

Labette Health Strategic Plan

2015-2017

Labette Health Board of Trustees

December, 2014

Process Overview

Every three years Labette Health completes a full Strategic Plan, as required by accreditation and in furtherance of the governing board's responsibilities. In subsequent years, the annual board retreat provides an opportunity to review progress on Strategic Plan implementation, identify evolving changes requiring modifications to plan priorities, and industry education on topics important to the long-term success of the organization. Members of Medical Staff leadership are invited to participate in these educational opportunities, encouraging joint planning and strategic development. Additionally, Directors/Managers annually confer with members of the medical staff routinely working with their respective departments, as part of the annual planning/budgeting process.

In January, 2012 the board completed a full, three-year plan. Subsequent updates were reviewed and approved by the board for Fiscal Years 2013 and 2014, following planning retreats in the fall of each year. As a result, it is now time for the Board to complete a full three-year plan in January 2015.

To assure Labette Health is working toward appropriate goals and objectives, in this time of change across the health care industry, the planning process includes a review of key factors important to future planning for all organizations:

External Forces:

Environmental Analysis – industry changes, challenges, indicators, successes

Competitor Analysis – market impact, growth opportunities, potential partnership

Internal Forces:

Culture – analysis of evolving improvements in organizational culture

Competencies – analysis of current strengths, future opportunities

Beyond a traditional SWOT analysis of strengths, weaknesses, opportunities and threats, this process is based upon research indicating truly successful organizations focus upon the external factors they cannot control, identifying strategies specifically targeted to address them; and internal factors they can influence, recognizing more can be gained by building upon those strengths than spending resources focused upon weaknesses. This ‘soar with your strengths’ methodology acknowledges more has historically been achieved by prioritizing limited resources in areas where a solid foundation of success already exists.

Once these external and internal factors are analyzed, individually, potential strategies are then identified and prioritized. Finally, these strategies are reviewed to assure each is in keeping with Labette Health’s Mission, Vision and Values. And distilled into a simple, straightforward document, outlining specific goals and objectives and the fiscal year each is to be accomplished.

Planning Documents

Rather than rehash information provided in historic planning notebooks, or the information routinely provided to the Board through Finance, Quality, Facilities and other committees, the contents under the following tabs is intended to provide thought-provoking materials and potential strategies for future consideration.

The **environmental analysis** goes beyond noting that hospital volumes are down 7% on average, nationally, to explain the industry changes behind the numbers. Although all three credit-rating agencies have a negative outlook on the not-for-profit healthcare sector, and small hospitals are beginning to close in states like ours across the country, this assessment identifies clear principles for a sustainable rural delivery system and a roadmap for success under health reform.

Likewise, the **competitor analysis** does not focus upon the hospital-by hospital profile we have built over the last three years. Instead it focuses upon partnership strategies with hospitals and physicians, offering the potential to strengthen Labette Health in the coming years. But beyond partnership, the need to protect the market the hospital currently serves in furtherance of the ability to recruit and retain physicians and other members of the health care team, is noted including an example of one “force field strategy.”

Turning to the internal side of the analysis, the **culture assessment** identifies new opportunities to build upon the hospital’s organizational culture. Recognizing current employee satisfaction and turn-over rates suggest the engagement strategies of recent years have been successful, and must be maintained, the documents under this tab focus instead upon community and patient-centered strategies. Recommendations for creating a culture of health, building upon current investments in improving community health, are included; as are examples of ways to build upon our acute care success to focus upon patient-centered approaches to palliative care and the broader healthcare continuum.

The **organizational competencies** section documents those areas where Labette Health is currently meeting the ‘big, hairy, audacious goal’ embraced by the Board at its planning retreat three years ago: ‘To be among the Top 10% in all we do’. As the CareCheck and HealthStream reports recognize, that goal has been achieved in orthopedic care and home health satisfaction. Similarly, successful Stage 2 Meaningful Use attestation places the hospital among the top-ranked facilities in use of the electronic health record to improve patient care and safety. Additionally, Labette Health has focused upon clinical quality as a core competency, maintaining those efforts and measurably improving despite the financial challenges and changes under health reform. Continued clinical quality and integration efforts, and new areas of focus for performance improvement teams i.e. the physician surgical improvement committee, are profiled.

Strategic Goals and Objectives

The final tab includes the Annual Strategic Plan Updates for the last several years, outlining individual goals/objectives for each fiscal year under the following strategic categories:

Quality/Performance Improvement

Growth/Market Share

Finance/Operations

People/Employee Satisfaction

Community Health/Wellness

Additionally, key priorities for the Foundation were recently included, to assist in alignment between hospital and fund-raising strategies.

Governance Strategies

Finally, immediately behind this narrative are a series of articles from the American Hospital Association, Governance Institute, Becker’s Hospital Review and Health Care Advisory Board on emerging issues important to board development.

Recommendations for Board Consideration

In light of this changing environment, strategies for community hospital survival are increasingly clear:

- 1) hire and invest in great leadership;
- 2) become dominant in two or three clinical areas;
- 3) build exceptional nursing staff as they are the clearest differentiator to a patient;
- 4) continue to get costs in line;
- 5) identify collaboration and physician integration opportunities.

Specifically for Labette Health, additional strategic goals and objectives beyond those outlined in 2014-2016 include:

- 1) complete Chief Executive Officer search;
- 2) build upon orthopedic success in OB/GYN and cardiac care;
- 3) expand management team education, particularly for nurse leaders;
- 4) explore palliative care and anti-biotic management to reduce costs while improving patient care quality;
- 5) outline specific partnership strategies with local physicians and regional hospitals.

It has been written, *“Management is about coping with complexity. Leadership, by contrast, is about coping with change.”* In this era of health reform, hiring and training the right team to manage the complexity is critical. As is board leadership, while Labette Health copes with the most significant changes in health care since the inception of the Medicare program in the 1960’s. In this fast-paced environment, the Strategic Plan represents a roadmap for the hospital to thrive, not merely survive in these turbulent times.