

A Publication of the Association of California Healthcare Districts



Connection

Leading

the Journey to

Success





CEO Commentary

At the dawning of 2009, an unexpected convergence of historic events—both deeply unsettling and uncommonly hopeful—has already defined these days as ones to be long remembered.

ACHD Staff

ACHD provides a variety of services to our Member Districts, and we welcome the opportunity to be of assistance to you. Please contact us with questions, comments, or concerns, as well as with news items and suggestions for articles in the *Connection*.

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As a country, we are implementing high risk solutions to complex financial challenges that have already taken us into realms beyond our economic models. Our course to better days is being set by a mix of risk-taking, intellect and instinct. The days ahead will be a historic test of personal leadership at its essence.

We recognize that the central truth of personal leadership is that *to be a leader...at every level...you must first want to be one*. Even so, without the personal power to inspire others to follow, the personal desire to lead is of limited value. We still debate a fundamental issue: Are great leaders born or made? *That* has divided philosophers for more than 4,000 years. There is little doubt that the visible qualities of leadership—authority, responsibility, dedication, the respect of others—can be learned and refined by all who seek to do so. However, the more ethereal qualities of leadership—great vision, courage, charisma, certainty of purpose—may arise in some substantial measure from our individual neurology and from the indefinable role of spiritual purpose.

In supporting the recruiting and retaining of talented leaders at every level of District enterprise—a central theme of ACHD's past Annual Meeting—ACHD seeks to advance the business strategies utilized by every successful Health Care District in California. The recruiting and retaining of a dynamic and ambitious chief

executive officer is the indispensable first element of District success. Similarly, actively supporting the chief executive's efforts to recruit other talented senior managers is a key business strategy promoted by the Boards of our most successful Districts.

The fulfilling of public responsibilities and the sense of shared public leadership are intertwined when the public stewards of a District approve an ambitious effort to recruit the most talented people available. This embracing by the Board of the demands, the risks and the rewards of public entrepreneurship is an essential commonality among every District that has moved beyond mere survival and into sustainable success. Even in these difficult days for public healthcare, supporting the business strategies that provide the best opportunity to succeed remains the wise course for the stewards of every public enterprise.

The year ahead will present government at all levels and our free enterprise economic system with a daunting array of uncertainties. The cold effectiveness of capitalism will confront the human cost of such effectiveness. Even the economic Darwinists pause a bit at the possible collapse of entire industries. The brilliant ambiguity of that ancient blessing (or ill wish)...*May you live in interesting times...* has never resonated more clearly in our lifetime. Over the millennia, this simple phrase has been assigned countless meanings. In our time, let the words serve as a reminder that daunting challenge—for our society and for each of us—is so frequently the necessary first step on the rarely traveled road to real greatness. ▲

Ralph Ferguson
Chief Executive Officer



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Political Advice from A Master of the Game

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Projecting One Strong, Loud Voice

The housing sector spiraled down.

Wall Street crashed. The State of California is facing a nearly \$20 billion budget gap and possibly “Armageddon”, according to Governor Schwarzenegger. Businesses are closing and people are losing their jobs. Employees are losing their benefits and health care procedures are being postponed.

Yes, the economic crisis is affecting the health care sector. The challenge is what will we in health care do. What is the best course of action? What is the next step? Where will our journey take us?

As district hospitals, we may become overwhelmed by providing care for those patients that other hospitals will not admit. We will be faced with financial challenges, issues of recruitment and retention of employees and physicians, and, for some of us, how to keep our doors open.

Now, more than ever, it is important for us to work jointly with ACHD and project one voice—one strong, loud voice—to those who will listen. We must stay current on new treatment options, focus on quality patient care and maintain our patient base so as to stay viable health care organizations.

Through ACHD, we as members have many resources available to us. It is up to us to take full advantage of these resources and become involved members so we can be strong organizations and not be overlooked as decisions on health care are made.

As I begin my term as ACHD Board Chair, I urge you to be actively involved members for the betterment of all hospital districts. Participate in ACHD sponsored activities, especially Legislative Day. We need to keep the lines of communications open with our elected officials at all levels. We need allies who care enough about keeping our state healthy.

This economic crisis is expected to last well into this new year. Where will the journey take us? I lack a crystal ball to reveal the future. However, I do know that by networking, working collaboratively, focusing on quality patient care, and making our voice heard, we can have a strong start and look forward to positive change in health care. ▲

Bob Wikoff

Chair, ACHD Board of Directors



Identifying, Assessing, and Prioritizing Risks

By Sharon Hartzel and
Shirley Komoto, Senior Managers

Increased scrutiny and regulatory oversight, changes in auditing standards standards, a turbulent economy, and increasing competition are imposing greater pressure on internal control frameworks of health care providers. Moss Adams' Health Care Internal Audit Risk Assessment Guidance provides solutions to the challenges facing management and audit committees in the health care industry today.

Applying a risk-based approach to managing risks and opportunities, management can direct resources and develop action plans that help organizations achieve their objectives more effectively. Areas of risks demanding attention of health care providers are the revenue cycle, regulatory compliance, information technology, system security, operational effectiveness, corporate governance, construction, and capital investments.

Risk management is a continuous process of identifying risks, assessing and prioritizing risk areas, and responding to those risks with the full understanding of the extent to which potential risks and opportunities impact organizational objectives. Internal audits can assist management in identifying, assessing and prioritizing risks based on 1) the likelihood of the event occurring and 2) the potential magnitude of loss. Once prioritized, management can respond by choosing to avoid, accept, reduce or share risks, and develop management action plans or internal audit plans that will help control or mitigate risks.

Management should implement and/or leverage their internal audit function to establish a comprehensive risk management program that includes:

- Assigning responsibility for coordinating risk assessment activities in the organization.
- Assessing operational, compliance and financial risks.
- Prioritizing highest risk areas and develop action plans to address those risks.
- Tracking action plans to ensure they are executed timely.
- Including reviews and audits of medium and high risk areas to ensure controls are in place and are operating effectively, or to identify ways to reduce costs or improve effectiveness.
- Ensuring audit findings are addressed with timely corrective action.

As health care management and audit committees face the difficult challenges of this industry, effective

risk management is a crucial tool to help direct scarce resources and develop action plans to avoid unwanted surprises and achieve organizational objectives.

For more information about Audit Risk Assessment, contact Moss Adams LLC at 949-221-4083. ▲

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Is Your Organization Ready for Competitive Strategy?

By Samuel H. Steinberg, Ph.D., FACHE

Strategic planning is an activity that health care executives have become much accustomed to. In fact, they may have gotten a bit too comfortable with the process. Once every five years or so, they pull the last strategic plan off the shelf, dust it off, and determine how much effort is needed or warranted to get through the next five years.

While the actual strategic planning processes in health care organizations haven't changed substantially in the last 20 years, the needs of hospitals and systems have. We are in an era of competition in health care delivery that has not been seen before. Medical staff members, for-profit niche companies, and brand new entrepreneurs are seizing opportunities missed by hospitals and systems building market share. Add to that the supply and demand imbalance in many markets along with increasing deregulation and managed care firms pushing for price concessions, the stage is set for today's competitive dynamic.

To thrive in this volatile and uncertain market, health care organizations must be more open to approaches like competitive strategy. What do we mean by competitive strategy? Michael Porter, one of the leading authorities on strategy writes: "Competitive strategy is a search for a favorable position in an industry. Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition" (Competitive Advantage: Creating and Sustaining

Superior Performance, 1985). He also notes that competitive strategy isn't about copying approaches that have worked for other organizations, "Competitive strategy is about being different. It is about choosing a different set of activities to deliver a unique mix of value." ("What is Strategy?" Harvard Business Review, November/December 1996).

For organizations that are ready to focus on competitive strategy, there are three questions to consider, according to theorists Faulkner and Bowman (Faulkner, D., and C. Bowman, *The Essence of Competitive Strategy*, 1995):

- Where should we compete? Which markets and which segments within those markets should we concentrate on?
- What products should we compete with?
- How will we gain sustainable competitive advantage in these markets?

What competitive options are available for hospitals and systems? Outspending rivals, vertical and horizontal integration, diversification, niching, cost leadership, and quality, customer service, and product

differentiation are the most common competitive strategies employed by health care organizations.

If you're among the many organizations feeling increasingly limited by financial constraints, your first reaction to this list of strategies may be, "we can't afford to do that." Small and rural providers already have big challenges on their plates—workforce and medical staff shortages, geographic isolation, and aging physical plants among them. But there are examples from around the country of small and rural providers employing competitive strategies that address their most pressing challenges and impact their bottom line without putting a dent in their already scarce resources. It takes resourcefulness, energy, and a great deal of focus. But let's be honest. Many of the challenges facing small and rural providers are the same as those found among all health care providers. They are just felt more acutely among smaller hospitals.

Michael Dell of Dell Computer Corporation says that, "The only constant in our business is that everything is changing. We have to take advantage of change and not let it take advantage of us. We have to be ahead of the game." If that quote resonates with you, it might be time to examine how competitive strategy can help get your organization on course to a more successful future.

Samuel H. Steinberg, Ph.D., FACHE, is a Senior Strategist at Health Strategies & Solutions, Inc., and can be reached at 215-636-3500. ▲

Provider AT Triage:

A Revolutionary Change in Emergency Department Patient Throughput

At the October 2008 ACHD 'Rising Stars' Annual Meeting in San Diego, Valley Emergency Physicians presented information on a revolutionary change in the Emergency Department which focuses on patient throughput.

The goal of the Provider AT Triage (PAT) program is to quickly triage, provide a Medical Screening Exam (MSE) and render care for patients immediately after arrival to the Emergency Department. These changes result in improved patient satisfaction, a reduced number of left without being seen patients, and a reduced length of stay for all patients.

The PAT program alters patient evaluation and throughput by changing from a series of steps to multiple steps which occur in parallel. Patients are assessed by emergency care providers upon arrival. They are often treated right there and provided any necessary prescriptions and instructions, shortening the entire process. If more extensive evaluation is required, laboratory tests and x-rays are initiated right away, so the results are back in the hands of the treating provider much faster.

As an example, a patient was brought to the Emergency Department at one of the facilities where this program is in place. A father brought his daughter to the ED for ear pain expecting to wait the usual one to two hours. In the typical ED, the patient would be triaged, sent to the waiting room to wait for registration, brought to registration, sent back to the waiting room, called into an ED bed, placed in a bed to wait for a provider, evaluated by the provider, wait for pain medications and antibiotics, and then wait for discharge instructions. However, this time the patient was triaged, registered, evaluated by a medical provider, diagnosed with an ear infection, given the first dose of pain medications and an antibiotic, and subsequently discharged in twelve minutes.

The PAT system can be implemented in any Emergency Department. In order to be successful everyone in the organization must take ownership of the process. The ownership often needs to start with hospital administration. Administration needs

to communicate the purpose and goals of the program to ED managers and Medical Directors, who in turn need to motivate the providers, nurses, ED techs, and registration clerks who are ultimately responsible for the success of the program. There will be saboteurs who want to derail the process because it is such a revolutionary change; however the patients of your facility will be better served by the successful implementation of the program.

Facilities who successfully implement this program frequently experience a reduction in the left without being seen rates from the ED to less than 1%, a reduction of length of stay for discharged patients to fewer than 140 minutes, an increase in patient satisfaction scores to greater than 90th percentile, and increased ED patient volumes.

More information on Valley Emergency Physicians and the PAT program can be found at <http://www.valleyemergency.com>. ▲

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Your Association News

Should a Meeting Be Work

By Christine Chapman, CMP, Member Services Director,
ACHD/ALPHA Fund



Month after month, year after year, organizations put on meetings for their members. The purpose of these meetings typically is to educate, inform, train and share ideas.

The Save-the-Date postcard reminds you to put the date on your calendar (and how much fun is planned for you), the registration brochure tells you where it will be and how much it will cost (and how much fun is planned for you), and the conference workbook tells who's going to educate, inform, train and share their ideas with you (and how much fun is planned for you). So you wait anxiously by your mailbox for the postcard. You check your email frantically looking

for the Evite. You fast forward through your voicemail listening for the voice of the organization's CEO extending a personal invitation to attend, but to no avail. It's not there. "Where is it? Where is my invitation? Did I somehow miss this important communication? Did it go into the junk mail pile by mistake? Did the mailroom forward it to the wrong department and, they not knowing the importance of this event, tossed this vital link to the most sought after event of

the year into the trash? When is trash pickup? Or worse yet, was I somehow left off the list? Why? What did I do? Who did I leave off my Christmas card list? Whose birthday did I forget? OMG!!! I've been delisted!"

DREAM ON!

In a perfect world, every association, ours included, dreams of having this level of anticipation and excitement surrounding their meetings. They envision their annual conference taking precedence over every other event on their member's calendar. But the reality is, they compete against a multitude of other events that are deemed just as important by the member, the other organizations the member is involved with, the member's own family and friends, and sometimes, just life in general. So, how do we move our event up the meeting food chain? By making sure you have some fun in addition to working hard!

Each year we try to keep in balance the amount of work and the amount of fun. A pox be set upon us should we have more fun than work. We mix golf tournaments with financial statements, dance contests with Medi-Cal Reimbursement, game shows with physician hiring, and tradeshow give-aways with workshop take-aways. We watch PowerPoints and the longest drive, we learn what's ethical and what's delectable, we learn about "True Adventure" and capital ventures, all the while having fun.

"The more fun you have, the greater your value to yourself and to your society. The more fun you share with others, the more fun you have." – *The Oaqui*

This last year's ACHD Annual Meeting was all about fun. With the economic crisis, the mortgage meltdown, and unemployment reaching an all time

or Fun?

I Vote for Fun with a Little Work Thrown In

high, we wanted to provide a respite from the woes of the world. An oasis, where, if only for a day, or two, or maybe three, members could relax and enjoy networking with old friends while reaching out to those who are new. To kick off the meeting, The Chair's Reception, hosted by Ted Kleiter, Chair, ACHD Board of Directors, featured an evening of Dancing with the Stars. Runo Lemming and Roberta Lemming from Cambria Community Healthcare District and Vanessa Poster, from Beach Cities Health District, competed against each other as part of three Pro Am Teams. Each contestant, dancing with their professional partner, put on an amazing show for the guests. Competing for the coveted ACHD Dancing with the Stars trophy, all the contestants proved to be worthy contenders. In an unprecedented event, the judges announced a three-way tie for first place, and each team was awarded a first place trophy. In addition, dancers from the audience were invited to take part in a dance contest after the show. The first place prize for Best Couple went to Ted and Georgeiana Kleiter, Best Male Dancer went to Sven Martinez, MedRP, and Best Female Dancer went to Jane Rozanski, Camarillo Health Care District. What a phenomenal evening!

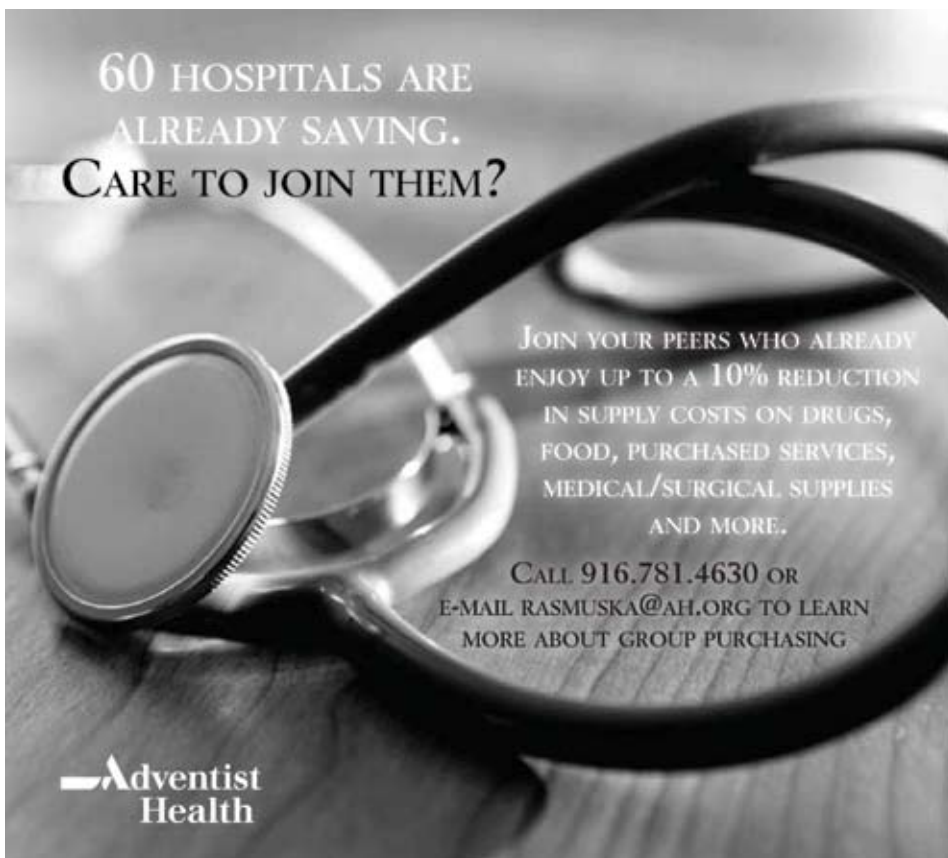
The Awards Banquet, sponsored by G.L. Hicks Financial, showcased the Trustee of the Year Awards as presented to Dr. Jack Hardebeck, Grossmont Healthcare District (posthumously) and Helen Shepherd, Southern Mono Healthcare District. In addition, the Most Innovative Healthcare District of the Year Award went to Healdsburg District Hospital, and the Legislative Call to Action Award to Sierra Kings District Hospital.

The Exhibitor's Tradeshow and Reception was full of excitement and electricity. While we like to think that it was due to the high energy of the D.J. and the Trivia Game Show contestants, we have to give some credit to the Presidential Debates going on that same evening. Between running back and forth to report back on the progress of the debates, rounding up contestants for the game show and handing out prizes, I would say the fun factor for this event was off the charts.

Closing out the event, Barry Wishner, sponsored by BETA Healthcare Group, presented "Done! Stop Talking, Stop Waiting, Start Doing" a high energy and fun-filled session providing brain food

for the bottom line. Attendees laughed their way through his presentation and walked away with leadership lessons worth a fortune (well, maybe not a fortune in today's economy), but valuable nonetheless.

One last note, due to overwhelming number of requests from our members expressing a desire to return to Lake Tahoe, the ACHD Board of Directors approved moving the Annual Meeting back to the Lake for three years beginning in 2010. To allow for sufficient budgeting time, the next ACHD Annual Meeting will be held in May 2010. Watch your mail (check your voicemail and look for that Evite.) We look forward to seeing you at the Lake! ▲



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Your Association News



The Jane BeGenerous Show

The People's Choice Review

At this year's Annual Meeting very serious subjects ranging from next generation medical technologies to programs designed to assist older adults in maintaining a safe quality to life were presented as part of a light-hearted skit called "The Jane BeGenerous Show-Your Fifteen Minutes of Fame."

During this television interview-style workshop the audience learned how new medical technologies and innovative Health Care District programs are transforming the delivery of patient care and safety while also lowering costs for hospitals. Beginning with the announcement, "Live from the beautiful ACHD studios . . ." a high energy monologue, advertising jingle sing-a-long, and a dancing talk show host weaving her way through the audience: a fun and educational workshop made its San Diego debut.

Muse and merriment was courtesy of Camarillo Health Care District's star studded cast: Jane "BeGenerous" Rozanski, CEO and talk-show host, Sue "Julie Andrews" Tatangelo, Chief Resource Officer, and Kara "Lindsey Lohan" Partridge, Chief Administrative Officer. Playing along on the guest line-up were: Eva K. Lean, M.D., Medical Director of Oncology Therapies of Vista, Patrick W. Linson, M.D., Medical Director of CyberKnife of Southern California at Vista, Matt Williams and Mike Snyder of Intouch

Health, Inc., and Jim Russell, CEO of Palm Drive Hospital.

The host of the show, Jane "BeGenerous" Rozanski, began her first interview by asking Dr. Linson and Dr. Lean to clarify the difference between the hunting knife she was waving in her hand and The CyberKnife® Robotic Radiosurgery System available to their patients. At this point, educational communications came into play as the doctors explained that the CyberKnife is the first radiosurgery system to enable physicians to treat tumors anywhere in the body. This state-of-the-art capability offers new hope to patients who have inoperable or surgically complex tumors or who may be seeking alternatives to surgery. The CyberKnife requires one to five treatment sessions, is painless, takes only a few minutes, requires no anesthesia, incision or downtime and the



side effects and risks are less than with surgery or with conventional radiation therapy. The system itself consists of a compact linear accelerator atop a highly articulated robotic arm, imaging cameras and powerful software (cyberknifeofsocal.com, onctherapies.com).

Next guest was Sue "Julie Andrews" Tatangelo, who humorously addressed some of the challenges faced by older adults while also drawing attention to the very serious subject of Fall Prevention. Some of the sobering facts included: falls are the leading cause of injury death among older adults; every hour 183 people are treated in the emergency department for fall related injuries; every day in California two seniors die from a fall; 95% of hip fractures are from falls; 40% of seniors recovering from a hip fracture will never return home; and 25% will die from hip fractures caused by a fall. Also mentioned was a Harvard study showing falls could be reduced by 30% by implementing forms of intervention that address multiple risk factors. Contributing risk factors include: balance problems, mobility issues, low blood pressure, sensory deficits, multiple medications and home hazards.

The Camarillo Health Care District provides Fall Prevention community education classes instructed by a Registered Nurse and Physical Therapist at different locations throughout their community. Camarillo HCD participates in the Lifeline Program that allows a fallen senior to "push a button" to

summon immediate help, improving the chances for a more positive recovery. Camarillo has partnered with Lifeline Philips and Archstone Foundation to assist the Ventura County Fall Prevention Coalition, lead by the Area Agency on Aging, in their continued efforts to share valuable knowledge and resources with their community. For more information on the Fall Prevention program, contact Sue Tatangelo at 805-388-1952.

As the talk show continued, next up was a tease about the arrival of the intelligent "Man of Steel" who rolled in as a dancing robot doing a little Hustle with the host who jokingly introduced Intouch Health's RP-7® robot as Herbie, The Health and Love Machine. Intouch representatives Matt Williams and Mike Snyder played along and then explained that the RP-7 was actually a Remote Presence Robot that allows a physician to "be in two places at once." The robotic technology provides the ability to project a physician to another location and to move, see, hear and talk as if the physician were there. According to Intouch, a Remote Presence Robotic System is comprised of one or more Control Stations and RP-7 Robots which are connected

through a combination of secure Internet and wireless technologies. Under the direct control of a remote physician seated at a Control Station, the RP-7 can move untethered allowing the physician to freely interact with patients, family members and hospital staff from anywhere, at anytime (intouchhealth.com).

Jim Russell, CEO of Palm Drive Hospital, joined the interview to explain how his District's hospital has added state-of-the-art telemedicine capacity to their 24-hour emergency services using the RP-7 Robot that allows their physicians in the ER and ICU to immediately access specialists. Palm Drive Hospital has become "the hub" of a growing network of hospitals that use mobile, wireless robots to bring specialists directly to patients' bedsides. Physicians can connect to the RP-7 Remote Presence Robot, from anywhere using cable, wireless or cellular broadband Internet (palmdrivehospital.com).

The show came to a close with Kara "Lindsey Lohan" Partridge playing the celebrity guest in constant need of intervention, thanking Health Care Districts, hospitals and staff for everything they do. So, from silly to serious, this highly entertaining and educational workshop provided great speakers, inspiration and imagination, science and technology, with a few laughs along the way. The next Annual Meeting promises to be this and even more, so stay tuned for another season of fun and education at the ACHD 58th Annual Meeting in beautiful Lake Tahoe, May 12-14, 2010. ▲



Your Association News

And the Survey Says...

What were your Greatest Memories of the Annual Meeting

New relationships? Networking? Willie Brown's legislative process assessment? New ideas? If you said, yes, yes, yes, and yes to all of these, then you join the majority of the survey respondents when asked that question. One attendee said, "The content of the programming was much better than advertised."

We *do* like it when attendees leave thinking that the Annual Meeting program exceeded their expectations. This year, 60% of the survey respondents

said that workshop content and presentations were much better or somewhat better than expected.

Another consensus is that a lot of

respondents are looking forward to having the next Annual Meeting at Lake Tahoe. We hope that the 29% of our Members who have never attended an ACHD event will attend at Lake Tahoe. The hotel costs will be much less expensive, the golf courses are closer and easier to find, and the Hyatt Regency Lake Tahoe staff promises excellent service (addressing some of the concerns mentioned in the survey). Plus, ACHD staff promises another "fun, educational, and inspirational" program! After all, according to *at least one* attendee, we are "pro's at making the meetings fun, educational, and inspirational."

OK, OK, enough "self-promotion." Yes, there were some negative, or, rather, constructive criticism that I've yet to cover here...but, there weren't a lot of them. And, there were no general "negative" consensus. But, we still read each of them, consider how or if we can improve. That's why we don't ask about the room temperatures and whether you liked the food... we can't do anything about it after the fact; and typically can't do much about it before, except to have meetings in nice places where the food is fabulous, the staff is nice, and the rooms are comfortable... our priorities in choosing a hotel.



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Other than asking the wrong questions on the survey, or asking the question the wrong way, the cost of the event was probably the number one stated complaint. But, nearly 47% of the respondents said that the event was priced just right, with 26.5% indicating it was somewhat expensive. Staff will continue to try to keep registration costs down and will be working to acquire "scholarship" funds for those Trustees whose districts cannot afford to send a representative to the Annual Meeting. Be sure we have your (*direct*) email and mailing addresses (email us at info@achd.org) so that you can be sure to get our announcements.

Did attendees have fun? You betcha! Take a look at the pictures. "The dance contest was spectacular!" stated one attendee. Indeed. Attendees had fun, were educated, and even inspired. They networked, made new friends, re-bonded with old friends, made new contacts, learned new things, and are looking forward to Lake Tahoe in 2010.

Thanks for participating. Thanks for your support. Thanks for being a part of ACHD. We look forward to seeing you again at the next ACHD 2009 annual event—the ACHD Legislative Day, April 13-14, 2009. Mark your calendars and look for ACHD announcements. We wouldn't want you to miss out! ▲



Star Awards Banquet

Sponsored by GL Hicks Financial



Trustee of the Year - Dr. Jack Hardebeck, Director, Grossmont Healthcare District (posthumously) – accepted by Jim Stieringer (Director)



Trustee of the Year – Helen Shepherd, Director, Southern Mono Healthcare District (Mammoth Hospital)



Health Care District Innovative Achievement Award – Healdsburg District Hospital (North Sonoma County Hospital District) – accepted by Ruth Olson, Dr. Larry Lekander and Kurt Hahn



Legislative Call To Action – Sierra Kings Health Care District – accepted by Pam Ott, CEO and Barbara Jennings, CFO

Retiring Officers and Board Members Recognized as ACHD

New Officers & Trustee Directors Ta

The ACHD Board appointed new officers this past October—as it does now every two years—and said goodbye to those Board Members who gave so much over the years to help make ACHD a valuable and successful organization.

Saying goodbye to a long-time Trustee-Director, Robert (Bob) Jones—who has served on the Board and its committees since 1999—was like letting go of part of the soul of the Association. Bob has been an avid supporter of ACHD and its mission, and has played an integral role in seeing to it that the Association not only survived but became a thriving organization recognized for its legislative support and strong advocacy on behalf of *all* California Health Care Districts. Bob served two years each as Chair and Past Chair during his tenure on the ACHD board, during which time he retired from 20+ years as principal/educator. He still serves as Trustee on the San Geronio Memorial Health Care District, and now likely has much more time for traveling with his wife, Katie, whom we will also miss very much.

Moving into the Past Chair position is Ted Kleiter, Palomar Pomerado Health. Ted will remain Past Chair for the next two years. He passes his position as Chair to Bob Wikoff, Oak Valley Hospital District. Bob has been on the ACHD Board for three years. Bob will serve as Chair of the ACHD Board for the years 2009 and 2010.

We also say goodbye to Vanessa Poster, Beach Cities Health District, who served as Vice Chair during her six year tenure on the ACHD Board. Vanessa will be remembered for coining the term, “Community Based Districts” specifically for those districts who do not operate a

hospital. Her leadership was instrumental in changing the perspective of how valuable preventative health and wellness services (outside the hospital and clinic setting) are to communities; and helped to promote the implementation of such programs at Member Districts’ facilities through communications and educational services provided by ACHD. Vanessa was recently re-elected at Beach Cities; her legacy at ACHD will not be forgotten.

Retirement came early for the Board’s (now past) Treasurer, Barry Warmerdam, Sierra Kings Health Care District. Barry also retired his duties as a Health Care District Trustee. Staff at ACHD believes he may be pursuing a new career as a javelin thrower. He won a silver medal in the 2008 USATF Masters National Track and Field Championship, throwing the javelin 155’6” this past fall! Good luck Barry...in *all* your new ventures.

Kathleen (Katie) Kane, Sequoia Healthcare District, was appointed ACHD’s new Vice President. Katie has served on ACHD committees and the Board for the past three years, and will serve as VP for the years 2009 and 2010.

RoseMarie Reno, RN, Tri-City Health Care District, was re-appointed as Secretary of the ACHD Board. RoseMarie is a long-time supporter of ACHD and advocate for California Health Care Districts.

She has served on the Tri-City HCD Board since 1984, and the ACHD Board since 2004.

Don Parazo, M.D., Antelope Valley Healthcare District (“AVHD”), was appointed the new ACHD Board Treasurer and will Chair the Finance Committee. With his history on the AVHD Board—leading a \$13 million dollar turnaround in one year—we welcome his expertise and look forward to his guidance in these tumultuous economical times.

Other Members whose terms expired or retired from the Board are Richard Mendoza, CEO of Pioneers Memorial Hospital, and Dennis Coleman, CEO Sierra View District Hospital. Mr. Mendoza served on the ACHD Board of Directors for three years, and Mr. Coleman, one. We thank you both for your support and sharing of your expertise and insights on how ACHD can better serve its District Members.



ke Rein

NEWLY ELECTED BOARD MEMBERS

Congratulations to ACHD's newly elected Trustee-Directors: John Ungersma, M.D., Northern Inyo County Hospital Board of Directors; Grace Ellis, Mt. Diablo Health Care District; and Jacob Eapen, M.D., Washington Township Health Care District.

John Ungersma, M.D. is serving his first term as Trustee-Director on the ACHD Board. He has served on the Northern Inyo County Hospital Board of Directors for the past eight years. Dr. Ungersma is very active in legislative activities, and maintains established relationships with Inyo County's Assemblyman and Senator, advocating on behalf of health care issues.

Grace Ellis is serving her second term as Trustee-Director on the ACHD Board of Directors. Ms. Ellis continues to serve and protect the healthcare interests of Mt. Diablo as well as the Health Care Districts of California through her knowledge, experience, qualifications and commitment to ACHD Members and the communities they serve.

Jacob Eapen, M.D. is serving his second term as Trustee-Director on the ACHD Board. Dr. Eapen serves on the Board of Directors for Washington Hospital, a multi-specialty hospital serving the tri-cities with a revenue exceeding \$1.5 billion. ▲



Top Row, Left: Members at Board Meeting. Right and bottom right: Barry Warmerdam and Vanessa Poster recognized for their service on the Board.

Bottom Row, Left to Right: Grace Ellis, Jacob Eapen, MD and John Ungersma, MD campaign for election.



THANK YOU! THANK YOU! THANK YOU!

A very special thank you to our primary Annual Meeting Sponsors:

- *Grossmont Healthcare District* was the sponsor of the First Annual Dr. Jack Hardebeck Lecture featuring Willie Brown;
- *BETA Healthcare Group* sponsored the featured luncheon speaker, Barry Wishner; and
- *ALPHA Fund*, whose general sponsorship helped support the overall Annual Meeting program.

ACHD also thanks all those who helped support the Annual Meeting as a Gold and Silver Sponsor (please give attention to the advertisements throughout this *Connection*), meeting sponsors and exhibitors. All your support helped make the Annual Meeting the most memorable, enjoyable, educational, and most fun event of the year. Thank you!



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A Case Study:

Whole Hospital Assessment

Preparing to build a \$120 million four-story tower, including a state-of-the-art imaging center aimed at improving patient care, Tulare District Hospital ("TDH") CEO Shawn Bolouki wanted to ensure a first class operation at the opening of the new facility.

HFS was hired to perform a whole hospital assessment. The 15-week detailed assessment revealed several opportunities in the areas of:

- Management of bad debt reserves and contractual allowances;
- Coding accuracy (improvements to reach a benchmark level of 95%);
- Operational and policy improvements in the revenue cycle process;
- Labor utilization control; and
- Management of supplies in pharmacy, implants, consumables, and laundry/linen.

HFS provided recommendations designed to raise performance to levels comparable to similar California district hospitals, and bring departments in line with best practices and current standards. HFS also outlined the need for a cost and quality management reporting system that is accurate, relevant, timely and meaningful.

If certain recommendations were approved and fully implemented in the areas of reimbursement, cost reports, and revenue cycle, among others, HFS found that TDH would experience a one time annual savings of approximately \$5,700,000. HFS also found opportunities to generate

additional annual income for TDH in the amount of \$7,200,000, in the areas of staffing and supplies, revenue cycle, and medical coding.

Among HFS' consulting staff, the universal impression of Tulare District Hospital was of a hospital populated with caring and professional people who are extraordinarily motivated to do the right thing. Moreover, HFS noted that the hospital administrative team is goal oriented with a strong commitment to quality care. They recognize that improving quality while implementing changes is a significant challenge, but it was one challenge they fully embrace. HFS is grateful for the opportunity to serve such a fine institution.

Hospital CEO Shawn Bolouki noted: "HFS Consultants provided a team of organized professionals with the experience we required to assist us in analyzing our Hospital operations and the healthcare needs of our community. Their review, blueprint and recommended action plans identified a first year savings in excess of \$12 million to the District. We would highly recommend HFS to any healthcare organization." ▲

Electoral Success in Uncertain Times

For a variety of reasons, 2008 seemed like the worst time for a small rural health care district to place a tax increase on the local ballot.

The poor economy, the collapse of the housing market, the state budget impasse, the stock market crisis and record unemployment all seemed daunting when Plumas Hospital District, located in the Sierra's between Chico and Reno, asked local voters, to provide funds to renovate the local hospital. Yet despite overwhelming odds, 78% of local voters voted yes to pass a \$17 million bond measure that will rebuild and expand the 50-year old hospital.

The keys to their success included early planning, a thorough and effective grassroots campaign that emphasized direct voter contact and an effective communications effort that conveyed the importance of maintaining access to local healthcare.

To help with this effort, the District hired TRAMUTOLA, California's tax election experts, to devise a public outreach strategy and approach that was appropriate for the community.

Many smaller healthcare districts in rural areas face challenges similar to Plumas. While every district is unique, there are some common steps and lessons that all districts can benefit from.

COMMUNICATING THE NEED

Clear and consistent messaging that demonstrates the need for a tax measure is essential. The Plumas Hospital District worked with TRAMUTOLA on a public information campaign describing the need for a new hospital, the need for local access to quality healthcare and the potential consequences of not having a hospital nearby. These messages resonated with the

community and helped the district expand awareness and build support prior to the measure being placed on the ballot.

DIRECT VOTER CONTACT

The campaign placed a strong emphasis on personal voter contact. Dozens of volunteers were recruited and trained. Phone banks staffed by volunteers and hospital employees (working off hours) made thousands of calls to identify supporters of the bond, answered questions from undecided voters and worked to ensure that every supporter cast a ballot.

OVERCOMING A DIFFICULT ECONOMY

Just 4,171 voters reside within the boundaries of the Plumas Hospital District. Due to its small tax base, the tax rate required to support the bonds was nearly \$80 per \$100,000 of assessed value – more than double the tax rate required for most hospital bonds. Additionally, raising the needed capital to fund a campaign was limited due to the area's struggling economy. Yet, if the measure didn't pass, the community risked losing its local hospital.

Despite the poor economy, having access to local medical services was a top community priority. Voters were reminded that if the measure did not pass, the hospital could close. In the end voters voted to increase taxes and keep their local hospital.

While every healthcare district is different, the lessons from Plumas Healthcare District are important for all: start early, get expert assistance, involve your community, develop a clear and compelling message and communicate local needs.

If your hospital or healthcare district is considering a bond measure or other tax election options, contact TRAMUTOLA at (510) 658-7003; email info@tramutola.com or visit: www.tramutola.com. ▲

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Legislatively Speaking

**Political
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Master

Former San Francisco Mayor and California Assembly Speaker Willie L. Brown has been called many things in his nearly four decades in California politics: flashy, charismatic, hard working, bare-knuckle politician and legend (among others). Willie Brown is all of these and more. He is also an undisputed master of the game of politics, and one of the sharpest political strategists in California.

He served as a member of the California State Assembly for three decades and held the post of Assembly Speaker for a record 14 years. Along the way, he developed a well-earned reputation as one of the most powerful politicians in the country. His counsel is routinely sought by national political leaders from both parties, including Presidents Clinton and Reagan.

Mayor Brown was the featured legislative speaker at ACHD's 57th Annual Meeting this past October at the US Grant Hotel San Diego. His freewheeling presentation provided key insights into the performance of California's Governor and Legislature, weaknesses in the state's budgeting

process and his thoughts about the likely outcome of the Presidential Election.

Had this been the sum total of the Mayor's presentation, it would have been nothing short of an entertaining, thought-provoking blockbuster. But Mayor Brown saved the best for last. He took on the role of ACHD's political consultant for a day and offered some invaluable strategic advice to the Association and its Member Districts.

Mayor Brown has had significant exposure to Health Care Districts during and since his tenure as Assembly Speaker, including a stint as consultant dealing with a Health Care District in the Bay Area. He is well aware of the challenges and political hurdles we face,



of the Game

By Peter Gambee, ACHD Principal Advocate

and knows that many of our Districts operate public hospitals that rely on a dwindling flow of Medi-Cal and Medicare payments. These programs were cut in 2008, and will almost certainly face cuts again this year as well. If adopted, these cuts will push a number of Districts into likely public entity bankruptcy and closure.

The Mayor was very clear about our political limitations: The traditional tools of political persuasion are just not available to Health Care Districts. As public entities, our Districts are prohibited from financially contributing to or officially participating in legislative elections. In addition, most Districts are located in isolated rural and frontier regions of the state. This makes it very difficult for Health Care Districts to exercise the kind of political influence that private, corporate health care providers and others use to great effect.

What can Districts do to have real impact on the political process in Sacramento and Washington, D.C.? According to Mayor Brown, we have significant untapped political power that we must bring to the game. Mr. Brown



was blunt about what we had to do: “Health Care Districts need to organize. You’ve got to get the voters behind your priorities. Period.”

He went on to say that, “Your districts have more than 20,000 employees and volunteers statewide. This number alone would give you significant political clout in Sacramento and Washington, but it is just the tip of the iceberg. Districts provide healthcare services to over a million Californians each year. You must find a way to reach out to these individuals and enlist them in your political fight. If you could recruit and activate even a fraction of this group as part of a statewide grassroots organization, there is not a single politician in California that could ignore your concerns. Grassroots organizing has got to be your top priority.”

The Mayor then offered a concrete example of effective grassroots advocacy. “Many of you may remember the long battle to pass an assault weapons ban in California during the late 1980’s. This issue had been the subject of extensive media coverage, and legislation on the subject had been introduced several years in a row in Sacramento. But the National Rifle Association strongly opposed any restriction on assault weapons, and succeeded in killing it every time it was introduced.”

“In January of 1989, Assemblyman Mike Roos introduced his latest

version of the legislation. Then, on January 17, a drifter named Patrick Purdy used an automatic assault rifle to kill five children on a Stockton schoolyard. This incident galvanized support for the Roos legislation, pushing several moderate Democrats and even Republican Governor George Deukmejian to line up behind the bill. But first the assault weapons ban had to win passage in the Assembly Public Safety Committee. It needed at least one Republican vote to win passage. That one vote would have to come from Assemblyman Chuck Quackenbush, a liberal Republican from Saratoga who was under intense pressure from the NRA to oppose the bill. Mr. Quackenbush made it clear that we could not count on his support.”

“Assemblyman Roos and his staff took action. They located the phone numbers of every registered voter who lived within a ten-block radius of Chuck Quackenbush. They wrote a script informing voters that a bill was coming to a vote in the Assembly Public Safety Committee that would ban the kind of gun Patrick Purdy used to kill innocent children in a Stockton Schoolyard, and indicated that Chuck Quackenbush was going to be the swing vote. His neighbors were urged to call Mr. Quackenbush, identify themselves, register their support for the legislation and voice their dismay that he would abstain or vote no on the legislation. Each voter was given Chuck’s office, home and cell numbers and urged to call him over the weekend. For three days, Chuck could not walk into his office, home or car without the phone ringing and someone saying, ‘you’ve got to vote for this bill and here’s my name and address.’”

“The following Monday, Assemblyman Roos walked into Chuck’s office. Chuck pulled a white handkerchief from his pocket and waved it in the air. In the end, he voted

for the bill, ensuring its passage out of committee, on the Assembly Floor and ultimately its passage into law. This simple, old-fashioned grassroots campaign helped to make California the first state in the nation to enact a gun ban of any kind...and it is precisely the model that Health Care Districts need to duplicate if they are to successfully fend off the budget cuts that are most certainly coming this year and next.”

ACHD believes that grassroots advocacy is key to legislative success. Legislators do keep track of their constituents’ opinions, and do consider those opinions when voting on an issue. Unfortunately, when no opinions are heard—when constituents are silent—silence is construed as constituent support, which can mean lost opportunities for Health Care Districts.

ACHD’s legislative success in 2009 will depend on the further development, and District Members’ active involvement, in its Grassroots Advocacy Program. ACHD will continue sending Legislative Alerts (via email) and keeping Members updated on ACHD legislative activities. Further, ACHD will be conducting regional training programs throughout the coming year. District Member Legislative Liaisons will learn how to utilize ACHD resources to raise community and legislative awareness on issues of concern to Health Care Districts. Be sure your District is represented. ACHD requests that every Health Care District appoints a Legislative Liaison to work with them in their Grassroots Advocacy Program. To learn more about the program, contact the ACHD Legislative Team at 800-424-2243. And be sure ACHD has your email to receive all the Legislative Alerts by emailing info@achd.org. Don’t be a silent constituent. Let your voice be heard in 2009! ▲




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