



National  
Association  
of Public  
Hospitals  
and Health  
Systems

# Strategic Plan

2010 to 2013

JULY 2010



## INTRODUCTION

America's health system is undergoing an unprecedented transformation. It is imperative that NAPH be prepared to help its members keep pace. That is the purpose of this strategic plan for the period 2010 to 2013.

## TRANSFORMATION

### NAPH's VISION

NAPH will be the nation's leading voice for safety net hospitals and health systems and the patients and communities they serve. NAPH's efforts will directly and substantially contribute to the ability of its members to meet the needs of the present and the challenges of the future, and to provide access for all to high-quality health care.

The transformation of America's health system is broader than the implementation of health reform. Revolutionary changes are under way simultaneously in a number of domains: measuring and improving quality and patient safety; developing and using electronic tools; forming fully integrated delivery systems capable of efficiently meeting all the needs of their patients; and tailoring drugs and therapeutic treatments more and more to individual patients, to name just a few.

Meanwhile, safety net providers must continue to respond to the demands of the lingering economic crisis, while coping with the rising input costs of almost every component of the care they deliver. NAPH members must also be prepared to meet the growing needs generated by the inability of many Americans to gain access to needed preventive and primary care services or to lead a healthier lifestyle.

Nothing less than transformation is needed — even by the highest performing health systems — to respond to these trends and concerns. Many NAPH members are among the best health care systems in the country. They are in the

forefront of a wide range of initiatives, from quality improvement and chronic disease management to the adoption of health information technology. NAPH members uniquely excel in addressing the needs of our most vulnerable patients and communities through initiatives that address crucial issues of access, cultural diversity and health disparities.

Many NAPH members are well-prepared to lead the way toward the implementation of health reform, while also identifying gaps that will clearly remain in the system. But this may not be enough. Many, though not all, patients of safety net providers will benefit from health reform, with an opportunity to choose from a wider range of providers and health plans. NAPH members must ensure that they remain the providers of choice.

This strategic plan is designed to ensure that NAPH is well-prepared to support its members in every step of the coming transformation. This plan sets out the strategic vision, mission, goals and initiatives that will enable NAPH to do so across the next three years.

## NAPH's MISSION

---

NAPH's current mission statement resides in the "purposes" clause of the Association's by-laws. The corporation is organized for the following purposes:

**A.** To provide national, regional and local advocacy on behalf of public and other hospitals and health systems in our nation's metropolitan areas that share a common mission of making their programs and services available to all of the residents of their community, without regard to race, ethnicity, gender, physical ability, creed, income or health insurance status.

**B.** To conduct analysis and research concerning matters that uniquely affect such hospitals and health systems, and assist in the development and interpretation of laws, regulations, policies, and clinical and administrative systems and strategies that maintain and enhance the organizational and financial strength of such hospitals and health systems and improve their ability to carry out their common mission in the future.

**C.** To advocate as well for changes in laws, regulations and policies in health care and other areas of demonstrated need to improve coverage, access, health status and the general well-being of those individuals who are the most vulnerable participants in our nation's health system because of such factors as their poverty, age, disability, lack of education, employment or adequate housing.

**D.** To provide such services as may be needed by Association members to assist members in addressing the concerns of their patients, employees, trustees, medical staff, medical education affiliates, and current and potential health system partners.

## TRANSFORMATION

## OVERVIEW



## TRANSFORMATION

"We are under siege. There may not be a need for a safety net five years from now. In four years, we are going to be part of a partnership; we can't go it alone."

**David Lopez**

*President and Chief Executive Officer,  
Harris County Hospital District*

"Value resonates."

**Dennis D. Keefe**

*Chief Executive Officer,  
Cambridge Health Alliance*

### STRATEGIC PRIORITIES AND INITIATIVES

Throughout the planning process, participating NAPH members have made clear that NAPH's strategic vision for the years 2010 to 2013 can be expressed in a single word — **Transformation**. The policy environment, economic factors, industry research and NAPH's own data argue for a transformative mandate — for the delivery systems we operate, the health of the communities we serve and the focus of NAPH itself.

To be successful in this environment, both our members and NAPH must be prepared to meet the new challenges and opportunities of expanding coverage. This will mean a transformation in the way we treat, lead and teach.

NAPH has adopted three **strategic priorities** in support of its vision and mission, along with four **strategic initiatives**, all of which aim to support each strategic priority. These priorities and initiatives are coequal and interdependent. They are not set out in order of relative importance. Rather, each is an essential component of NAPH's 2010 – 2013 strategic plan. These plans and priorities are described in the remainder of this plan document.

### STRATEGIC PRIORITIES:

- **TRANSFORMATION OF SAFETY NET HOSPITALS AND HEALTH SYSTEMS INTO INTEGRATED HEALTH CARE DELIVERY SYSTEMS**
- **TRANSFORMATION OF SAFETY NET FUNDING INTO EQUITABLE, RELIABLE AND SUSTAINABLE FINANCING SOURCES**
- **TRANSFORMATION OF SAFETY NET SYSTEMS INTO INDUSTRY LEADERS IN ACCESS AND QUALITY OF CARE**

### STRATEGIC INITIATIVES:

- **LEADERSHIP DEVELOPMENT**
- **MEMBER SUPPORT**
- **RESEARCH**
- **COMMUNICATION AND ADVOCACY**

## STRATEGIC PRIORITIES



## TRANSFORMATION

"With respect to ACOs, the financial viability is very difficult for safety net hospitals. If you are providing the tertiary, quaternary and specialty services, you would have to have an unrealistically enormous population of covered lives to balance the risk pool."

**Johnese Spisso, RN, MPA**

Vice President for Medical Affairs, UW,  
Chief Operating Officer, UW Medicine

"Let's just admit that DSH is an unsustainable business model."

**Dennis D. Keefe**

Chief Executive Officer,  
Cambridge Health Alliance

"NAPH's role is to help us find alternate funding sources. We will need help in adjusting to 'the new normal!'"

**Kirk A. Calhoun, MD**

President and Chief Executive Officer,  
The University of Texas Health Center At Tyler

### ■ TRANSFORMATION OF SAFETY NET HOSPITALS AND HEALTH SYSTEMS INTO INTEGRATED HEALTH CARE DELIVERY SYSTEMS

NAPH members are clearly committed to the "integrated delivery system" principles outlined in the national health reform legislation that address the urgent need to restructure the way health care is delivered. NAPH must be prepared to lead members in embracing the imperatives to integrate and coordinate care. NAPH must also make available for its members the opportunity to participate in many of the innovative demonstrations that are going to be funded in the name of delivery system reform, *including* the Accountable Care Organization (ACO) model, Collaborative Care Networks (CCNs) and bundled payments. NAPH will help its members to develop in their various markets the relationships, partnerships and structures needed to address the fact that the independent, stand-alone provider strategy is inconsistent with patient, payer and provider expectations.

NAPH's support for its members' commitment to integrated care must be accompanied by a funding, advocacy, leadership and research program that will provide our members with a pathway to this status. If the imperative from policymakers is to transform the delivery system, it is NAPH's obligation to develop a comprehensive program that builds on the reforms and innovations already undertaken by many NAPH members and makes this conversion practical and sustainable for all safety net health systems.

### ■ TRANSFORMATION OF SAFETY NET FUNDING INTO EQUITABLE, RELIABLE AND SUSTAINABLE FINANCING SOURCES

Federal funding advocacy has been a core strength of NAPH for many years, and it must continue undiminished. Conservative estimates suggest more than \$200 billion in supplemental federal funding (like DSH) have flowed to safety net hospitals since NAPH helped invent these concepts in the early 1980s. But federal funding sources are also undergoing a major transformation and NAPH must respond in order to support and enhance the ability of its members to engage in their own transformation.

The biggest concern is perhaps that policymakers (and the public) believe the enactment of health reform has "fixed" the problem for low income patients — and thus has eliminated the need for further support for a strong and viable health safety net. This concern is no more accurate today than it was more than 40 years ago, following the enactment of Medicare and Medicaid (when it was also suggested that the safety net would no longer be needed).

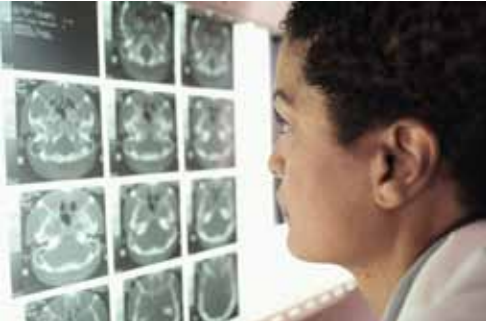
NAPH must support its members in transforming current funding by developing robust new financing mechanisms that adequately prepare its members for the future. These mechanisms must acknowledge the impact of expanded coverage while developing new, rational financing mechanisms that are more targeted than current Medicaid supplemental payments. In some parts of the country, these changes will occur smoothly; for others, there may be a longer and more difficult glide path.

At the same time, it is likely that these

"We need to systematically identify our best performers so that others can learn from them."

**Lisa E. Harris, MD**

*Chief Executive Officer and Medical Director,  
Wishard Health Services*



## TRANSFORMATION

"As a practical matter, a lot of what we spend, we can't easily reduce — property, plant, equipment, pension contributions, labor expenses, we can't just eliminate; I get nervous when we talk about cost containment. The distinction should be made between how much we need to change within our own institutions and what NAPH can do to assist us."

**Santiago Muñoz**

*Associate Vice President,  
Clinical Services Development,  
University of California Health System*

"There is a misconception that when people get coverage they will have a choice in where they go, and no longer need the safety net... but look at what happened in Massachusetts."

**Dennis D. Keefe**

*Chief Executive Officer,  
Cambridge Health Alliance*

"We can't afford to be 'just as good,' we need to be 'better than.' We all need to change. We will not survive by merely being good at what we do. Instead we must transform ourselves in significant ways. We should not aspire to get to the next level but we should pursue the level ahead of that."

**John W. Bluford, III**

*President and Chief Executive Officer,  
Truman Medical Centers*

new funding mechanisms will be grounded in the need to demonstrate efficiency and value, as well as effectiveness, and NAPH must be prepared to assist its members in this area as well — especially in helping to shape and then respond effectively to new regulatory requirements aimed at driving reimbursement on the basis of "value."

The transformation of funding methodologies for our members will depend on the cooperation of policymakers. Understanding the current financing structure is a precondition for replacing it. A manifestation of this dynamic is on the horizon. The Medicaid and CHIP Payment and Access Commission will require detailed data from public and safety net hospitals and a better understanding of Medicaid financing and what it funds.

While we acknowledge and support health reform and the benefits that will accrue to millions of uninsured Americans, millions will remain uncovered.

Transforming our systems will not transform society — access problems for vulnerable populations will persist and they will need the services of a strong safety net. NAPH must continue its advocacy for the Medicaid program and for funding dedicated to the uninsured, underinsured and patients with special needs (even with coverage). We must also, however, commit to complete transparency of safety net support and current supplemental financing mechanisms.

### ■ TRANSFORMATION OF SAFETY NET SYSTEMS INTO INDUSTRY LEADERS IN ACCESS AND QUALITY OF CARE

The quality of care provided by NAPH members is a critical element in our call for

transformation. An accountable organization is unsustainable without providing high-quality care. Any funding methodology designed to take our members to a transformative state is first shortened, and eventually ended, by poor quality and outcomes. NAPH members have much to be proud of in the high-quality care they provide to their populations. NAPH must be prepared to assist its members in every way possible to both improve quality and to "get the message out" about it. NAPH must also address its members' needs and concerns in preserving and expanding access to care — traditionally one of their great strengths.

NAPH has dedicated substantial resources across the past several years in quality improvement education and in communicating to policymakers and to national quality organizations the quality care provided by our members. NAPH will continue to provide value in the quality arena through understanding the factors that affect member performance; sharing improvement practices; and addressing those aspects of quality improvement that are of particular importance in caring for vulnerable populations, disparities in health status and access to care. NAPH will continue to track member performance with respect to national quality reporting requirements in order to communicate the value that safety net hospitals and health systems provide to their communities. NAPH will also continue to partner with leading quality organizations in order to offer educational support around quality improvement, especially targeted to senior clinicians and administrators in the membership.



“Training the next generation of health care professionals is a key talking point for us.”

**Johnese Spisso, RN, MPA**

*Vice President for Medical Affairs, UW,  
Chief Operating Officer, UW Medicine*



## TRANSFORMATION

“Aligning health centers and safety net organizations is a great opportunity to coordinate both our interests and our advocacy as well. We are also going to need to partner with unions.”

**Dennis D. Keefe**

*Chief Executive Officer,  
Cambridge Health Alliance*

“We need NAPH to help us build a new set of strengths, to build alliances nationally that we can't do locally, like with the national association of community clinics.”

**Santiago Muñoz**

*Associate Vice President,  
Clinical Services Development,  
University of California Health System*

“Today's opportunity is one that the public hospitals are uniquely qualified to seize. Our challenge is to more finely hone the strengths that define us — ensuring access across the continuum; practicing quality care efficiently and transparently; and continuing to be passionate about improving the health of our patients and communities.”

**Lynda Curtis**

*Network Senior Vice President and  
Executive Director,  
Bellevue Hospital Center*

## STRATEGIC INITIATIVES

NAPH has identified four strategic initiatives as critical for the Association's success in addressing each of the strategic priorities outlined previously.

### ■ LEADERSHIP DEVELOPMENT

A transformative era requires its own particular leadership capabilities.

Interdisciplinary team work, coalition development, community programming, consensus management and sophisticated communication skills are a sampling of the abilities that will be expected of our current and future leaders. A new delivery system will require much of NAPH members. Although many currently provide model leadership, it will be required of all, and there is expertise within the membership that can and should be shared with others. NAPH members acknowledge these complex expectations and commit to the support of a leadership development program that identifies individuals capable of performing the transformative duties expected by the industry. Of particular importance to us is the development of clinical leaders whose professional training will be indispensable to the trust obligations demanded by the principles of accountable care.

Simultaneously, NAPH must reinforce the value and further development of the non-clinical executive. Both are essential to the transformation strategies outlined herein.

NAPH will develop a Transformative Leadership Program to train physicians,

nurses and non-clinical leaders in the essential management practices of integrated systems serving vulnerable populations. One goal of this program will be to develop joint training with community health centers and other health care organizations committed to vulnerable populations.

### ■ MEMBER SUPPORT

Since its inception, NAPH has been characterized and valued by its members for its unique understanding of safety net issues, characteristics, and challenges. That appreciation for the complex variables affecting our members has led to an environment greatly prized by them. During this period of transformation, support to Chief Executive Officers will be critical.

NAPH also is committed to preserving and enhancing member support during this transformative period by extending our efforts not only at the national level, but collaborating with strong partners across the country.

To assist members in the navigation of the complex terrain of delivery system reform, NAPH will provide member education about needed reforms and innovations. NAPH will provide best practices and examples from systems that work. NAPH will consider developing a Safety Net Innovation Center and will also develop a new member/new participant orientation program. This will include the

"Quality is a given; we need to start thinking like the Kaiser's of the world; what do they measure?"

**David Lopez**

*President and Chief Executive Officer  
Harris County Hospital District*



## TRANSFORMATION

"We can no longer as institutions, because of our co-morbidities, or the other things, hide behind them as an excuse, for our poor performance. We have to do better."

**Reginald W. Coopwood, MD**

*President and Chief Executive Officer,  
Regional Medical Center at Memphis*

"Don't minimize the role of advocacy and the role that the organization will need to play in terms of navigating HHS and CMS and the new rules that will be coming down the pike."

**Kirk A. Calhoun, MD**

*President and Chief Executive Officer,  
The University of Texas Health Center At Tyler*

"The perception out there is that there's poor quality in public hospitals. If we have good data to change that misperception, that's a good thing, and we should use it."

**Reginald W. Coopwood, MD**

*President and Chief Executive Officer,  
Regional Medical Center at Memphis*

establishment of a member-to-member mentoring program for the first year of any new member or participant. NAPH functions, traditions, leadership ladder and research programs will be among the subjects addressed.

### ■ RESEARCH

In the matters of quality, health disparities, undeserved communities and member characteristics, the National Public Hospital and Health Institute (NPHHI) has distinguished itself and NAPH. The members affirm that continued, member-centered research is an indispensable component of the advocacy work of NAPH and the transformative vision.

Under the new strategic plan, research and education will provide the information, data and analytical capability to both lead and support the transformative work of NAPH members. At present, research and education at NAPH have been conducted partly through the Institute under external grant funding. As we expand our educational efforts, NAPH should continue its assessment of its education programs. External funding and support through NPHHI will continue to be a valuable enhancement to our activities.

### ■ COMMUNICATION AND ADVOCACY

NAPH realizes that a transformative vision must be accompanied by a comprehensive and sophisticated communication strategy to reach out and connect with our

various communities of interest. In effect, adopting this transformation agenda will require NAPH to "reintroduce" safety net hospitals and health systems (as well as itself) to the industry, our peer organizations, policymakers, foundations, research associations, etc. NAPH will work with NAPH members to develop a communications strategy that achieves the goal of communicating our transformation agenda in the period immediately following adoption of the strategic plan. NAPH will develop a communications plan that conveys the expertise of NAPH and the important role served by NAPH members in a transformed health care delivery system.

NAPH will focus considerable resources on the regulatory implementation of health reform, and other innovations that are likely to come from HHS and CMS. At the same time, we will continue funding advocacy in a manner that demonstrates our commitment to the populations we currently serve and our resolve to provide high quality, coordinated, efficient care. NAPH will work with members to develop new financing that supports more coordinated care of the individuals and the populations we serve in a more rational and transparent manner. We will also advocate for durable interim financing during this transformative period so that the members may assure their various communities of interest that they are building accountable and sustainable health systems.

"Advocacy will have to change to the Administration side from the Legislative side...the new health reform bill says, "the Secretary shall"...more than 1000 times."

**Arthur A. Gianelli**

*Chief Executive Officer,  
Nassau University Medical Center*



## TRANSFORMATION

"NAPH seems most effective when it seems to be most threatened. How do you push an organization in a new direction? How do you keep your membership intact when the threat is unknown?"

**Kirk A. Calhoun, MD**

*President and Chief Executive Officer,  
The University of Texas Health Center At Tyler*

"Our niche is access, managing health disparities, and the unique communities that we serve. The niche in our messaging should be in support of patients (not the institution) and those communities—they are the reasons we exist."

**John W. Bluford, III**

*President and Chief Executive Officer,  
Truman Medical Centers*

"We've done a thorough job of evaluating what memberships in various organizations provide to our health system. With NAPH it is clear. Why do you join NAPH? It's the advocacy role! That is the real value."

**Johnese Spisso, RN, MPA**

*Vice President for Medical Affairs, UW,  
Chief Operating Officer, UW Medicine*

## Conclusion

This is admittedly an ambitious strategic plan for the next three years, but it can be argued that this will be the most important three years in history for America's safety net hospitals and health systems. Many NAPH members are well-positioned to respond to the revolutionary changes that are sweeping the country. They have won prestigious awards like the AHA's Foster McGaw award, have appeared on many "best hospital" lists, or have served as mentor organizations in some of the nation's most important operational and quality improvement initiatives. NAPH will now need to draw upon — and extend — that leadership to fulfill the Association's vision and mission, and to enable all of its members to fulfill theirs. Above all, the overarching goal of NAPH's priorities and initiatives must be to improve access for all, reduce disparities in the most vulnerable patient populations, and improve the health status of all of the patients and communities served by our members.