussed.

1.1c(1-3) Senior leader review of organizational performance is accomplished through the activities of three key leadership groups: 1) Administrative Council (AC); 2) Medical Executive Committee (MEC), and 3) Quality Improvement Council (QIC).

The AC meets weekly to review of the measurements included in the PIR, the AC reviews progress toward short- and longer-term goals using the CGCH Action Plan. The Action Plan is derived from the Strategic, Financial, and Human Resources Plan and identifies the key areas of focus for the hospital, including time frames and the names of accountable leaders. The Action Plan is compared to the PIR and other indicators to track effectiveness.

The MEC meets monthly to review the credentials and performance of proposed and current members of the Medical Staff and to make recommendations to

the Board regarding the appointment or reappointment of those members. In addition, the MEC delegates to various committees (Figure 1.1-1) the responsibility for the review of organizational performance in key clinical areas such as the use of medications, the use of blood and blood products, medical record completion, and infection control. When established measures indicate that performance in any of these areas is questionable, the MEC delegates the authority and responsibility for taking corrective action to the appropriate committee or group.

The QIC meets monthly. Its primary function is to bring Hospital leadership from the AC together with the Medical Staff leadership from the MEC to review organizational performance in the areas of clinical performance and patient satisfaction as measured by key indicators. When opportunities for improvement are identified, it is the responsibility of the QIC to charter CQI teams to address the issues. The QIC then reviews the progress and recommendations of those teams at regular intervals.

1.1c(4) SSM Health Care has defined a Leadership Development Process which includes a 360-degree evaluation of senior leaders that solicits feedback from superiors, peers, and direct reports. Additionally, senior hospital leaders evaluate and improve their own individual and group performance based on the feedback received from the 360-degree evaluation process and from the employee and physician satisfaction surveys, which include questions about senior leadership's performance. Using this information along with the organizational results as reported through the Performance Management Process previously described, SSM Health Care and SSM/St. Louis management evaluate the Hospital senior leadership's performance.

1.1 SOCIAL RESPONSIBILITY

1.2a(1-2) CGCH receives and provides information about the impact of its health care services and operations on society through leadership meetings with community leaders such as those on the Foundation Board, the Impact Board, and the Board of Advisors. Annually, CGCH sponsors a reception for representatives of federal, state, and local government where CGCH leaders, physicians, and staff can provide and receive information about issues related to the provision of health care services. Individual and small groups of legislators, especially newly elected or appointed officials, are also regularly invited to the hospital to receive a tour and discuss issues and concerns. CGCH sponsors a

Public Policy and Advocacy Department, which researches children's health and social welfare issues. The Department is supported by a Board-level Advocacy Committee of physicians, administrators, and community leaders who provide feedback on children's health and welfare needs and advocate for the allocation of appropriate resources to meet those needs.

Information received about the impact of CGCH's services and operations on society, regardless of the source, is processed by the Administrative Council and/or the Medical Executive Committee, and an appropriate action or response developed

CGCH is accredited by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) and is licensed by the Missouri State Department of Health. To ensure superior results during the JCAHO triennial accreditation survey, CGCH has a Continuous Survey Readiness (CSR) Plan which includes a steering team consisting of hospital and medical staff leadership and four sub-teams which are responsible for assessing the hospital's level of compliance with each standard and developing action plans and measures of success for each standard that is not scored at the highest level. The CSR plan is supplemented by a system of compliance rounds, which are conducted at the departmental level by staff in the department.

1.2b To promote ethical behavior, all employees are required to participate in education and training that addresses ethics, risk management, and corporate responsibility. In addition, CGCH participates in a system-wide Corporate Responsibility Process (CRP) to address requirements associated with regulatory, legal, and ethical compliance in providing health care services. To further ensure ethical behavior, especially related to stakeholder financial transactions, CGCH employs the Catholic Healthcare Audit Network to provide a staff person at the hospital to routinely and independently review processes and procedures, and provide feedback on the legal, business, and ethical results.

1.2c Improving the health of the community is an area of ongoing emphasis for CGCH. Information gleaned from contact with public officials and other community representatives is used to identify opportunities for improvement. The Strategic, Financial, and Human Resource Planning Process is the mechanism through which specific projects are selected and resources allocated. Community projects which have been identified through this process include:

- Development and maintenance of the Missouri Regional Poison Center
- The Footprints Program, which offers coordinated end-of-life care to children and their families and communities.

2.1 STRATEGY DEVELOPMENT

2.1a(1) CGCH uses the Strategic, Financial, and Human Resource Planning Process (SFPP) of SSM Health Care. The process combines direction setting and strategy development with HR and financial planning. (Figure 2.1-1) The process includes a three-year (long-term) planning cycle with annual (short-term) updates. The SFPP ensures that CGCH sets strategic goals that are consistent with achieving the ambitious promise of its Mission and Vision. The SFPP framework supports organizational learning about patients and other customers. It guarantees the development of strategies and actions to support stakeholder needs and expectations as well as capitalizing on market opportunities.

The SFPP begins in February when System Leadership and all SSM entity Presidents meet to assess key challenges, review comparative data, and establish System goals for the next one to three years. In March, a Governance Retreat is held for the Board members from all of the SSM entities to provide them an opportunity for input into the plan. During April and May, the SSM Corporate Office departments, including Finance, Human Resources, Information Services, and Materials Management, which provide centralized services for all of the entities, establish their plans and budgets. The cost of these centralized services is then allocated to the SSM hospitals and communicated to the Hospital as an element of the Preliminary Assumption Guidelines used during the SFPP. In late May, CGCH receives a submission packet with standardized forms and definitions, which guarantee a consistent format and alignment of network and hospital plans with SSM's goals.

2.1a(2) To assist CGCH in the planning process, the Corporate Strategy and Business Development Department has defined a Minimum Data Set (Figure 2.1-2), a comprehensive and robust set of analyses and indicators prepared by the CGCH planning, finance, and HR functions. The Minimum Data Set is derived from a variety of sources related to current, past, and potential customers, markets, competitors, technology, payers, stakeholders, and public policy/regulation used for strategic development.

CGCH is a member of Sg2 and the Health Care Advisory Board. Both of these firms analyze changes in the business and technology of health care. Membership in these organizations aids in the identification of emerging clinical technologies and major business trends that will have an impact on care delivery, utilization, outcomes and payments.

CGCH also capitalizes on its partnership with Saint Louis University's School of Medicine for pediatric medicine and surgery. CGCH is able to access and leverage the knowledge of leading physician researchers related to the current and future models of pediatric health care delivery and technology in the SFPP. This knowledge transfer occurs through regular meetings with faculty from the school and is supported by a formal agreement – the Implementing Educational Agreement – between the institutions.

CGCH has identified its main competitors in each product line. Routine use of the St. Louis Metropolitan Hospital District Council reports are used to approximate market share and determine facility share and average length-of-stay of competitors. These data, generated and validated internally by the Decision Support staff, are used in the SFPP. Data from the Hospital Industry Data Institute (HIDI) are also used to determine share by market and product line for CGCH and its competitors. Other data used in the SFPP comes from established national and state sources such as market Planner Plus and the Census Bureau.

During the summer, CGCH shares the results of its assessment and its preliminary strategies and action plans with SSM Health Care Planning, Finance, and HR staff to ensure alignment with system-wide goals and objectives. Corporate Planning distributes the finalized Plan Assumption Guidelines to CGCH in July to guarantee the consistent use of financial and economic assumptions across the system.

CGCH seeks input from patients and their families, employees, managers, and physicians about the relative strengths and weaknesses of the organization as the basis for development of strategic goals and objectives. Input from shared accountability teams, as well as patient, employee, and physician satisfaction surveys and impact analyses are integrated and used to craft strategy related to clinical outcomes, patient/employee/ physician satisfaction, and financial performance. Focus groups are used to supplement knowledge related to the needs and expectations of CGCH's patients and their families and also feed into the planning process.

External Sources	Internal Sources
<u>Customer Information</u> <ul style="list-style-type: none"> • Patient satisfaction survey results • Market research • Market share by service 	<u>Medical Staff Analysis</u> <ul style="list-style-type: none"> • Med staff survey results • Physician needs assessment by specialty • Verbal input
<u>Demographic/Socioeconomic</u> <ul style="list-style-type: none"> • Population trends by age and ethnicity • Population-based use rates • Major industries • Household incomes 	<u>Product Line Analysis</u> <ul style="list-style-type: none"> • Profitability • Volume • Consumer perception of key product lines
<u>Competitor Analysis</u> <ul style="list-style-type: none"> • Inventory of competitors • Market share trends • Activities of competitors • New services 	<u>Physical Plant/Technology</u> <ul style="list-style-type: none"> • Major plan infrastructure and equipment assessment • Information Management Plan • Regulatory requirements
<u>Technologies/Trends/Growth</u> <ul style="list-style-type: none"> • Literature reviews • Networking • Information Management Plan 	<u>Human Resources</u> <ul style="list-style-type: none"> • Employee opinion and satisfaction survey results • Market analysis of compensation and benefits • Turnover • Training needs • Diversity
<u>Payer Analysis</u> <ul style="list-style-type: none"> • Inventory of payers • Payment rates • Distribution of patients • Utilization 	<u>Financial Analysis</u> <ul style="list-style-type: none"> • Net revenue • Expenses • Operating margin • Payer mix trends • Contracts • Use of agency staff • Supply costs
<u>Public Policy/Accreditation</u> <ul style="list-style-type: none"> • Federal and state legislative and reimbursement trends • JCAHO and other regulatory standards 	<u>Clinical Quality Analysis</u> <ul style="list-style-type: none"> • Regulatory survey feedback • Clinical collaborative results • Department performance improvement plans

Figure 2.1-2 EXAMPLES OF DATA COLLECTED FOR THE MINIMUM DATA SET

SSM Health Care-sponsored organizational learning opportunities also support the development of the SFPP through the identification of best practices for replication. For example, CGCH is currently implementing a “30/30 Program” aimed at reducing wait times (30 seconds for emergent cases, and 30 minutes for other cases) and improving satisfaction in

the Emergency Department based on a best practice at another SSM facility.

2.1b(1,2) CGCH’s key indicators for each of the Characteristics of Exceptional Health Care are presented in Figure 2.2-1, along with the benchmark sources used for goal setting. Alignment of strategic objectives to each of the Characteristics of Exceptional Health Care allows CGCH to achieve more balanced goals and guarantees that clinical outcomes and patient/ employee/physician satisfaction are placed on equal footing with financial performance. The strategic challenges identified by CGCH are specifically addressed in the Strategic, Financial, and HR Plan, which includes sections on patient safety (Exceptional Clinical Outcomes), retention and recruitment of nurses and other key staff (Exceptional Employee Satisfaction), growing customer expectations (Exceptional Patient Satisfaction), and increasing financial pressures (Exceptional Financial Performance).

Use of a three year planning cycle with annual revisions helps to ensure that there is a balance between short- and long-term objectives. To better address long-term strategic planning, CGCH is in the process of deploying Project 2014, an initiative to develop a vision of what the hospital will look like a decade from now. This project will require CGCH to develop a list of future options, determine the “best” option, and develop a financial model for that option.

2.2 STRATEGY DEPLOYMENT

2.2a(1-3). Deployment begins with the development of action plans to achieve CGCH’s key strategic objectives by the assigned strategy “champion” with input from Finance, HR, and other individuals integral to each strategy. As a part of this process, capital investment requirements are identified and prioritized based on their likelihood of advancing achievement of the objectives.

Items or projects costing more than \$500,000 (project capital) require submission of a Capital Project Application Form to be approved by SSM Health Care’s Capital Allocation Council (Figure 2.1-1 #11E-15E). For items or projects costing less than \$500,000 (maintenance capital), CGCH, through its Administrative Council, evaluates the benefits of the expenditure. Input is sought from the Medical Staff through the Medical Executive Committee (MEC) and from Hospital Department Managers and used by the Administrative Council to prioritize and approve

Strategic, Financial and Human Resources Planning Process (SFPP)

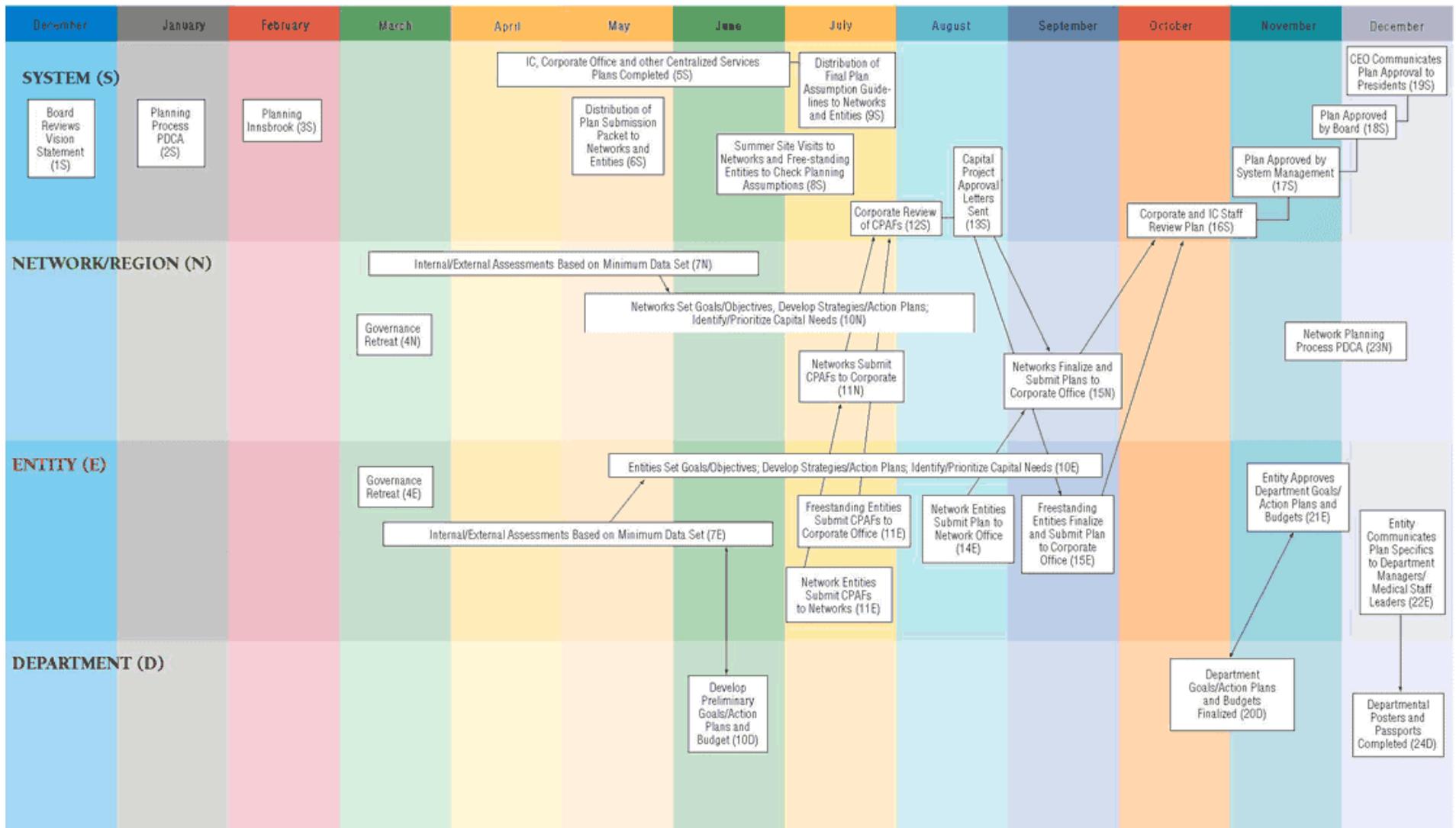


Figure 2.1-1 STRATEGIC, FINANCIAL, AND HR PLANNING PROCESS

capital requests. In addition to the outlay of capital, each strategic objective is evaluated in terms of the operating expense requirements. The Administrative Council works with Department Managers to identify the financial resources required to deploy the action items. Once identified, these costs are factored into departmental operating budgets.

Human resource planning is a component of the SFPP. A comprehensive Human Resource section is part of the Minimum Data Set, and necessary recruitment, retention, training, and financial strategies, and requirements related to staffing are identified and incorporated in the Plan.

Deployment continues with the development of long and short-term goals for each strategy, determination of time frames, and assignment of responsibility. Figure 2.2-1 illustrates some of CGCH's key challenges and related strategic objectives, goals, and action plans.

The finalized Strategic, Financial, and Human Resource Plan is submitted to the Corporate Planning, Financial, and HR staffs for review and for System Management's approval. The SSM Board of Directors reviews and approves the System's overall Plan and the network and entity strategies each December.

The Plan is deployed at the department level through the use of the Goal Posters. In collaboration with the unit's Medical Director, each Manager is charged with identifying departmental goals that support achievement of the hospital goals. The departmental goals are reviewed with the assigned member of Senior Leadership to ensure alignment. These goals are displayed on a Goal Poster, which also displays the Mission and the Hospital's goals.

The Plan is further deployed at the individual employee level through the use of Passports. The Passports are used to deploy and align hospital and departmental strategic goals and action plans to all employees and their individual goals. Through the development of individual goals, each employee participates in the SFPP.

2.2a(4). Progress on the action items is monitored through key indicators on the Hospital Operations Performance Indicator Report, known as the PIR and through additional indicators established to monitor progress. Like the strategic objectives, the indicators measure progress and performance in each applicable Characteristic of Exceptional Health care. The Administrative Council also maintains an ongoing

Action Plan **(1.1c(1-3))** to monitor progress on key initiatives and actions that support the achievement of the hospital's strategic goals and objectives.

3.1 PATIENT, OTHER CUSTOMER AND HEALTH CARE MARKET KNOWLEDGE

3.1a(1) During the annual SFPP, current customer groups are reviewed and revised, and potential new groups identified, using information obtained from analysis of the Minimum Data Set (MDS). The MDS also contributes to the identification of the size and characteristics of the potential customer group as well as the customers of competitors and future market potential. This data is also used to estimate potential market share by product line and population trends by age, gender, ethnic origin, and geographic location.

CGCH's primary customer group consists of children and their families. This key customer group is further segmented based on site of care as inpatients, outpatients, emergency department patients, and ambulatory surgery patients. While physicians are identified as CGCH's key partners in the delivery of health care services, there is one group of physicians which has many of the characteristics of customers. This group is composed of community physicians whose primary connection to CGCH is through the referral of patients to the hospital and hospital-based physicians for consultation, testing, or treatment.

3.1a(2) Multiple tools are used to determine the needs, expectations, and preferences of customers. Chief among these tools are the patient satisfaction surveys which are distributed to patients via mail within seven days following discharge. Data from the surveys of CGCH patients is aggregated and analyzed. Regression analysis is used to determine those factors which are the key drivers of patient loyalty. These factors are ranked and combined with rankings of the current level of performance. A composite score (need to improve + importance) is determined, and the information is summarized in a display tool called an Impact Analysis, which is provided at six month intervals.

Monthly, the results of the satisfaction surveys are entered into a database. At regular intervals, additional data from the hospital financial/clinical information system, known as Trendstar, are merged

Exceptional Health Care Characteristic		Strategic Objective	Challenges	Action Plans
Exceptional Clinical Outcomes	Decrease 31 day readmissions Benchmark source: NACHRI	<ul style="list-style-type: none"> Increased consumer and payer focus on clinical outcomes and patient safety 	<ul style="list-style-type: none"> Expand clinical staff team efforts to develop and deploy processes for reducing readmissions Improve patient safety through participation in the Achieving Exceptional Safety Collaborative Develop and deploy processes to improve pain management 	
Exceptional Patient Satisfaction	Increase inpatient willingness to recommend Benchmark source: Press-Ganey	<ul style="list-style-type: none"> Aging physical plant Heightened consumer expectations related to service delivery 	<ul style="list-style-type: none"> Expand activities of the K.I.D.S. RULE Program Improve registration, patient/family communication, and discharge processes Expand the cafeteria Expand and refine the “30/30” Program Continue facility modernization 	
Exceptional Employee Satisfaction	Increase overall job satisfaction Benchmark source: HR Solutions	<ul style="list-style-type: none"> Market shortages of nurses and key allied health professionals 	<ul style="list-style-type: none"> Implement Leadership Development and Mentoring Program Increase diversity in the workforce Expand implementation of shared accountability 	
Exceptional Physician Satisfaction	Increase referring physician satisfaction Benchmark source: SSM Internal	<ul style="list-style-type: none"> Open faculty positions in key service lines 	<ul style="list-style-type: none"> Work with Saint Louis U. School of Medicine to accelerate recruitment of key specialty physicians Redesign the outpatient scheduling process Expand the roll-out of SSM Web Connect and the Palm Pilot project 	
Exceptional Financial Performance	Increase operating margin % Benchmark source: CHS Ratio Analysis	<ul style="list-style-type: none"> Increasing market competition Increasing supply costs Significant fluctuations in reimbursement 	<ul style="list-style-type: none"> Expand CGCH’s pediatric distributed network Eliminate the use of external agency staffing Expand and refine supply protocols Expand revenue integrity efforts including review and update of chargemaster, point of service collections, and charge capture process. 	

Figure 2.2-1 KEY CHALLENGES, STRATEGIC OBJECTIVES, GOALS, AND ACTION PLANS

with the satisfaction data. This rich data source can be accessed by hospital managers through the use of DI-Diver™ software. This software provides a user-friendly tool for further segmenting the satisfaction results. The merged data enables segmentation by race, gender, age, diagnostic group, service, nursing unit, and attending physician.

CGCH also conducts a customized annual physician satisfaction survey for referring physicians. Information from patient and physician satisfaction surveys, Impact Analyses, and other listening and learning tools is reviewed and further analyzed by the CGCH Administrative Council (AC) and used in the strategic planning process to identify strategic initiatives. The same information is used by the AC

the Quality Improvement Council (QIC), and the K.I.D.S. RULE Team to identify and prioritize performance improvement efforts throughout the year and in the design of new programs or services.

3.1a(3) The patient satisfaction survey process is assessed and improved by SSM Corporate Planning with input from CGCH. The post-discharge phone call process and the walking rounds process are owned by Nursing Leadership and are assessed and improved by that group. The complaint process, focus groups, and other listening and learning tools are assessed and improved by their owner groups.

3.2 PATIENT AND OTHER CUSTOMER RELATIONSHIPS AND SATISFACTION

3.2a(1) Building relationships with referring physicians is the key to the acquisition of new patients. This is accomplished in three ways:

- By providing exceptional care to the patients who are referred
- By providing services to referring physicians through the Physician Relations Department
- By establishing and maintaining relationships with other health care providers through Glennon Care operations

The Physician Relations Department is responsible for establishing and maintaining relationships with referring physicians through regular phone contact, in-person visits, provision of information, problem solving, educational offerings, and the provision of office management advice and services. The Physician Relations staff members, through their regular visits and phone contact with referring physicians and their office staffs, determine the level of satisfaction with the services provided by CGCH. Problems which are identified are brought back to the Administrative Council, specific department managers, or to the K.I.D.S. RULE Team, to be addressed. Finally, Physician Relations facilitates a semi-annual meeting of a Referring Physician Advisory Board, a focus group from which to gather additional information.

CGCH also partners with other health care providers to expand and enhance pediatric services at the locations owned by the partnering organization. For example, in 2003, CGCH established a Glennon Care operation at St. Anthony's Hospital in St. Louis County by providing neonatology physician coverage to the special care nursery in St. Anthony's Hospital and by providing pediatric subspecialty care in an outpatient building owned by St. Anthony's. To satisfy and retain patients, relationships must be built, primarily at the point of service delivery, between the patients and their families and the individual service/care provider. This is accomplished by performing an individualized assessment of each patient and his/her family, and the development of a plan of care to meet their identified needs, expectations, and preferences.

The daily walking rounds made by inpatient nursing managers provide an opportunity for patients and their families to express concerns about any aspects of their care. Satisfaction survey results and strategic

initiatives are used by the nurse managers to structure the content of the conversations. After a patient is discharged, a representative from the nursing unit makes telephone contact with the patient's family to check on the patient's condition, solicit feedback on the services provided, and answer any outstanding questions. All of these activities are intended to further strengthen the relationship with the patient's family.

3.2a(2) Access mechanisms for patients and other customers to seek information, obtain services or make complaints are summarized in Figure 3.2-1. Key contact requirements for patient and referring physician access are determined through analysis of satisfaction survey and Impact Analysis results previously described, as well as through the complaint management process. To deploy the contact requirements to all those involved in the customer response chain, each department's annual Performance Improvement Plan includes metrics related to the contact requirements. Acceptable performance in that measure is based on the analysis of patient needs, expectations, and preferences previously described. The results are then utilized to identify gaps in performance to be addressed,

3.2a(3) CGCH's complaint management process is summarized in Figure 3.2-2. Complaints are segmented into three categories:

- Concerns – dissatisfaction expressed on patient satisfaction surveys following the care experience and to which no response is desired or expected.
- Complaints – dissatisfaction expressed in person, via phone, letter, survey or other written document, during or immediately following the care experience to which a response is expected.
- Grievances – those complaints which cannot be resolved to the patient and family's satisfaction by those immediately available and which the family wishes to pursue to a higher authority.

Concerns are categorized and aggregated and forwarded to the appropriate staff member for his or her information and discretionary use. Complaints are preferentially handled by the individuals who first receive them. If this is not possible, the complaint is documented on a Customer Concern Log and forwarded to an individual appropriate to handle it. The results of the complaint management are also documented on the Customer Concern Log, which is forwarded to the Risk Management Department for review. Risk Management determines whether or not the complaint should be considered a grievance.

Grievances are forwarded to the Administrative Council for resolution and response.

Details of complaints and grievances and their management are entered by the Risk Management staff into an electronic database known as the Opportunity for Improvement (OFI) database so that aggregation and analysis can be facilitated. This information, along with the aggregated information about concerns, is presented to the K.I.D.S. RULE Team and the Quality Improvement Council at quarterly intervals and used to identify opportunities for improvement during the strategic planning process and throughout the year. The OFI database also facilitates tracking the resolution of complaints.

3.2.a.4 The K.I.D.S. RULE Team, which is composed of representatives from key departments, is charged with monitoring and improving all aspects of customer service and the methods used to monitor and provide customer service, including building relationships, providing access, and addressing complaints. This is accomplished by:

- Monitoring the results of patient and referring physician surveys, the complaint management process, and the results of patient and physician focus groups
- Based on those results, making recommendations for strategic initiatives to the Administrative Council and for performance improvement projects to the Quality Improvement Council
- Assessing the utility of the survey, complaint management, and focus group processes and incorporating the lessons learned into further use of those tools
- Making recommendations to Corporate Planning for enhancements to the survey process

3.2.b.1 CGCH participates in the SSM Patient Satisfaction Survey process developed and managed by SSM Health Care Corporate Planning. The

methodology includes “event-based” surveys, which are distributed via direct mail to all inpatients and ambulatory surgery patients and to a random sample of emergency department patients and other outpatients within 7-10 days of their experience. The satisfaction surveys contain different questions for each patient segment. The questions are based on previously identified key drivers of satisfaction for each group and are designed to measure the degree to which CGCH meets their identified needs, expectations, and preferences.

The respondents mail the surveys to an independent company which scans them and provides the results to Corporate Planning where the data are entered into the DI-Diver database previously mentioned. The actual surveys are returned to CGCH’s Quality Management Department where the comments are reviewed, categorized, aggregated, and reported to the Quality Improvement Council and the K.I.D.S. RULE Team. The data that results from the Patient Satisfaction Survey process are used by Senior Leadership and department managers as part of the strategic planning process and to identify performance improvement opportunities.

The satisfaction survey process for referring physicians is similar to that for patients. Surveys are sent to 650 referring physicians once per year. Results and comments from the physician surveys are processed through the Physician Relations Department.

3.2b(2) As satisfaction surveys are returned to the Quality Management Department, the comments are reviewed. Negative comments that raise questions about the quality of the clinical care delivered are referred for peer review. Those comments which indicate that the respondent expects some action to be taken are designated as complaints and handled in the manner described in **3.2a(3)**.

OBTAIN SERVICES	SEEK ASSISTANCE & INFO.	MAKE COMPLAINTS
<ul style="list-style-type: none"> • Physician referral • Appointment lines • Brought by Emergency Medical Services • Transfer from another hospital • Self-referral • Glennon Consult Line • Glennon On Call 	<ul style="list-style-type: none"> • CGCH internet site • Through CGCH telephone operators • Through SSM Health and Wellness Line • CGCH library • Through Physician Relations (3.2a(1)) • Through Public Relations • Speakers, newsletters, brochures • Regional Poison Center help-line 	<ul style="list-style-type: none"> • Through any staff member • Through phone call or visit to administrative offices, the nursing supervisor, Risk Management or Quality Management • Letter • Comments on satisfaction survey • E-