2008 Lincoln Gold Award
Achievement of Excellence

1000 Health Center Drive
Mattoon, IL 61938

P.1 ORGANIZATIONAL DESCRIPTION

Sarah Bush Lincoln Health System was established in 1977 through a united effort by residents of the Mattoon and Charleston communities to build an organization that would provide healthcare to the region for many years to come. SBL continues to be an integral part of these communities and many others striving towards the same goal. What sets SBLHS apart from other community hospitals is our commitment to serve **all** patients; to invest in employed physicians and mid-level providers; and the use of technology to provide exceptional and innovative patient care.

The Mission statement of SBL shows the commitment of the organization to provide care to all regardless of their ability to pay. Through the employment of physicians and mid-level providers SBL has provided health care access in rural areas that would otherwise be underserved. SBL uses technology to improve the quality of care patients receive and through integrated information systems patients receive seamless care throughout the health system.

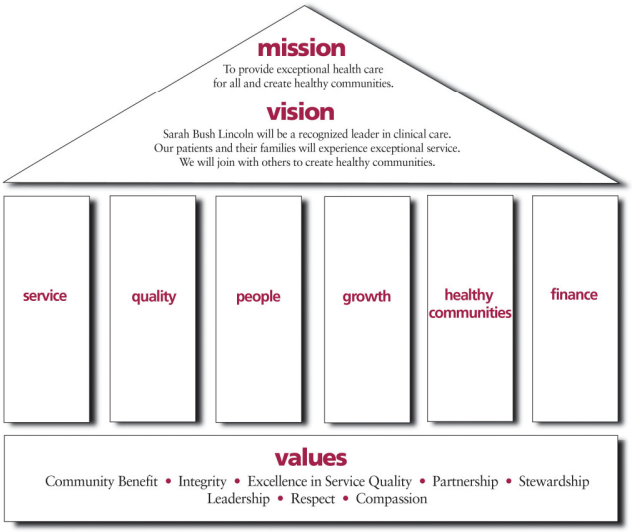
P.1a(1) Sarah Bush Lincoln Health System (SBL)'s health care services are provided at the Sarah Bush Lincoln Health Center as well as at 30 clinics distributed throughout 10 counties in East Central Illinois (ECI) with a population of 223,300, which includes our primary, secondary and tertiary service area. Sarah Bush Lincoln Health Center is a 187-bed, not-for-profit, acute care regional medical facility. The Health Center provides adult and pediatric medical/surgical care, including critical care; obstetrical care with Labor-Delivery-Recovery-Postpartum rooms and a Level II nursery; behavioral health; speech and hearing service; emergency care; an outpatient surgery center; regional cancer center with medical and radiation oncology; skilled nursing unit; home health services, infusion therapy; and retail pharmacy. Adult and pediatric ambulatory care are provided on-site as well as in several off-site locations. On-site services include a full range of diagnostic and therapeutic services, including a pain clinic and sleep lab.

Off-site ambulatory health services include physicians' offices and satellite clinics throughout the SBL service area, physical medicine and rehabilitation services, occupational health, reference laboratory services, outpatient laboratory testing, home health, hospice, durable medical equipment and community health education programs.

The Medical Staff consists of more than 90 active members representing nearly 30 specialties and composed of physicians, mid-level providers, dentists, and podiatrists. Medical Staff departments are organized as follows, with several departments meeting both separately and jointly with other closely aligned departments:

▪ Anesthesiology ▪ Dentistry ▪ Emergency Medicine ▪ Family Practice ▪ Internal Medicine ▪ Obstetrics/Gynecology	▪ Pathology ▪ Pediatrics ▪ Psychiatry ▪ Radiology ▪ Surgery

P.1a(2) Our Mission, Vision, Values (MVV) (Fig P.1-1) guide the operations at SBL and have provided a strong foundation for success.



To continue to fulfill the organization's community responsibility to be the best that it can be, SBL embarked on a journey to achieve Excellence as a Way of Life in April, 2007. The success of this journey is dependent upon all of SBLs 1500 employees. This journey continues through the seven Excellence a Way of Life teams.

Communication Team: Provides consistent positive communication about the cultural journey.

Standards Team: Develops and implements the standards of performance and scripting.

Measurement Team: Analyzes and communicates the patient experience results and recognizes the top performers and most improved.

Employee Engagement Team: Enhances the employee reward and recognition opportunities.

WOW Team: Develops and implements tools and practices that support positive encounters, and assist in removing customer irritants.

Leadership Development Team: Coordinates opportunities to develop management and leadership skills.

Physician Team: Identifies opportunities to collaborate with physicians in delivering high quality services.

SBL employees are committed to this process and continue to be engaged. Employees nominate peers to serve on the Excellence Teams.

The Standards of Performance serve as a road map to guide behaviors and interactions with our patients and other customers and stakeholders.

P.1-2 Standards of Performance
Attitude
We are committed to providing our patients/customers with a compassionate, high quality of service, while using care and courtesy. We are dedicated to exceeding the patient's/customer's expectations and building relationships. This commitment must be reflected in our behavior.
Appearance
We consider our patient's/customer's expectations in how we present ourselves and our facility.
Communication
We are committed to listening to our patients/customers and communicating clearly. This commitment must be reflected in our verbal and non-verbal messages.
Responsiveness
We will respond to all of our patients/customers in a way that demonstrates the care, courtesy and respect our patients/customer deserve.
Commitment to Co-Workers
We are committed to working together, we value each others' contributions. Together, everyone achieves more. This commitment must be reflected in our respect for each other.
Privacy
We will be respectful of our patients/customers human dignity and right to privacy by maintaining a secure and trusting environment.
Safety
We all share the responsibility in maintaining a safe environment. This sense of responsibility must be reflected in our actions and attitudes.
Ownership
We take pride in what we do, feeling responsible for the outcomes of our efforts. We will recognize that our work is a reflection of ourselves.

P.1a(3) 1,533 employees (1,232 FTEs) (see Table P.1) work together to achieve our mission. SBL's health care staff is diverse and includes nurses (administrative and patient care), employed physicians and mid-level providers, executives, managers and supervisors, support, clinical and technical professionals, allied health, and support services personnel. Eighty-three percent of employees are women, and 3 percent represent minority groups. SBL has no unionized employee groups. On rare occasions, contract workers are used to supplement the SBL workforce.

Table P.1 SBL Workforce Groups

Employee Type as of 4/01/08		**Job Categories** as of 9/07	
Full-time	1157	Executives	8
Part-Time	115	Management	50
Per-Diem	21	Professionals	508
PRN (as needed)	198	Technicians	365
		Sales Workers	5
		Administrative Support	349
		Craft Workers	19
		Operatives	4
		Laborers & Helpers	2
		Service Workers	251

Special safety requirements and education for employees include life and fire safety, hazardous and bio-hazardous material management, medical equipment safety and general emergency preparedness.

P.1a(4) SBL's main campus is located on approximately 80 acres. In addition to the hospital there are two attached medical office pavilions, built in 1992 and 2003, which house a variety of outpatient services and physician offices.

SBL recognizes the importance and value of technology for patient care as well as for operational efficiencies. This is reflected in the strategic planning process and in the commitment to use technology to provide exceptional and innovative patient care. The organization uses Meditech as the health care information system (HCIS) to integrate clinical and business information across the inpatient, outpatient and ambulatory care settings. The following list outlines some of the significant investments in health care technologies:

AEMR (Ambulatory Electronic Medical Record) – implemented in five SBL clinic locations provides continuity of care throughout the system.

EMR (Electronic Medical Record) – implemented and continuing to integrate into all appropriate health care functions. SBL is using a federal grant to expand the use of EMR technology.

CPOE (Computerized Physician Order Entry) – a physician tool to assist with managing patient care.

Community-wide scheduling – centralized system that allows employees and health care service providers at the Health Center and clinics to schedule patient care services.

Surgical Technologies – SBL provides both inpatient and outpatient surgery services using image guidance technologies.

Patient Safety Technologies – Medication Bar coding and Pyxis pharmacy dispensing machines.

Diagnostic Technologies - Picture Archiving and Communication System (PACS), Multi-Slice Computed Tomography Scan (CT-Scan), Digital Mammography and Magnetic Resonance Imaging (MRI), Linear Accelerator, GE Cardiac Catheterization Innova System, GE QS Centricity Perinatal System and ALISE 5.0 Diagnostic Sleep Testing System.

Human Capital Technologies – includes computer-based learning, distance learning and online applications

Wireless Technologies – to take advantage of reliable, lower-cost intra-System communications.

P.1a(5) SBL operates in a highly regulated industry and complies and exceeds federal and state requirements that cover a range of patient care and safety, employee safety, employment and environmental and financial regulations. Most significant of these are CMS (Centers for Medicare and Medicaid Services) OHSA (Occupational Health and Safety Administration), CDC (Centers for Disease Control), EEOC (Equal Employment Opportunities Commission), FMLA (Family Medical Leave Act), IDPH (Illinois Department of Public Health). SBL has been accredited by the Joint Commission since 1977.

P.1b Organizational Relationships

P.1b(1) The organizational structure of SBL represents a foundation of working relationships necessary to meet the needs of the patient and families served by the organization. There are six Sarah Bush Lincoln corporations each with its own governing board of directors providing a link to the local community. The six corporations include:

Sarah Bush Lincoln Health System (SBL) is the parent company to the other five corporations.

Sarah Bush Lincoln Health Center (SBLHC) is a 187-bed not-for-profit, rural community health center providing health services 24 hours a day to patients of all ages (newborn/neonate, pediatric, adolescent, adult, and geriatric). The Health Center has grown into a comprehensive and modern health care organization, providing inpatient, outpatient, diagnostic, therapeutic, home health, hospice care, health maintenance, and health educational services to East Central Illinois.

Sarah Bush Lincoln offers the key element of an integrated health system by directly employing 68 of the 90 active practitioners on the Medical Staff. Specialties include Family Practice, Internal Medicine, Cardiology, Hematology/Oncology, Neurology, General and Vascular Surgery, ENT, Orthopedics, Ophthalmology, Urology, Gastroenterology, Obstetrics, Psychiatry, Pediatrics, Pathology, Radiology, Emergency Medicine and Anesthesiology.

Sarah Bush Lincoln Health Management Services (HMS) operates Prairie Medical Pharmacy, a retail pharmacy and IV home infusion service, and In-Home Medical, a retail durable medical equipment service.

The **Health Foundation** serves as the fundraising arm for SBL. During the last five years the Foundation has raised $10.1 million through capital campaigns, annual fund drives, events, trusts, and interest from investments. These funds are used by the Health System to provide extra programs for those we serve.

Sarah Bush Lincoln Captive Insurance, Ltd. is a wholly owned subsidiary providing partial general and professional liability coverage to the System.

Sarah's Homemakers of Sarah Bush Lincoln offers homemaker services to the community as a non-certified private duty agency.

P.1b(2) SBL's key market segments are: patient age and MDC's (Major Diagnostic Categories); and geographic service area (based on county) with Coles County the primary service area and surrounding counties as secondary service areas.

Key customer groups are:

- Patients and their families

Key stakeholder groups are:

- Businesses (employers who use SBL services)
- Charitable contributors
- Physicians/providers
- Board members
- Volunteers

Key customer/stakeholder requirements include various components of access, price, and quality. The order of importance for these requirements varies by customer group. Based on focused consumer preference surveys, inpatients' priorities are quality (physicians who listen and understand needs, latest medical equipment and procedures, caring and friendly employees, and large range of services) and price (accepts medical insurance). Based on periodic customer surveys, business-to-business priorities are access (timeliness and predictability of courier service), quality (results accuracy and understandability) and price (competitive, with timely and accurate billing).

P.1b(3) Suppliers play an integral part in the success of Sarah Bush Lincoln Health System. We

have partnered with several vendors to develop a mutual benefit to both of us. By using our VHA and Amerinet contracts, and by standardizing product lines, we have created a win-win situation for both our partners and ourselves. To the extent possible, SBL strives to manage inventory on a just-in-time delivery basis. Key suppliers also partner with SBL in fundraising events.

The ability of these vendors to use new technology in ordering and distribution allows us to respond faster and with better efficiencies. The GPO contracts have helped us bring state of the art equipment in at substantial discounts and to reduce our supply expenses. Our vendor partners help us meet our goals for quality, price and availability. The following is a list of some of our major vendors**:**

- Pharmaceutical companies (e.g., Abbott, Baxter, Wyeth and Hospira)
- Medical supplies companies (e.g., VHA and Amerinet)
- Communications suppliers (e.g., Consolidated Communications, Inc.)
- Meditech (hospital management systems and Electronic Medical Records – EMR)
- Capital (funding) entities
- Energy & utilities suppliers (e.g., Coles/Moultrie Electric; Ameren CIPS (gas); and the City of Mattoon (water & sewer)
- Food product suppliers (e.g.Gordon Food Service and the Thomas Proestler Company)
- Schools (source of talent & human resource capital)

Key supplier requirements include price and quality.

P.1b(4) Key partner relationships include

- Regional Behavioral Health Network
- I Sing the Body Electric Partners
- Regional Rotary Club-Heart Scan Program
- Catholic Charities Prescription Drug Program
- Educational institutions
- Regional County Health Departments
- IBCCP clinical care providers
- Volunteer dentists in the W&C FIRST Dental program

P.2 Organizational Challenges

P.2a(1) SBL has a 42 percent inpatient market share in its primary and secondary market, which is larger than any competitor. In relative size based on inpatient beds, there are three smaller hospitals (25, 33, and 131 beds) and four larger hospitals (212, 224, 246 and 258 beds) directly serving our primary and secondary markets. Key competitors are:

- Primary Institutional Competitors:
  - Carle Foundation Hospital, Champaign
  - Provena Covenant, Champaign
  - St. Mary's, Decatur
  - Decatur Memorial, Decatur
  - Shelby Memorial, Shelbyville
  - St. Anthony's, Effingham
  - Paris Community Hospital
- Secondary Institutional Competitors:
  - Carle Foundation physicians
  - Reference Lab: LabCorp, Quest, BioTech and Terre Haute MedLab
  - Home Health: Carle Home Care, At Home Care, St. Anthony's Home Care
  - Open MRI
  - Durable Medical Equipment (DME): LinCare, Apria, Superior Medical, Bandy's Home Medical, Effingham Home Medical, RespiraCare, Inc. and Carle DME
  - Hospice: Carle Hospice, Southeastern Illinois Hospice
  - Occupational Health: Safe Works
  - Physical Therapy: Central Illinois Physical Therapy

P.2a(2) The principal factors determining our success are

- Service: a loyal patient population and a positive community perception
- Quality: the quality of service in clinical areas and the use of information technology for innovative patient care
- People: our human capital effort providing competitive wages, and funded staff development opportunities
- Growth: the wide customer access to our services provided by our integrated system model and employed physician strategy and resultant service volumes
- Healthy Communities: the collaboration with others to create healthy communities
- Finance: an operating margin sufficient for continued viability as a not for profit organization and a sufficient capital structure to support the strategic plan

P.2a(3) . Key competitive information is in part based on patient age, MDC's and geography. (as noted earlier). Twenty-five MDC's are used to segment inpatient market share. [e.g., Major Diagnostic Categories – Diseases and Disorders of the Respiratory System (MDC 04), Diseases and Disorders of the Circulatory System (MDC 05)] Competitive data are also available for outpatient surgical services and by service category.

Sources of competitive information include:

- NCR/Picker
- Hospital Compare – Quality and Patient Experience Results
- Solucient
- CompData (Illinois Hospital Association-IHA)

- Ten required elements of performance for three core measures of quality, identified by and reportable to the Centers for Medicare and Medicaid Services (CMS) and JCAHO through the National Quality Project. (e.g., Acute Myocardial Infarction, Pneumonia and Congestive Heart Failure). In addition, three elements of performance for Surgical Infection Prevention are reported voluntarily.

- CMS

Some sources of competitive information enable determination of detailed comparisons.

P.2b Strategic Context

Table P.2 list the strategic advantages and challenges of the organization as they relate to the pillars of the strategic framework.

TABLE P.2 SBL STRATEGIC ADVANTAGES AND CHALLENGES

Strategy	Strategic Advantages	Strategic Challenges
Service	• 8 of 10 HCAHPS areas measured at or above state and national average	• Some areas at or below the median in patient experience "Would recommend" scores
Quality	• Strong clinical performance relative to industry: Solucient Top 100 Hospitals, CareScience • Advanced IT use as shown through "Most Wired Rural Hospitals", 2006 & 2007	• Rapid technology changes and short life span of technology
People	• Low turnover rate • Employed physician and mid-level provider base • Market driven compensation & benefits • Organizational commitment to learning	• Ability to assure a reliable core of aligned providers • Limited labor pool for professional/technical staff
Growth	• Consistent and strong market share in primary service area • Outreach clinics in service area	• Low population growth • Increase competition with other hospitals and freestanding clinics
Healthy Communities	• W&C Dental program • Positive relationships with other organizations	• Service area population less healthy than state norms • Ability to secure external funding sources
Finance	• Strength of balance sheet as evidence by low debt to assets ratio and days of cash on hand • Strong philanthropic support from the community	• Low median income for service area residents • Increasing number of under/uninsured • Variable and unfavorable government payor actions

P.2c Performance Improvement System

All departments are responsible for following SBL's Performance Improvement Plan for improving organizational performance. This process is guided by the Administrative Team, which assures that improving performance is planned, systematic, and organization-wide, and follows the Focus-Plan-Do-Check-Act (PDCA) cycle. The entire Performance Improvement (PI) process is outlined in the hospital's Performance Improvement Plan.

It is the responsibility of the Admin Team to prioritize improvement activities and to assure that all the dimensions of performance and important functions are given consideration.

Although some PI activities are intradepartmental, some problems/issues involve two or more areas that provide patient care, patient services, or support services. An interdepartmental performance improvement team may be requested.

The Quality Improvement Committee (QIC) addresses quality improvement initiatives that are primarily related to medical staff functions.

All Performance Improvement activities are reported to the Health System and Health Center Boards of Directors through the QIC and the Joint Conference Committees.

SBL also conducts the following in support of its continuous improvement initiatives:

- Testing of Clinical Competencies
- Leadership Development Assessment
- Focus-PDCA training for chartered performance improvement teams
- Annual On-Line Interactive Education (OLIE) surveys for general employee knowledge/skills as well as for job-specific requirements

1 LEADERSHIP

1.1a(1) The Mission, Vision and Values (Fig P.1-1) of the organization are reviewed by the senior leaders of SBL every three years during the strategic planning cycle. This review includes input from several groups including the Medical Staff Executive Committee and the Board of Directors (BoD) for the Health Center and the Health System. The SBL values were changed in 2007 to include Compassion. This change was made based upon the patient care focus on relationship-based care and the creed of physicians and mid-level providers. The MVV of SBL are deployed and reinforced throughout the organization using several different methods including town hall meetings, Cascade Learning Kits, Communication Boards, the Voices to Action newsletter, the Daily Charge, and Passports. The MVV are communicated to new employees by the CEO at General Employee Orientation (GEO). The MVV are communicated to the community quarterly through the Health Styles publication and annually through the Annual Report. Senior leaders demonstrate their personal commitment to the organizational values through their actions including active involvement in the community, serving on several area boards and committees and involvement in professional organizations to help promote the SBL values and accomplish the mission.

1.1a(2) The SBL Corporate Compliance Plan helps to promote an environment that fosters, requires and results in ethical and legal behavior. SBL's Code of Ethics defines ethical behavior of all employees. By signing the Corporate Compliance Statement of Understanding, within the first ninety days of employment and annually thereafter, each employee pledges to honor personal responsibility and accountability to SBL and the community. The Corporate Compliance Hotline allows employees to call and ask questions, report concerns, and give input without fear of recrimination. Annual on-line training reinforces SBL's commitment to ethical and legal behavior, as well as legal and regulatory requirements of the health care industry. Committees such as the Physician Peer Review Committee, Quality Review Committee and Ethics Committee assess and track adherence to quality and ethical standards in regards to patient care. The System Practices division of SBL employs the use of a Peer Review Process to ensure that high quality and ethical care is provided by physicians and mid-level providers to patients.

1.1a(3) Senior leaders are dedicated to creating and maintaining a sustainable organization. Balance sheet strengthening began in 1999 and has achieved the goals while maintaining the commitment to modern facilities and equipment to meet patient needs. Seniors leaders create an environment for organizational performance improvement through Performance Improvement (P.I.) Teams which are encouraged and supported (by champions, facilitators, and by training). These teams recommend action steps that are implemented and their successes are celebrated. In 2007, SBL made a commitment to Excellence A Way of Life. SBL is focused on creating a culture that supports improvement through the establishment of seven Excellence Teams, including the Communication, Leadership, Measurement, Employee Engagement, Standards, Physician, and Patient Experience (WOW) Teams.

Strategic Objectives (SO)of the organization are accomplished through the establishment of Action Plans (AP) for each objective. Each objective has an administrative owner and the organization's alignment to the strategic plan is reflected in the committee structure of the Board of Directors. SBL began using 90 Day Progress Plans in April, 2008. The progress plans help track the actions and progress of each department toward the achievement of the strategic goals. Each employee has a Passport which states their individual goals that link to department goals and strategic objectives providing personal accountability and responsibility.

Individual and group incentive compensation goals for the Management Team (MT) and Administrative Team (AT) as well as employee gainsharing, are tied to achieving the goals set forth in the strategic plan.

The AT conducts a monthly operating review of departmental operating reports (MOR) and reforecasts using year-to-date actual performance, making adjustments as needed.

Members of the SBL community which include board members, medical staff members, employees and guild members are kept informed and take personal initiative to support public healthcare policies that benefit the residents and patients within the SBL service area.

Organizational agility is accomplished through the participatory decision making process that is used throughout SBL. Information is shared widely throughout the organization to enable many people to understand how the system works and be prepared to move forward effectively if there are personnel changes within the organization.

Learning is embedded into the Culture through two programs that are unique to the organization. The SBL Academy and the Neal Nursing Institute were each developed with strong involvement from the

senior leaders. These leaders are dedicated to creating an environment of organization and workforce learning, as stated in the organization's SP objective to "Create a Culture of Life Long Learners." To allow all employees to receive the same information Cascade Learning Kits have been implemented which provide leaders with a script and learning activities to engage employees.

In June, 2007, the New Grad RN program was implemented to assist new graduate RNs with the transition to clinical practice and help decrease the organization's turnover rate of new RNs within the first six months of employment.

1.1a(4) Information technology is vital to patient safety at SBL. The Ambulatory Electronic Medical Record (AEMR) allows the sharing of electronic patient information from satellite clinics to the hospital. A Bedside Medication Verification Bar Coding System ensures that patients not only receive the correct medication but the appropriate dosage as well. A culture of patient safety is created and promoted through adherence to several regulatory requirements, the Health Insurance Portability and Accountability Act and the performance standards of the Joint Commission and through the SBL Environment of Care Committee and Audits.

1.1b(1) Senior leaders communicate with and engage the entire work force beginning during the orientation period. Senior leaders meet with employees during GEO to set the stage for open communication throughout the employee's tenure. Other methods by which senior leaders communicate key decisions with employees are quarterly Town Hall meetings, the bi-weekly employee newsletter Vital Signs, the Daily Charge and the department Communication Boards.

Frank two-way communication occurs between senior leaders and employees during Pulse Check, a monthly meeting where senior leaders ask employees what is going well within the organization and what things can be improved. This open communication also happens during senior rounding, a process where AT members visit different departments within the organization to learn what things are going well and what opportunities for improvement exist.

To ensure that these methods of communication are effective employees are asked to complete a survey after each Town Hall meeting. As a result of the survey, changes have been made to the snacks offered at the Town Hall meetings because the data showed that employees preferred an item more health conscious. In addition, monthly audits of the Communication Boards are conducted to ensure the boards are displaying the same information and random employees are asked questions regarding the content of information available on the Communication Boards.

Through the establishment and support of the Excellence Teams, the senior leaders engage the workforce. In the fall of 2007, a special Gainsharing program was established by the AT with approval of the BoD to engage the entire workforce in improving patient experience scores. Innovation is used in the design and presentation of the material for each of the quarterly Town Hall meetings using the Herrmann "Whole Brain Model". This innovative approach has led to employees being more engaged in the meetings as shown through the Town Hall meeting survey results.

Senior leaders take an active role in reward and recognition. Implemented in July, 2007, Upstream Communication is a process where each manager and director recognizes employees for high performance. Each AT member then has the responsibility to recognize at least two of these employees with a personal "thank you" note on a weekly basis and provide in person recognition when rounding in the departments. Senior leaders participate in staff recognition events which have included hand dipping ice cream to serve to employees and the quarterly President's Tea where employees who have been nominated for the Annual President's Award are recognized.

1.1b(2) The AT and MT focus on the strategic objectives with visible key measures to accomplish the mission and vision of the organization and improve performance. Each department has a communication board which serves as a visual display of the six strategies the organization is committed to achieving. Each strategic objective has an AP associated with it with a key measure of success. These key measures are reviewed by the AT quarterly. Meetings throughout the organization are structured according to the six strategies. Each MT member has a 90-Day Progress Plan that serves as a tool to help them achieve their departmental goals that link directly to the SO. Additionally, each employee has a passport which states his individual goals for the year to help the department and organization accomplish their goals.

Organizational performance is tied to the employee gainsharing program, with achievement of financial performance and patient experience goals as triggers. Gainsharing goals are set annually by the BoD and communicated widely through Town Hall meetings and through the Measurement Team on the Communication Boards.

1.2a(1) SBL's governance and organizational structure allow for accountability, transparency and flexibility throughout the organization. (See Table 1.2-1) Dashboard indicators, including the financial performance indicators, give a quick overview of goal accomplishment for Board review. Volunteer members with varied community interests and various educational backgrounds comprise the governing boards, and board committees are organized to align with the SP goals. The diversity of the Board ensures the protection of all of SBL key stakeholders through representation and participation on the board and various committees.

The Board of Directors responsibilities include approval of the strategic plan (SP) (including the resource allocation to implement the Plan), policy approval and oversight of all operations to ensure the organization fulfills the health care needs of the communities it serves.

TABLE 1.2-1 KEY FACTORS OF GOVERNANCE

	Management Accountability	Fiscal Accountability	Transparency	Independent Audits	Protection of Stakeholder Interest
How addressed	Performance Evaluations	Budget process (incl. capital equipment)	Board reports	External audits/ Recommend-ations	Corporate Compliance
	Dashboard Indicators	Monthly operating report monitoring	Board committees	Internal audits/responses	Code of Ethics
	Key Measures	Incentive comp goals			HIPAA

Board members systematically evaluate the governance structure through an annual self-assessment. This assessment is used to make changes that help them effectively exercise their stewardship of the health system. Feedback from these assessments has led the Board to institute such changes as rearranging committee structure to align with the SP, instituting a six-month follow-up orientation for new board members, and developing a clear expectation that more board time should be devoted to looking into the future rather than receiving reports about the past.

Board members enthusiastically take part in educational opportunities such as Estes Park conferences. Attendees are tasked with presenting a conference report to the entire board regarding potential action items for board consideration.

The Medical and Dental staff of SBL is a departmentalized staff with specific departments meeting a minimum of once per quarter. Medical Staff (MS) leaders collaborate with SBL executive leadership on decision making related to planning and achievement of goals as well as resources available for improving services for patient care.

This interlocking structure (board, medical staff, senior leadership and management) assures continuity of policymaking and synergistic actions throughout the organization and provides for an agility to meet and react to change. MT meetings are held on the day following HS Board meetings to facilitate a timely deployment of appropriate information throughout the system.

The Senior Leadership Team consists of the President/CEO and eight vice presidents (VP Finance, VP Patient Care Services, VP Operations, VP Information Systems, VP Foundation, VP System Practices, VP Human Resources, and VP Medical Affairs). In collaboration with the BoD, the MS, and all departments within the facility, the AT is responsible for implementation of the SP.

1.2a(2) The HS and HC Board members complete an annual self-assessment, and the consolidated scores are reported during a Board meeting. Information from Board self-assessment reviews is used to determine the topics for Board education, improve the flow of information to the Board and to guide agenda development for future meetings. During a recent Estes Park retreat the BoD received information in regards to the healthcare credentialing process. This prompted the BoD to bring in an outside consultant to provide more information and perform a complete review of the current SBL credentialing process. These self-assessments continue to lead towards organizational improvement.

The MS is responsible for assessing the quality of services provided by their peers as they exercise the privileges granted by the Board. This responsibility is carried out through the initial credentialing process, the biennial re-credentialing process and the peer review process. Specific quality indicators are established by outside accreditation and regulatory organizations and supplemented with internally selected indicators. Physicians participate in developing APs, monitoring results and making adjustments in the plans in order to achieve the measurable quality goals.

Annual performance evaluations are conducted for all employees, including senior leaders. The Board Compensation Committee reviews the CEO's

performance based on goal accomplishment and progress. The CEO holds one-on-one sessions with each AT member. Evaluations include a review of goal accomplishment and a standards discussion. Participants discuss areas where performance improvement is required, and set specific goals, including a timeline, for making improvements. No evaluation is considered punitive, but is meant to objectively evaluate performance and give every employee, including senior leaders, an opportunity to learn and grow.

1.2b(1) Potential adverse impacts on society of SBL's health care services and operations are monitored through the PI and Risk Management Programs. These programs measure current and future concerns and address them through one of the seven PI components (**Item 4.1a**). Quality improvement teams are charged with the task of making recommendations for addressing concerns within the health system.

JCAHO standards are monitored and adhered to, Environment of Care reviews are regularly conducted, and drills (fire, disaster, etc.) are held to make sure employees are prepared for any eventuality. Organizational accountability also extends to resource and waste management measures.

The processes of treating ill people results in contaminated waste products. SBL has adopted programs to minimize possible exposure to people who handle those waste products and has also initiated recycling, source reduction and energy conservation measures.

SBL uses a number of activities to anticipate public concerns with current and future services and react to them. An example of such is the biannual Body Electric Survey. This survey, conducted at every high school in the SBL service area, identifies the major health concerns of the teenage population. The results of the survey are then used to steer the activities of the "I Sing the Body Electric" program for the next two years. The Body Electric Survey completed in the Spring of 2006, showed the high school students within the SBL service area were concerned with alcohol and drug use, body image and teen sexuality. Based upon the results of this survey the projects for the last tour focused on these health concerns.

The organization strives to listen and learn in a variety of ways. (**Table 1.2-2**). This enables SBL to prepare for and address concerns in a proactive manner.

TABLE 1.2-2: LISTENING AND LEARNING FROM THE COMMUNITY

Activity	Constituency	Frequency
Consumer Perception Survey	All of ECI (sample)	Every 3 years
Body Electric Survey	Youth in 26 ECI schools (all of the high schools in the SBL service area)	Every 2 years
Community Trendbending Forum and Meetings	Community Representatives	Every 3 years
Patient Survey Comments	Patients	Monthly
Patient Rounds	Patients and their families	Daily
Post Discharge Phone Calls	Inpatient, Outpatient Surgery and Emergency Patients	Daily
Service Recovery Tracking Forms	Patients and their families	Monthly
Institutional Review Board	Research project directors and participating subjects	As needed

1.2b(2) The HS Board oversees compliance through the Corporate Compliance Committee. Ethical behavior is expected of all SBL employees, from senior leaders, to physicians to hourly employees. Senior leaders are especially cognizant of expected behavior. Organizational compliance policies are outlined in a written plan, and education is provided to update and remind employees and others of expectations for ethical behavior. Corporate Compliance Agreements make expectations clear from the inception of employment or volunteer service on boards. A sampling process is used to monitor access to patient and employee records to make sure no record is accessed without need. The AEMR and EMR are password protected encrypted systems with a "timing out" mechanism built into each. HIPAA regulations are strictly adhered to and breaches in ethical behavior are handled through the peer review process by physicians, by the executive committee of the Board, and by immediate supervisors at all levels of the organization. Any breach in ethical conduct by employees is handled through appropriate employment policy procedures.

In keeping with its commitment to ethical behavior, in the past, the organization has issued verbal warnings regarding such breaches and terminated employees

for accessing employee or patient records without need.

Accreditation activities are led by the Director of Risk, Quality and Case Management, supported by a committee of employees and medical staff members. A focus on accreditation requirements is achieved through orientation, education related to changes and fun activities such as contests based on standards.

SBL is not registered as a lobbyist. It supports lobbying efforts through the Illinois Hospital Association (IHA), and related costs are segregated and reported in the Medicare cost reporting process as required.

The SBL Health Foundation is the fundraising arm of SBL. The organization abides by the AFP Code of Ethical Principles and Standards of Professional Practice set forth by the Association of Fundraising Professionals in 1964 and amended in October, 2004. Model Standards of Practice of the Charitable Gift Planner (National Committee on Planned Giving and the American Council on Gift Annuities, 1991, Revised April 1999) guide the planned giving program. The organization abides by all rules and regulations governing charitable trusts, gift annuities and other planned gifts.

All fundraising events are managed to allow net proceeds to go to the cause for which the event is being held (i.e., Hospice Festival of Trees, La Grande Soiree, etc.) and are advertised as such. Charitable receipts are written for the actual value of the charitable portion of a gift only.

1.2c SBL defines its key communities as all people of ECI. The organization's leaders believe that its mission compels SBL to serve all people in its defined service area. In keeping with this commitment, the SBL Financial Assistance Plan provides a means for low income individuals in ECI to receive medical care, regardless of their ability to pay.

Objective V of the SP (**Table 7.6-1**), "Create Healthy Communities," encourages building collaborative relationships with the community. The areas of emphasis for organizational involvement and community support are decided as part of the strategic planning process. During the last strategic planning process there were three areas identified for SBL involvement and community support (see Table 2.1-2). SBL continues to develop programs and services to support these strategic objectives. In 2007, SBL, with support of a grant from the IL Department of Women's Health, developed the Heart Smart for Teens program. This program is aimed at 5-8th grade girls and provides them with information regarding to exercise, healthy snacking and physical activity Heart Smart for Teens has been implemented in three area schools.

Meeting space for community support groups is often provided through the SBL Lumpkin Family Center for Health Education. SBL supports the economic health of the communities as well through the support of Coles Together, the economic development organization for Coles County. SBL provides them with meeting space and financial support.

The organization continually strives to listen and learn from those we serve (**Table 1.2-2**).

Employees of SBL also take an active role in supporting and strengthening the communities. Employees participate in activities such as Adopt a School, Relay for Life, American Heart Walk, etc. In FY 2007 the SBL family provided a community benefit in excess of $690,000 not including direct patient care services.

2 STRATEGIC PLANNING

2.1a(1) The SBL strategic planning process includes active involvement of leaders at the governance, medical staff and executive levels. It is a data-driven activity, which makes extensive use of external data and knowledge resources. The main planning activities occur at three-year intervals, with quarterly interim reviews. The interim review performed in 2005 (mid-FY 2006) resulted in planning process improvements related to clarity and integration of objectives, and improved deployment methods. Substantive revisions resulted from emerging emphasis on national quality standards for health care delivery, as revealed through our continuous review of the regulatory environment. In 2007 this cycle of improvement continued; as part of the journey to excellence a review of best practice was conducted and SBL implemented the strategic framework. (**Category 2 Divider)** This framework, deployed throughout the organization on the communication boards, uses one word to describe each of the six strategies. Additionally terminology which clarified the different aspects of the SP was introduced that aligned the plan to action plans and allowed for better communication and deployment. The key planning process steps are shown in **Table 2.1-1**.

To identify potential blind spots, SBL obtains an external review from the VHA-Midwest Region leadership staff.

Planning horizons are up to one year (short term), and up to three years (long term). The time horizons are determined by the assessed complexity, historical execution timeframes of the subject areas, and the degree to which regional trends must be altered. The AT periodically evaluates these factors in setting the annual or multiple-year timeframes to accomplish the objectives and important goals of the strategic plan.

TABLE 2.1-1 STRATEGIC PLANNING PROCESS

Step	Timeframe	Activities	Participants
1	Yr 1*/Mo1	SP process review	AT, Director of Planning and Healthy Communities (DPHC) BoD, External Parties
2	Yr1/Mo2-3	Data assembly	AT, DPHC
		Environmental assessment, five-year balance sheet and operational performance projection; customer requirements review; competitor analysis; market data trend analysis; technology and regulatory trend assessment; identification of strengths, weaknesses, opportunities, threats (SWOT); determination of highest interest areas; blind spot assessment, regional market analysis	
3	Yr1/Mo4-6	SP Development	AT, BoD, MS, DPHC, Consultants
4	Yr1/Mo7-8	Objective and Goal development, initial report to BoD	AT, DPHC
5	Yr1/Mo 9	Approval and distribution to MT for use in annual budget cycle	AT, MT
6	Yr1/Mo 10-12	Action plan development for SP Year 1 (FY 20XX, July-June)	
7	Yr2/Mo 4-5	Interim review	AT, BoD, MT
		Review of prior year goal performance, trend and developments review, goal modifications as necessary. Distribution to MT for SP Year 2 budget cycle and action plan development	
8	Yr3/mo4-5	Interim review	AT, BoD, MT
		Review of prior year goal performance, trend and developments review, goal modifications as necessary. Distribution to MT for SP Year 3 budget cycle and AP development.	

*Yr1 activities for the next planning cycle run concurrently with Yr3 activities of the current planning cycle.

The HC Board has structured its oversight role to correlate to the grouping of objectives in the strategic plan. Through the periodic reviews by the Board committees, Board members, who will be primary participants in the strategic planning process, and the responsible senior executive leadership will have a knowledge base of the goal and project timelines well before the strategic planning process begins. The strategic planning process includes close attention to the five-year balance sheet and operational performance projection that is the organizational template for future operational performance. The strategic planning process results in up to a three-year projection of performance goals, matched to the relevant time horizon for goals designed to accomplish organizational objectives.

2.1a(2) The SWOT analysis performed during the strategic planning process is conducted after the environmental assessment, competitor analysis, five-year balance sheet and operational performance projection review, market, technology and regulatory trend review and customer requirements analysis. In 2007, the process for completing the SWOT analysis was improved. Each person involved in the process receives a tool at the beginning of data review to help capture the strengths, weaknesses opportunities and threats as they pertain to the organization and each department conducts an analysis and the results are compiled and integrated into the results of the leader group. The complied results of the SWOT analysis are then segmented into each of strategies of the organization.

Senior leaders ensure the SP process addresses the strategic assumptions of our potential for success and growth in our current market environment, focusing on our core strategic assumption of a static population and its implications for service growth, technology expansion, and organizational sustainability. Determining the organization's ability to execute the SP starts with continuous assessment of organizational financial strength through the five-year balance sheet and operational performance projection. The annual budget and action planning cycle, immediately following the initial, second and third year goal setting activity, provides an immediate determination of operational and capital outlays assigned to the objectives and goals of the organization. Any imbalance or gaps in resource allocation to the SP are addressed prior to the annual budget approval and implementation, first by review done by the AT, and then by the HC Board during its annual budget review and approval.

2.1b(1) SBL has six strategies. The thirty-seven related objectives with timetables from one to three years, if accomplished, will demonstrate achievement of the strategies. The strategies, objectives and related goals and the timetable for accomplishing the goals are found in **(Category 7, Table 7.6-1)**.

2.1b(2) The organization's objectives and goals are structured to address its strategic challenges. Specifically, the greatest challenge is to operate effectively in a rural service area with static demographics. The SP addresses this challenge through goals under a market growth objective by placing employed medical specialists in population areas of competitive opportunity, generating high customer loyalty, and focused growth plans in higher-opportunity service lines. SBL human capital goals stress staff development and career progression to maximize the value of the limited number of new graduates from local school systems in a static demographic environment. Achieving goals for financial viability permits the organization to engage in longer-term and higher risk program efforts to address local service needs. **Table 2.1-2** identifies the correlation of strategic objectives and goals to strategic challenges:

SBL achieves balance of strategic objectives through an AT assessment of objectives and establishment of goals as short (1 year) or long-term (3 year), allocation of resources through an annual budgeting process after AT and BoD review of revised or validated objectives, maintenance of

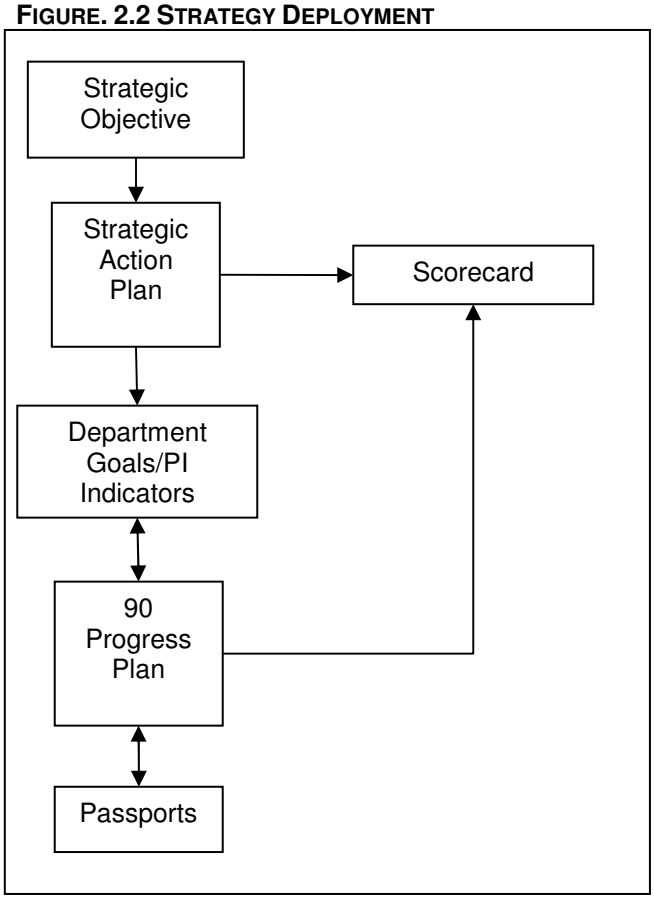
TABLE 2.1-2 STRATEGIC CHALLENGES AND STRATEGIC OBJECTIVES

Strategic Challenges		Some areas at or below the median "Would recommend" scores	Rapid technology changes/short life	Reliable core of aligned providers	Limited labor pool	Low population	Increased competition – Hospitals and freestanding clinics	Population less healthy then state norms	Ability to secure external funding	Low median income	Increasing number of un/underinsured	Variable and unfavorable government payor actions
Strategies	Objectives											
I. Service	A.1	X										
	A.2	X										
	B	X										
II. Quality	A		X									
	B			X								
	C						X					
	D		X									
	E			X								
	F											
III. People	A				X							
	B				X							
	C				X							
	D				X							
IV. Growth	A			X	X							
	B			X								
	C									X		
	D					X	X					
	E					X	X					
	F					X	X					
	G					X	X					
	H					X	X					
V. Healthy Communities	A							X				
	B							X				
	C							X				
VI. Finance	A								X	X	X	
	B								X	X	X	
	C									X	X	
	D								X			
	E								X	X	X	X
	F								X	X	X	X
	G								X	X	X	

cash reserves sufficient to allow a response to emergent opportunities, and structured contingency capital allocation processes to implement organizational responses to opportunities.

2.2a(1) SBL deploys its strategies and objectives throughout every level of the organization. (See Fig 2.2.) SBL uses APs to support the strategic objectives (indexed directly to the pertinent goal), performance improvements in support of key processes, and other significant circumstances such as executive incentive compensation goals which may directly or indirectly support strategic objectives. At the departmental level, MT members use 90 Day Progress Plans to support the AP. 90 Day Progress Plans assist MT members with planning ,executing and measuring department initiatives that align with and support the strategic objectives(SO)s. Each employee within the organization has a Passport. The Passports are used to align individual employee annual goals with the department goals and the strategies of the organization.

FIGURE. 2.2 STRATEGY DEPLOYMENT



Each department has a communication board with each of the organization's strategies listed. Monthly information is posted on the communication boards that aligns directly to the strategies and objectives. The communication boards have been recognized as a best practice through the Baptist Leadership Institute.

2.2a(2) AP program initiatives that require more than $50,000 in capital require a business plan proposal as outlined in Health System Policy SA055. This sub-process requires identification of market, competitive and other factors that may affect program deployment, as well as a five-year forecast of operational and financial performance to address program sustainability. An SBL intranet-based repository for the APs facilitates easy access by the responsible participants and other interested parties. This repository assists the AT and MT efforts to deploy, align and integrate organizational efforts, as well as clearly communicate organizational intentions to all relevant work units. AP development is coordinated with the annual budget process to ensure allocation of personnel resources, and operating and capital funds to implement the elements of the action plan. Administration provides to the BoD Finance Committee and full BoD membership a full report of the funding allocations specific to APs' supporting strategic objectives and goals, as part of the budget approval package. The process incorporates resource allocations to sustain key changes resulting from APs in subsequent budget years. This includes embedding personnel changes into the standing personnel authorizations and recognition of recurring expenses in our future budget proposals. Additionally, for significant capital or programmatic initiatives, the BoD conducts a program review at recurring intervals of up to three years post-implementation, along with a review of rationale for program continuance, expansion or termination as appropriate.

2.2a(3) The SBL AT directs and authorizes the deployment or modification of APs related to strategic objectives as circumstances require. The team determines the need for rapid change through such processes as monthly operating performance review and outcome reforecasts for all HC cost centers, assessment of regulatory changes by internal sections such as the Corporate Compliance, Finance or other operating departments, and discovery by the AT of emergent issues such as competitor actions with perceived impact.

2.2a(4) Through the strategic planning process, SBL has identified areas for market growth that will be pursued during the current strategic planning cycle which include capital investments in new facilities. These opportunities are made possible by SBL's commitment to a strong balance sheet and solid financial performance.

2.2a(5) The key human resource plans derived from short and long term objectives and action plans relate

to Strategic Objectives III A, B, C and D regarding broadening the recruitment base, creating a culture of life-long learners, filling critical vacancies and maintaining a low turnover rate; and, IV A and B relating to recruitment and retention of medical staff providers and developing a System Practice provider culture. (**Table 7.6-1**)

2.2a(6) Key measures are included in the AP's, and referenced in **(Table 7.6-1)** under FY08, FY09, FY10 Goals.

The AP template (**Category 4 Divider**) requires an identification of the organizational strategic objective that it supports. Additionally, the action planning process allows construction of multiple, linked APs and related supporting subsidiary or supporting measurements that reflect progress toward the overall performance measure. The AT ensures alignment through a review of the consolidated strategic objectives and goals, the executive incentive compensation goals, AP and supporting plan measurements. This review occurs annually as one of the final steps in the annual budget cycle. The strategic objectives, goals, APs encompass all key deployment efforts, based upon an AT assessment of their correlation with the key processes as described in **Items 6.1** of this application.

2.2b The performance projections for the one- to three-year planning horizons encompassed by the SP are displayed in **(Table 7.6-1)**. Supporting information for the SP Status Report and related reporting within the AP report template display known benchmarks or competitor-specific comparisons. Results reporting, with relevant historical results and SBL outcome trends are reported in various figures in **Category 7**. The performance gaps against competitors or comparable organizations are addressed through the APs and related resource allocations designed to identify and implement actions, programs or process changes that will improve SBL performance outcomes in the relevant areas.

3 FOCUS ON PATIENTS, OTHER CUSTOMERS AND MARKETS

3.1a(1) The organization determines which customers to pursue based on the outcome of its strategic planning process. A comprehensive data review reveals which market segments to develop, and the Board sets objectives and goals accordingly.

During the SBL strategic planning process, the organization conducts a regional market analysis to learn more about current and potential customers, and to identify market opportunities. This analysis includes population trends by age and gender, economic trends, market share by geographic area, discharges by patient county origin and diagnostic category, competitor volumes, hospital and physician volumes. Additional methods to collect data to learn more about current and potential customers include consumer perception study, patient experience results, medical staff satisfaction survey, market share and out-migration studies.

SBL identifies the community it serves through the U.S. Census Bureau and Claritas. Business development planning includes a review of population, economic, education, and social trends. SBL identifies patients by major diagnostic categories or outpatient surgical procedures, county origin, age, gender, and payer source through COMPdata, a data repository vendor of the IHA, and through Meditech. SBL also accesses information about competitors' services through COMPdata, which provides detailed market knowledge of inpatient activity and outpatient surgical procedures performed at competing hospitals along with an outmigration analysis. Additional competitor data is available through Hospital Compare, a website sponsored by the US Department of Health and Human Services. In addition to internal and competitor data, SBL is knowledgeable of health care trends in the industry through an environmental analysis conducted by VHA.

3.1a(2) SBL learns about customers through a variety of methods. See **Table 1.2-2** for an outline of listen-and-learn actions and constituencies. The organization asks patients about their experiences at SBL through a mail survey. The survey asks the patients to recall their experiences related to the seven dimensions of patient centered care. SBL measures patients' satisfaction with quality care, as well as their loyalty to SBL. Through a correlation analysis, SBL learns what matters most to its patients, and how well it is meeting their expectations. This survey differentiates between types of patients by inpatient and outpatient services type (e.g. adult, medical /surgical; outpatient rehab; physician office patient, etc).

SBL uses a Consumer Perception Survey to determine expectations of current and potential customers and their relative importance to health care purchasing decisions. The survey is conducted every three years through a telephone interview of 700 health care decision makers.

Department Directors and Managers interview patients on their respective units on a daily basis, and respond to immediate patient concerns. The primary function of the patient rounds process is to ensure the patient and family needs are met and immediate service recovery if applicable. SBL employees have been trained to recognize opportunities for service recovery and have the ability

to provided recovery within the financial limit of $200. All service recovery issues are analyzed on a monthly basis and acted upon by the WOW Team when trends are evident. A recent example of such a trend is the lack of direction provided to patients and visitors entering the building through the visitor's entrance. A Service Mapping Team has been established to identify and address these customer needs and expectations. See also **Item 3.2b(2)**.

Service Mapping is an opportunity to understand and empathize with the customer's emotions and expectations, by flowcharting a process to make adjustments or changes based on the multiple patient/customer transaction points in the service experience.

Marketing Representatives, who are actively engaged in the community and health care environment, provide information about potential customers and business opportunities. Each month, the marketing team compiles a Marketing Intelligence Report (MIR), which reports to the AT information gleaned from the market place. Many times this information is how SBL first learns of competitor changes in medical providers, services offered, and entries or exits in markets. Recent examples of information gleaned through the MIR which allowed SBL to reach new patients include the closing of a home health agency in the area and the displacement of a reference lab service in SBL's southern market.

The SBL marketing staff facilitates community activities to build relationships to acquire new patients and retain existing patients. Each month the marketing staff organizes a bingo event, focusing on health related topics, in five different communities in public venues with approximately 50-100 seniors attending each month. The purpose is to connect with these seniors, provide a mini health presentation and enjoy spending time together playing bingo and receiving small prizes from SBL. SBL has several documented cases where Bingo participants have changed health care providers or selected SBL for services as a result of the Bingo activity. Blood pressure screenings are also held monthly in 30 different communities to build relationships and refer community members to our services.

The SBL marketing staff uses the top ten referral sources for Home Care and Hospice to drive marketing activities and develop it's market plan.

Where patients choose to go for health care is the ultimate feedback. SBL monitors its market share and that of competitors by geographic service area and product line on a quarterly basis. SBL's share of inpatient services has grown consistently in the seven-county market, and the organization continues to be the overwhelming market leader in it primary market, Coles County.

3.1a(3) SBL uses the voice-of-the-customer to become more patient focused and satisfy the patient's needs. In conjunction with SBLs journey to excellence a Standards team and a Measurement team were formed in 2007. To determine the customer contact requirements the Standards team analyzed data from patient survey results, employee responses to characteristics of a great work culture, and reviewed best practices to develop the SBL Standards of Performance (**Fig P.1-2**). These Standards serve as a roadmap to guide behaviors and interactions with patients, other customers and stakeholders. The Standards of Performance includes scripting which all employees use to communicate consistent messages to patients.

Monthly the Measurement Team reviews data from Patient Experience Surveys to identify potential opportunities to become more patient and customer focused and identify opportunities for innovation. Agents of this team work directly with department reps, Pros, to help identify trends and with the WOW Team to implement innovative improvements to better satisfy patients.

3.1a(4) Annually the Measurement Team and department Pros review the patient experience survey and results to determine what questions are being answered, what are most highly correlated to the would recommend question and what questions are providing good feedback. The team also makes recommendations to remove questions based upon low response rates. For example, in December 07, the team reviewed the surveys and results and found that patients were being asked the question, "If you could change one thing about your visit what would it be?", when actually more pertinent data could be gleaned from the question, "If you could not definitely recommend SBL to your family and friends please tell us why." This change to the survey questions was implement with the January 2008 surveys. An additional question was added to the survey to ask patients to identify employees who provide exceptional service for recognition.

3.2a(1) SBL builds relationships to acquire patients and secure future interactions with the organization through a variety of methods. Care Pages (**Category 3 Divider)** is free social networking vehicle which allows patients and families to stay connected to family and friends during and after medical concerns. SBL's Mobile Services help build relationships with patients and community members to secure future interactions. The Mobile Mammography van visits approximately 50 sites per year in the SBL service area. SBL's AdvantAge 50 Program is an affinity program intended to build relationships with people

over the age of 50 and foster loyalty to the organization. Membership is free and provides discounts to medical services, as well as participation in organized social trips, such as theatre or museum outings, shopping, and cruise trips. SBL also builds relationships with the youth by offering Sports Medicine Programs. Several Healthy Community activities build relationships with future customers, while improving the health of the community. *I Sing the Body Electric*, the Rotary Athletic Heart Scan, the Women & Children FIRST initiatives, Heart to Heart and the Heart Smart programs are activities that interact with the community and strengthen relationships. SBL also has a successful cardiac and pulmonary rehabilitation program, the Monitored Exercise and Testing Services (METS), which fosters loyalty among its patients and secures future interactions. Sixty-five percent of METS visits are from patients who choose to continue participating in the program long after they complete the physician-ordered rehabilitation sessions.

SBL employs four full time employees whose primary job responsibility is to acquire new patients through interaction with physicians and business customers. Each month these representatives meet with referral sources to build relationships and resolve any issues.

SBL engages business stakeholders through its occupational medicine contacts, through community breakfasts, AT and MT memberships on the Chambers of Commerce and Coles Connected regional development agency, interactions with participating industries in the "Fresh Start" initiatives, and engaging the active participation of local businesses in SBL fundraising, community needs determination, and other events. In addition to donor development activities included in SBL's Foundation processes, the organization builds relationships with it charitable contributors through new activities such as donor sample surveys and one-to-one phone or personal contacts with all donors, upon receipt of their donation. SBL board member stakeholders receive initial screening and solicitation contacts even before they become Board members, and then receive intensive new-member orientation from senior leaders, off-site intensive educational sessions, education sessions at Board meetings, self-assessment and evaluation review, exclusive technical tours of new and innovative health center programs and services, issue specific communications via email, and involvement in mission-related social and fund-raising events. The organization is highly interactive with its volunteers, starting with community recruitment efforts, orientation, Guild and volunteer specific newsletters, recognition events, involvement in scholarship selection processes, involvement in volunteer-related social events, specific administrative support through the Director of Volunteer Services, senior leadership attendance and report at the Guild leadership meeting, and periodic attendance by the Guild President at the HC Board meeting.

Another method by which SBL strives to build customer loyalty and meet and exceed patient expectations and build loyalty is through the Service Recovery program. (**3.2a(3)**)

3.2a(2) SBL's key access mechanisms for patients to obtain information about its services are through the SBL website, Health Styles a quarterly publication sent to homes in the SBL service area, collateral materials, public advertising, communication patients/family members receive through the physicians' offices, going home packets, and through the physician referral line. The clinical departments patient experience rounds provide direct customer contact to preemptively solicit patient concerns, and the third-party patient survey firm communicates significant patient complaint information to SBL, as well as provides the organization with free-text comments from the patient surveys.

3.2a(3) All SBL employees are empowered to resolve customer complaints through the SBL HEART Service Recovery program according to SBL policy SA088. Each department has a Service Recovery Kit for employees to access as needed. Patients may also access SBL's Patient Care Representative to seek information or make a complaint. SBL has a "Customer Dissatisfaction Report" which organizes complaints by type of complaint, frequency, and service department. Through either access mechanism the formal process consists of a written summary of the complaint, including the Service Recovery response if handled by an employee, which is forwarded to the operating manager responsible for the department concerned. The manager investigates the complaint, contacts the complainant when appropriate, and replies to the Quality Assurance-Risk Management department to close the loop, ensuring that complaints formally logged into the system are not left open without resolution and/or review and comment.

Monthly the WOW team reports on the top 5 service recovery complaint categories and meets with members of the Measurement Team to analyze the relationship between these complaints and the results of the patient experience survey. When a relationship is present the Service Mapping process is implemented in said department with the assistance of the WOW Team to identify opportunities for improvement.

3.2a(4) SBL stays current with approaches to building patient and customer relationships through a

review of national trends and best practices. Additionally members of the leadership team are actively involved with the IHA and VHA.

3.2b(1) SBL surveys patients to measure their experiences, using both formal and informal methods. Survey methods include a formal, standardized patient experience questionnaire, developed by the Picker Institute and administered by National Research Corporation (NRC). SBL also measures experience with surveys developed in-house for some ancillary services. The complaint tracking system used by SBL Patient Care Representatives provides another measure.

Measuring the patient experience is linked with SP Objective I.A.1 and is incorporated into SBL's gainsharing goals. Patient experience measures are reported monthly to the BoD, MT and are posted on the communication boards in each department.

The patient experience survey is tailored and measures 11 different patient groups (i.e., Adult Care Unit Medical and Adult Care Unit Surgical (ACU) and GYN inpatient services; inpatient childbirth services; outpatient surgery; outpatient radiology and lab; outpatient physical and occupational therapy; home health; emergency services for adults; emergency services for pediatrics; provider office adult visits; and provider office pediatric visits.) Each questionnaire poses approximately 60 questions, 27 of which are required questions for the inpatient population for hospitals who participate in the National Quality Initiative.

Indicators measured through patient experience surveys capture actionable information in multiple dimensions. Each dimension is correlated with the likelihood to recommend SBL. The correlation analysis indicates which dimensions matter most to SBL patients in specific service areas, which allows the organization to tailor its action plans accordingly. A review of this process in the summer of 2007 by the Measurement Team resulted in a cycle of improvement for the relaying of data as positive patient experience scores. Historically the data had been reported as problem scores.

3.2b(2) Department Managers, Directors and Patient Care Leaders do daily rounding on their patients to determine the level of patient satisfaction or dissatisfaction. In addition all inpatients and outpatient surgery patients receive post discharge phone calls to assess the quality of care they received during their visit. This prompt follow-up with patients allows for quality feedback and provides an opportunity for service recovery, if needed.

3.2b(3) Use of NRC/Picker measures for patient experience permits SBL to utilize the world's largest patient experience database for benchmark comparisons. Data are used to identify any statistical differences from the industry, percentile rankings and the industry mean. Additional information in regards to quality indicators, and patient experience results are available through the Hospital Compare website.

3.2b(4) The organization works with NRC to keep abreast of trends in measuring patient satisfaction. SBL monitors its survey methods and changed in 2006 from measuring patient satisfaction to measuring the patient experience. Additionally, the Excellence a Way of Life teams conduct research of best practices to ensure that SBL is using the most current approaches to determine the patient experience such as post discharge phone calls and patient rounding.

4 MEASUREMENT, ANALYSIS AND KNOWLEDGE MANAGEMENT

4.1a(1) SBL information systems support gathering and integrating data for daily operations and performance measurement. **(Table 4.2-1)** Performance improvement activities are selected based on key processes within departments and their relationship to the SP. Key measures reflect both clinical and operational data related to the SP and are reviewed quarterly by AT. The Key Measures are tracked to ensure that progress is being made to attain the organization's strategic goals. All performance improvement activities are governed by the PI Plan. SBL's PI Plan has seven components to effectively measure, assess and improve organizational performance as well as design key processes effectively. Each of these activities is chartered by the AT. APs are created to monitor all performance improvement activities and are reviewed quarterly by the AT. The AT reviews action plans from all formally chartered teams to determine resources are adequately allocated to reach established goals and to ensure continued progress within each team. Outcome data are charted and tracked to ensure that goals are not only attained but are sustainable prior to disbanding the team. Outcomes of the PI activities and their link to the SP support organization decision making. This includes support to continue with initiatives as well as outcomes that suggest an alteration in action for innovation within the health system. Following are the seven components of the PI plan.

- Redesign Team

  Cross-functional, interdisciplinary teams are chartered to create new processes using innovative and radical changes to the way work is performed.
- Performance Improvement Teams; Interdepartmental and Intradepartmental

Cross functional, interdisciplinary teams chartered to assess and develop strategies to improve existing processes that affect two or more areas of the organization (interdepartmental), or department-specific teams chartered to focus on operation process improvement and patient or service flow issues within a department (intradepartmental).

- Continuous Monitoring Activities

  Includes such activities as monitoring invasive procedures, blood utilization, medication use, core measures (ORYX®), infection control, safety monitoring, mortalities, and medical record documentation. These activities are ongoing throughout the organization to monitor patient care outcomes as well as support processes.

- Departmental Performance Improvement Activities

  These activities are department-specific indicators and focus on operational performance improvement and patient or service issues within a department. Indicators are based on high-risk, high-volume or problem prone areas that are in alignment with the SP.

- Task Force Activities

  Actions to achieve a specific objective are taken by a Task Force, or temporary group with assigned resources, assembled to focus on achieving the assigned objective, after which the group is disbanded.

- Critical Incident Review

  Evaluation of critical incidents is carried out by a multidisciplinary team. The team identifies variances in routine processes which may have contributed to the occurrence, recommends changes which may prevent reoccurrence, identifies opportunities for improvement, and develops an action plan to implement process changes.

- Quality in Daily Work

  Department staff, with management oversight and approval, initiates changes in processes in order to reduce variations and fix obvious problems.

4.1a(2) SBL uses a variety of data and information exchange resources to support its operational and strategic decisions. Professional practice guidelines, peer institution benchmarks, and various legal, regulatory and accreditation standards and requirements are sources of external reference, as well as active participation in shared database initiatives. The organization uses comparative clinical quality data from external databases such as Cardinal Health's Atlas, the Maryland Hospital Association (MHA) Quality Indicator Project, IHA's COMPdata, CMS's Q-Net, JCAHO's ORYX®, IFQHC and the Home Health Patient Care Technologies Data Base.

Non-clinical departments use benchmarking and comparative data from professional organizations such as the American Society for Healthcare Human Resource Administration and results of the Most Wired survey from Hospital and Health Networks.

4.1a(3) SBL's Information Systems (IS) and Quality Management departments work in concert with Cardinal Health, the vendor for data on core measures, to ensure a seamless flow of information to CMS, JCAHO and IHA. SBL tracks changes in reporting regulations and works with Cardinal Health to ensure that Atlas can support these changes. The IS department conducts annual assessments to ensure the organization is able to meet current demands and be proactive in meeting future needs. Any needs identified through this assessment including software and hardware, are presented through the Capital Budget Process and then projects for the next FY are prioritized at the AT level.

4.1b(1) MT members report the results of PI activities quarterly to their respective AT member, who regularly report information to the AT. Analysis of data from formal PI teams is completed by the team prior to reporting to the AT and maintained within the official records of each team. Outcomes are charted within the AP and tracked to ensure goals are sustainable. Action items to address areas not within the set goals are stated within the action section of each AP and tracked to ensure timely response. The APs enable at a glance monitor of the status of current projects. One example of data analysis that occurs monthly is the MOR analysis. Each Director is responsible for reviewing and analyzing the monthly expenditures/revenue and report variances from the year-to-date budgeted amount. All variances must be reported and actions taken to address negative variances. This analysis allows rapid response to changes in financial outcomes. These variance analysis are due to finance by the 20th of each month.

a) Medical Staff departments report the results of PI and routine monitoring activities to the Quality Improvement Committee (QIC) on a quarterly basis. The results of peer review activities are reported to the Medical Executive Committee on a monthly basis.

b) Quality Management Department reports the results of the MHA Quality Improvement Project indicators and summary reports of health center indicators to the QIC, Medical Executive Committee and Joint Conference Committee on a quarterly basis.

c) The AT makes regular reports on the progress of performance improvement and redesign teams to the Joint Conference Committee of the BoD.

d) The Joint Conference Committee reports on the organization's PI Program to the BoD quarterly.

4.1b(2) Based on data submitted to the QIC and AT, recommendations are made for performance improvement. Annually, the AT prioritizes PI activities to ensure progress toward achieving the goals of the SP. The FOCUS-PDCA model for performance improvement is used to evaluate the success of the actions implemented. Success or failure is determined through meeting targets for the key measures, which are in alignment with the SP. The AT accepts responsibility for overseeing the activities of PI teams.

4.1b(3) Department measures are used in the improvement of key processes. Each department has a performance improvement indicator and quarterly these results are reviewed at the patient care services division meeting. Through this process opportunities for improvement are identified along with a sharing of organizational best practices.

4.2a(1) SBL uses several different methods to make needed data and information available, however technology serves as the primary tool to make data/information available. Staff use the Meditech system to access information to perform their job duties. At the center of the clinical care givers' role is an EMR to retrieve clinical test results. The EMR is the repository of all clinical and demographic data utilized across the SBL enterprise for patient care. Support departments utilize this electronic information to efficiently run their processes. Data integration from multiple SBL departments is a key feature of the Meditech system. Medical providers retrieve patient information from any Internet enabled computer and process orders for patients.

The AEMR, implemented in five of the SBL clinics and planned for all, allows for vital patient information to be shared from across the SBL system. Patients can be seen in a clinic location and the information will be available to other departments as needed to provide the appropriate patient care.

Clinicians providing home care for patients are provided with laptop computers to access the information. A wireless network is available at each of the SBL clinic sites which allows staff the ability to drive to the closest clinic location to upload and download vital patient information without leaving their vehicles. E-desk is available for staff to access their computer desktop through a secure location from home or remote locations as needed to perform the requirements of their position.

Each department and shift holds a "Daily Charge" as a way of sharing information across the organization. The information provided through the Daily Charge is the same across the Health System with questions for discussion at the department level. Information is also provided through Cascade Learning Kits that provide department leaders with scripts to assist in providing information to staff.

Information is used daily by departments for decision making. Below are examples used by specific departments.

TABLE 4.2-1: EXAMPLES OF INFORMATION SOURCES USED FOR DECISION MANAGEMENT

Department	Operations Management	Metric
Materials Management	Tracking inventories	Number of electronic orders accepted by vendor
Inpatient Nursing Unit	Staffing levels	Number of patients at acuity levels – 3 times per day
Food and Nutrition Services	Patient meals	Number of patients by physician-assigned diet
Transcription – Health Center	Timely clinical reports to providers	Number of reports to transcribe and average turn-around time
Business Office	Timely billing	Number of electronic claims processed and to be processed

The SBL Internet site (www.sarahbush.org) provides patients and other customers with health information, community wellness and health care career opportunities. SBL uses an intranet site to provide employees and medical staff access to the MVV, policies and procedures manual, online interactive training, highlights of the National Patient Safety Goals, special programs such as the SBL Academy and the Neal Nursing Institute, online forms and other administrative information.

4.2a(2) SBL invested more than $9 million in hardware and software over the past four years. Electronic systems are configured to support maximum availability. Uptime availability of key clinical and administrative systems is trended as part of the IS Department process improvement indicators. Password security systems, policies and procedures, continuous education, and ongoing review of user access ensure the data security.

Making a system user friendly is an ongoing process improvement activity through department representatives who comprise CORE (Collaborate, Organize, Research and Educate) Teams. Teams identify the need for improvements and are the key innovators of the system. IS and CORE Team leaders participate in ongoing IS Integration Committee meetings to prepare for new software releases and to review ongoing IT activities.

4.2a(3) SBL ensures continued availability of data through system downtime and disaster recovery plans. These plans use redundant equipment and software. Department operating downtime procedures are based on the needs of each department relative to care for patients and administrative functions. Policies are tested and results reviewed for process improvements.

4.2a(4) SBL selected Meditech as its primary clinical, administrative and financial system to integrate information across all parts of the organization. Meditech was selected because of its success in the health care market place and ongoing commitment to software improvements. SBL has implemented major updates to the software four times over the past five years, making hundreds of improvements to system functionality and processes. Software improvements are identified through SBL and other user organizations' active participation with Meditech management, online seminars, Meditech web portals and regional Meditech educational exchange opportunities.

4.2b(1) SBL ensures the accuracy, integrity and reliability of the organizational data, information and technology through the use of core teams and by listening and learning from the end users of the systems. SBL uses Core Teams to test the systems and their effectiveness and use prior to upgrades and implementations.

The security and confidentiality of the system is maintained through a secure data center with limited access. Security and confidentiality is maintained on the users end through password protection and timing out in clinical areas.

4.2b(2) SBL manages and shares organizational knowledge through AT, MT, Town Hall meetings, Daily Charges and dissemination of information through electronic systems. SBL employees have many opportunities to learn and to educate others. SBL offers personal and group development efforts that ensure a stable, highly trained, and customer-oriented work force. The SBL Academy is an educational track where employees learn about themselves and the organization. The Neal Nursing Institute allows nurses to learn best practices and to share knowledge. The Patient Care Services and System Practices Divisions conduct annual skills fairs as another way to share knowledge. All SBL employees are required to complete on-line interactive education (OLIE) modules annually. The modules provide information about health care safety and organizational policies. Competency scores become a part of the employee's annual review file. Clinical employees must undergo additional competency testing to ensure that they are capable of rendering high quality health care.

SBL Home Care employees have the ability to access the data and information they need to provide appropriate care for patients. When the employees are visiting patients they have the ability to access the most current in patient information by accessing the wireless area networks at the remote clinic locations.

The use of CORE teams (**4.2.a(2)**) is an approach SBL uses for educating, training, and gathering feedback. CORE team members are responsible for learning new processes, understanding new software, and training other staff in their departments.

Methods of gathering feedback from our patients are described in **Item 3.2**

SBL strives to keep the community up-to-date with current health care events. *Health Styles* is a quarterly publication mailed to 60,000 homes throughout an eight-county area. As discussed in **4.2.a(1)**, SBL promotes its physicians, programs, and events on its website and offers a secure health assessment tool. The personalized health survey and educational materials on the website assist patients in managing their health.

SBL employees perform their job duties confidently knowing that sharing information with patients, customers, and partners is secure and readily available. Twenty-four-hour technical and application support assures that critical information is accessible. Downtime policies and procedures are conveniently located so departments know how to gather and distribute information in the event of a system outage.

PI teams review processes and implement changes as necessary. SBL's corporate compliance office performs chart reviews to certify that providers understand coding guidelines. Providers and staff are reeducated following regularly scheduled chart audits. IS staff visit other hospital sites and work with software and hardware vendors to establish best practices within SBL.

5 WORKFORCE FOCUS

5.1a(1) In 2007 SBL conducted a Cultural Excellence Inventory (CEI) and a review of best practices to determine the key factors that affect

workforce engagement. These key factors include: positive reward and recognition; involvement in decisions, participation on committees, and a connection to the organization's mission. Every three - five years SBL conducts an employee opinion survey (EOS) and annually participates in the "Are We Making Progress" survey to ascertain the factors that determine workforce satisfaction along with data from the Baptist Leadership Institute and best practices. Both the CEI and the EOS allow the data to be segmented by employment status, department, and position.

5.1a(2) One way SBL fosters an organizational culture conducive to high performance is through the Seven Performance Excellence Teams. These teams, made up from a representation from all departments within the organization work together to establish practices and processes that allow for information to be shared across the organization.

Effective two way information flow and communication with managers and directors occurs during the Daily Charge, department and town hall meetings.

SBL uses the Passports to help develop individual goals, which link employees directly to department and strategic goals.

5.1a(3) SBLs performance management system supports high performance work and workforce engagement. SBL provides for a 90-day review and an annual performance evaluation. The annual performance planning process provides an opportunity for employees to discuss development needs and establish performance goals (listed on the employee Passport) with their supervisors as well as identify opportunities to learn and gain new job skills. Supervisors use the Standards of Performance as a tools for discussing behavior and practices which reinforce the SBL Mission and Values and patient focus.

The SBL BRAVO! Reward and Recognition program supports both high performance and workforce engagement. All employees complete a Reward and Recognition Motivation Assessment when they are hired. The completed forms, posted on the shared server, provide others; managers and directors and peers, with information about how the person likes to be recognized. Additionally each department has a recognition budget for the leader's use in recognizing employees within the department.

The SBL Gainsharing program was designed as an incentive to motivate employees towards high performance. In FY 2008 a special Gainsharing program based only on patient experience results was approved by the BoD to incent employees to improve the results.

Patient care departments with the highest patient experience results and the most improved results are recognized monthly with a basket of health conscious goodies and a traveling trophy.

5.1b(1) "Enhancing Human Capital," the third Objective in the SP, is the foundation of SBL's EOD programs. Continuous learning and growth of the organization's employees are critical elements to achieving SBL's mission. Training and education focus on supporting this element of the SP. SBL offers opportunities for personal growth and group development to ensure a stable, highly trained, and customer-oriented work force. Tuition reimbursement is offered to all full and part time employees encouraging their continued growth and development.

New employees complete General Employee Orientation (GEO), focusing on expectations for performance and emphasizing our mission, vision, and values. GEO also includes time for AT members to meet new employees, socialize and share SBL values. Patient Care Services Clinical Education created the New Grad RN Development Program to support the 20-30 new RN graduates hired yearly. The intent of this evidence-based program was to assist the new nurse in transitioning from student to professional nurse and provides support in their development as a competent and confident practitioner. The implementation of this program has had a positive impact on the retention of new RN Grads within the first year of employment.

All SBL employees are annually required to complete online interactive education modules that address health care safety and organizational policies. The On-Line Interactive Education (OLIE) program is a computer-based learning management system used to design and deliver education, testing, needs analysis, and competency assessments in an interactive online format. Age-specific training, safety, and ethical health- and business-practices courses are among the required modules on OLIE. This internet based system is available 24/7, allowing all shifts and locations accessibility at their convenience. OLIE also allows employees to enroll for classes and gain CEUs or CNEs for licensure recertification or recredentialing.

An annual workforce needs assessment is completed as part of the annual review process. This assessment asks employees what they need to be successful in their positions. The results of this assessment in coordination with the SOs drive the training programs for the following year.

As one of SBL's knowledge assets, the Library contributes to organizational education by providing information for patient care, program development, managerial and administrative information, patient

education and personal growth and development. The library also provides audio-visual and computer-based continuing education (CE) materials. These are accredited through national professional organizations for physicians, nurses and other health professionals. The library has a special section devoted specifically to the Leader Core Competencies as stated in **5.1b(2)**.

The SBL Library's electronic resources are available online system-wide 24/7 via the Virtual Library for patient care, staff and patient education needs. The Library also enables health care professionals to stay up-to-date in their fields by providing tables of contents from new library journals. Nearly 300 sets of contents pages are distributed monthly.

The SBLU website provides information to employees to support the SO to "create a culture of lifelong learners" which includes information about the SBL Academy, career development, tuition assistance, the Neal Nursing Institute, performance improvement and links to professional organizations and colleges and universities.

SBL established two programs for employees who want to develop their leadership skills and contribute to SBL beyond their current jobs. The SBL Academy, designed for all employees, guides employees through a process of self-discovery and organizational culture education. Graduates of the SBL Academy continue to work on various health center projects after graduation. The Neal Nursing Institute is an SBL program to educate and inspire nursing staff through speakers and seminars.

5.1b(2) To ensure the continual development of the SBL leaders the Leadership Development team was formed as part of our journey to Excellence. Following a review of best practices and results of the CEI, 6 Leadership Core Competencies (see **Category 1 Divider)** were developed: Service Champion, Values Compass, Coach, Communicator, Life-Long Learner, and Steward. Managers and Directors are evaluated on the core competencies as part of the annual review process. This evaluation includes a self assessment and a leader assessment. The results of these assessments are used to develop personal and organizational training plans to improve performance.

Quarterly leadership development sessions attended by Front-Line Leaders, Managers, Directors, and Administrators are held to reinforce the core competencies, assist with the development of personal leadership attributes, and share organizational knowledge. Topics for these sessions have been identified through the results of the leadership needs assessment. Such topics have included accountability, coaching, stewardship and communication.

5.1b(3) The effectiveness of training is evaluated to assure appropriate transfer of learning using the Kirkpatrick Model of evaluation and the Likert Scale. Knowledge competency is assessed to confirm the retention of necessary information. Comprehensive competency testing for RNs is done after orientation to confirm a transfer of knowledge.

5.1b(4) SBL established several programs for employees who seek to develop their leadership skills and contribute to SBL beyond their current jobs. As noted earlier, the SBL Academy, stimulates employees to find practical applications for their newfound skills upon graduation. SBL Academy graduates developed and wrote SBL's application for the "100 Best Companies to Work for in America," and they coordinate SBL's partnership with a local Habitat for Humanity affiliate, Special Olympics and the Adopt a School program. The Neal Nursing Institute, a career education program created by SBL with support of local contributions, offers a varied program to educate and inspire nursing staff through speakers, seminars, and projects. Additionally, SBL provides Frontline Leadership Training to supervisors, and other supervisory staff who deal directly with patients, families, and other customers. Tuition reimbursement is offered to all full and part time employees to support and encourage their continued growth and development.

SBL's Succession Plan for Leadership is accomplished by the President/CEO conducting an annual review of senior leaders' career interests and an evaluation of their potential career progression during performance evaluation discussions. These discussions are then continued with the BoD to assist with succession planning for SBL leadership.

5.1c(1) SBL assesses workforce engagement through the Employee Survey ("Are We Making Progress?"), Town-hall Surveys, Employee Opinion Survey and through the CEI. Additional methods of assessing staff well-being, satisfaction, and motivation include human resource (HR) indicators, annual performance assessment discussions, informal meetings and focus groups. HR indicators monitored and reported to the Board include the number of employee injuries; staff turnover; staff vacancy rate for "critical to fill" positions; coaching documentation issued; and staff competency levels. These data are given strong consideration for decisions regarding development of recruitment plans, training programs, and staff compensation recommendations.

5.1c(2) The results of the CEI conducted in 2007 showed 10 areas for improvement. To address these areas seven Excellence Teams were formed. These teams are working to improve both employee engagement and satisfaction and patient experience

with SBL. The areas measured continue to improve based upon town hall and patient experience results.

5.2a(1) Workforce capacity needs are reviewed annually in each department during the annual budget process. During this process the department leadership assesses the plans for the next fiscal year and the staffing capacity requirements and request adjustments based on such. Additionally staffing capacity is reviewed at the manager/director and Administrative level in each department when there is a vacancy.

SBL provides for a 90-day review and an annual performance evaluation to assess the capabilities of the workforce. This annual performance evaluation includes a competency skills fair, where clinical employees are deemed competent on the skills required for their positions. The annual performance planning process provides an opportunity for employees to discuss development needs and establish performance goals with their supervisors as well as identify opportunities to learn and gain new job skills.

5.2a(2) SBL uses various recruitment methods, including serving as a clinical experience observation site for the area high school Health Occupations program. The SBL VolunTeen program allows high school students to explore various work environments through volunteering. Students pursuing careers in areas such as nursing, radiology, occupational and physical therapy, laboratory services and dietetics obtain practical clinical experience at SBL. The SBLHS Guild provides scholarships for students pursuing health care careers.

Open positions at SBL are posted on bulletin boards and the SBL website. Human Resource staff review each employment application for the necessary knowledge, skills and abilities as defined in the job description. Job applicants complete a TestSource Healthcare Selection Inventory, an online assessment tool to determine whether they have the characteristics and value and service attributes necessary to be a good fit in the organization. The SBL Standards of Performance are reviewed with each candidate and the candidates must commit to comply with them to move forward in the interview process. In the spring of 2008, all SBL departments began using peer interviewing to ensure the best candidate is hired for the position. After the hiring supervisor makes a decision to hire, the prospective employee undergoes a physical examination, drug screen and criminal background check.

To aid in the retention of employees, Pulse Check is conducted monthly. During Pulse Check, senior leaders meet and have a breakfast, lunch or dinner with employees to discuss what things are going well and what opportunities for improvement exist. Employees are randomly invited to attend based upon their years of service.

SBL seeks to ensure its staff represents the diversity of its community by completing and reviewing its annual Affirmative Action Plan.

5.2a(3) SBL's strategic objectives incorporate the philosophy of lifelong learning to achieve a culture of excellence, and senior leaders strive to communicate the importance of employee alignment with the organization's MVV. SBL work processes are organized in a functional management system, relying on a high degree of coordination between and among Divisions and Management levels. Department managers and directors use the 90 Day Progress Plan to prioritize and plan the work within their departments.

Staff in many departments are cross trained to provide agility and to ensure continuity of health care services if the need arises. For example, the staff on ACU East and ACU West have been cross trained to float to the other department when the patient census requires.

The Service Excellence Teams were deployed to assist with creating a culture that reinforces a patient and customer focus and to help the organization achieve the SOs.

Employees within SBL are employed as full-time, part-time, per diem, or PRN (on an as-needed basis), depending on the needs of the employee and the organization. Employees are considered full-time employees with full benefits when working 70 hours over a two-week pay period. Part-time employees, also eligible for benefits, are those who work 40 hours per pay period.

5.2a(4) Department Leadership ensures the continuity of services through a review of the current patient census and acuity levels and adjust staffing levels as needed. In an effort to prevent workforce reductions, hiring managers evaluate all open positions before they are requisitioned to evaluate the current need. In response to recent financial challenges an additional step has been added whereby the AT reviews positions to reduce workforce through attrition. To minimize the affect of workforce reductions, if a position is eliminated the Human Resource staff work with the affected employee in an attempt to secure continued employment within the Heath System.

5.2b(1) SBL maintains a work environment that contributes to the well-being, safety and security of employees. The organization partners with a risk control consultant to assess employee safety and loss prevention programs. Each department has a safety representative who attends quarterly meetings

to discuss departmental and organizational safety concerns. The Spotlight on Safety program encourages employees to identify opportunities for improved safety practices. The cafeteria offers Fresh Start options, which will not only meet nutritional guidelines, but also come with a 25 percent reduced price to encourage healthy eating. Signs at the point of sale give not only the name of the items and price, but also the calories and fat in a normal portion. The salad bar offers more fresh fruits and vegetables and no longer contains mayonnaise-based salads, making an average trip to the salad bar 250 calories, down from more than 1,000 calories.

SBL's Emergency Preparedness Committee focuses on handling internal or external disasters or emergencies. The committee plans, conducts and evaluates drills based on various types of disaster scenarios.

Employee wellness initiatives encourage a healthy lifestyle. SBL's Fresh Start initiative provides free health screening (body mass index, lipid profile, blood pressure, blood sugar, and cancer risk assessment) and cash incentives to employees who become or remain tobacco-free and maintain or show measurable improvement in key health indicators. The Fresh Start program was revised in 2008. The revisions including providing participants with measureable goals and a six month check with a cash incentive to encourage participation throughout the calendar year.

5.2b(2) SBL provides a menu of benefits and services from which employees choose. Employees select the benefits and services that best meet their specific needs and those of their families. Basic benefits include health, dental, vision, life and disability insurance, and Employee Assistance Program services. Employees have the option to elect additional voluntary life insurance for themselves or their families, auto and homeowners insurance, short-term disability insurance, flexible spending account participation and retirement plan 403(b) participation. In 2007, SBL expanded the selection options for health insurance from basic individual and family coverage to four more specific coverage options in response to employee concerns regarding inequitable distribution of cost. Annually employees are provided with a Total Compensation Statement (see **Category 5 Divider)** reflecting benefit selections and overall total compensation.

Incentive bonus programs exist for "key producer" segments of the employee population. Employed physicians and mid-level providers participate in a production bonus program that provides rewards for exceeding median production standards. The AT and MT participate in an incentive compensation program which provides bonus/rewards for attaining established "stretch" goals that align with strategic and/or operational objectives. All employees (based on hours paid) are eligible to receive the SBL Gainsharing bonus if established financial and patient experience triggers are met.

In 2005, a Healthier Workforce PI Team was chartered to develop new programs and services that are supportive of a healthier workforce. The team conducted a survey of employees and used data to develop recommendations for programs that will improve the health of the SBL workforce. The AT has endorsed several programs and policies aimed at all employees' well-being. These include: online health risk assessments, which provides additional compensation, and fitness and lifestyle support for employees and their families.

Flexibility and accommodation of schedules is afforded through work-life balance approaches. SBL supports opportunities for employee telecommuting and a weekend alternative plan. PRN schedules are available for staff members who prefer a reduced, flexible schedule. SBL implemented an employee carpooling initiative in response to employee concerns regarding gas prices. The program provides incentives for those who carpool.

6 PROCESS MANAGEMENT

6.1a(1) SBL determined its core competencies through a review of the strategies, strengths and opportunities of the organization. The SBL core competencies are also the pillars of the strategic framework. When achieved these competencies will allow SBL to successfully fulfill the mission of the organization. Each strategic action plan of the organization is aligned to one of the core competencies.

6.1a(2) The work systems, Inpatient Care, Outpatient Care, Emergency Care and Community Health, at SBL are designed with a main focus on clinical quality and the most appropriate use of innovative technology. There are many factors that are considered to determine if a process will be internal to SBL. A cost benefit analysis is completed with a business plan and proforma. New processes or changes to existing processes with capital expenditures are included in the capital review process held annually.

6.1b(1) The key work processes at SBL are aligned directly with the strategies of the organization to support SBL's primary service of patient care. **Table 6.1-1** list the key work processes of the organization.

6.1b(2) Strategic planning process drives the determination of key work process requirements at SBL. Key work process requirements are determined through customer surveys, regulatory

requirements and accepted standards of practice, all of which encompass patient safety. **Table 6.1-1** lists the key requirements for each of the processes.

TABLE 6.1-1 KEY WORK PROCESSES

Key Work Process	Product(s)	Customers	Requirements	Determination of requirements	Core Competencies
Point of Access	Care Delivery	Patients Internal departments Clients	Quality Availability	Patient Satisfaction Survey	Service Quality Growth
Registration/ Admission/ Information Collection	Patient Demographics	Patients Physician Offices Clients	Quality	Patient Surveys, Regulatory Requirements, Accepted Standards of Practice	Service Quality Finance
Assessment	Plan of Care Interventions	Patients Physicians	Timeliness Quality Safety	Patient Surveys, Regulatory Requirements, Accepted Standards of Practice	Service Quality
Plan of Care	Problem List Interventions	Patients and Families	Quality Safety Efficiency Effectiveness	Patient Surveys, Regulatory Requirements, Accepted Standards of Practice	Service Quality Finance
Implementation of Care	Clinical Outcomes	Patients	Quality Safety Efficiency Effectiveness	Patient Surveys, Regulatory Requirements, Accepted Standards of Practice	Service Quality Finance
Evaluation of Care	Clinical Outcomes	Patients Physicians	Quality Safety Effectiveness	Patient Surveys, Regulatory Requirements, Accepted Standards of Practice	Service Quality
Disseminate Patient Information	Informed patients, physicians and employees	Patients Physicians	Quality	Patient Surveys, Regulatory Requirements, Accepted Standards of Practice	Service Quality
Transfer/ Discharge/ Admit	Discharge information, Physician orders	Patients Physicians Employees	Quality Safety Timeliness	Patient Surveys, Regulatory Requirements, Accepted Standards of Practice	Service Quality
Process Encounter	Completed medical record	Patients Physicians Employees	Quality Timeliness	Regulatory Requirements, Accepted Standards of Practice	Service Quality Finance

TABLE 6.1-1 KEY WORK PROCESSES

Key Work Process	Product(s)	Customers	Requirements	Determination of requirements	Core Competencies
Financial Management	Financial resources for operations	Management Physicians Employees Board of Directors Bond holders	Resources to: Purchase new technology Replace equipment Provide adequate facilities Pay competitive salaries Retire debt	Capital Budget process Market driven salaries Bond Rating agency Comparative financial benchmark database	Finance Growth
	Financial Information	Management Physicians Employees Board of Directors	Timely and accurate financial information for: The System and related corporations Department MOR; New service forecasts Ad hoc analysis	Verbal feedback Survey	Finance Growth
HR Management	Trained Employees	Department Managers Directors Employees Patients	Competent Employees Satisfied Employees Engaged Employees	State Licensure Competency evaluation Governing agencies Cultural Excellence Inventory	People
IS Management	Electronic Information	Clinical care providers Management	Reliable information Accessible information	Care provider needs Timely management data Joint Commission	Quality
Supply Chain Management	Supplies and drugs	SBL employees	Availability of supplies Cost efficiency	Needs of operational and care areas Patient safety Joint Commission	Quality Finance
Philanthropic and Community Support	Financial Resources	SBL Board Community	Funds to enhance services	A need identified by customer Service planning	Growth Finance
Assess Community Problems	Community Needs Assessment	Community	Quality	Community Survey	Healthy Communities
Select Community Interventions	Community Priority List	Community	Quality	Community Scorecard	Healthy Communities
Implement Community Interventions	Community Action Plans	Community	Quality	Benchmark Data	Healthy Communities
Evaluate Community Interventions	Community Scorecards	Community	Quality	Interventions Report	Healthy Communities

6.1b(3) Departments design, manage, and improve key work processes through: introduction of new services or products (**Item 3.1**); PI Teams' use of FOCUS PDCA; and quality in daily work. All health care processes are designed with patient safety in mind. Staff, managers, and physicians use process management tools and techniques to design and build processes that will satisfy the requirements of patients, customers and other stakeholders. This holds true for design and deployment of new processes, as well as significant modifications to existing processes. Tools and techniques may include process flowcharts and appropriate metrics to measure how well the processes satisfy stakeholders' requirements. SBL typically introduces new processes starting with limited deployment to ensure that the process performs as required before more broadly deploying it throughout the organization. To the extent possible, the organization integrates technology into the key work processes to improve safety, accuracy, timeliness, and productivity. The EMR, bedside medication verification and scanning and laboratory auto verification are examples of how teams have designed and redesigned processes with the application of available technologies.

The Value Analysis Committee (VAC), which meets bimonthly, works to ensure standardization of supplies and equipment across the organization while considering quality, cost control and efficiencies. This is a vital component in the design and redesign of key work processes.

6.1c SBL addresses organizational continuity in emergencies through business interruption insurance and financial resources (days cash on hand) to sustain operations and planned redundancy and disaster recovery plans exist to ensure continuity for the information technology (IT) system, including secure off-site back-up processing and recovery capabilities.

SBL maintains continuity of key operations through a comprehensive Disaster Plan (available in print and online), which identifies processes as well as methods for ensuring uninterrupted patient care. The organization is committed to disaster planning, and a formal process exists to conduct emergency and disaster-scenario drills on a routine basis. Plans are coordinated with organizations such as law enforcement, the local Emergency Management System, and local public service agencies. State and national level coordination also exists with various disaster agencies.

6.2a(1) Patient/customer needs are identified in the assessment phase and drive performance improvement activities through the monitoring and analysis of key indicators (**Table 6.1-2**) to improve key processes. Quality in daily work is supported through management accountability for performance improvement evaluated during the check phase of FOCUS-PDCA. System-wide resources are used to support staff in their daily work environments, The safety hotline and patient safety program also provide a means for identification and resolution of concerns. The organization manages clinical quality through concurrent review of national core measures with feedback to the BoD, physicians, nursing, pharmacy, and case management. Clinical departments assess care process outcomes, comparing them to internal and external benchmarks. The needs assessment, which encompasses customer, supplier and partner needs, drives the selection of departmental, personal and organizational goals in alignment with SBL's unique annual capital budget process.

TABLE 6.1-2 KEY WORK PROCESS INDICATORS

Key Work Process	**Work System**	**Measures (**O – Outcome Measure, I – In process Measure)
Point of Access	Inpatient Care Outpatient Care Emergency Care	Provider placements (O) Provider turnover rate (O) Overall Patient Experience (O)
Registration/ Admission/ Information Collection	Inpatient Care Outpatient Care Emergency Care	Registration errors (I) Wait times (I) Overall Patient Experience (O)

Key Work Process	**Work System**	**Measures (**O – Outcome Measure, I – In process Measure)
Assessment Plan of Care Implementation of Care Evaluation of Care	Inpatient Care Outpatient Care Emergency Care	Appropriate care measure (Pneumonia, CHF, AMI) (I) Pneumonia-Antibiotic given within 6hours Pneumonia-Pneumovax screen/vaccine Pneumonia-0_2 assessment HF-LVF assessment HF-ACEI for LVSD AMI-Aspirin at arrival AMI-Aspirin at discharge AMI-Beta blocker at arrival AMI-Beta blocker at discharge AMI-ACEI for LVSD Ventilator associated pneumonia (I) Central line infection rate (O) Mortality (O) Readmission (O) Medication reconciliation (O) Overall patient experience (O) Patient falls (O) Source of referrals (I) Conversion rates of referral to admissions (I) Projected vs. actual visits (O) Payment per episode/billing efficiency (O) Average length of stay (O) Patient falls (O) Percentage of patients who stay at home after an episode of home health care (O) Percentage of patients who get better at walking or moving around (O) Percentage of patients that get better at taking their medicines correctly (by mouth) (O) Overall patient experience (O) Door-to-EKG time (I) Patients who leave while care is in progress or against medical advice (O) Lab and x-ray turn around times (O) Length of stay 4-6 Hrs. Length of stay > 6 Hrs. Patient experience – emotional support (O) Unplanned returns to the ED w/in 72 hrs. (I)
Disseminate Information	Inpatient Care Outpatient Care Emergency Care	HCAHPS Score – Communication with RNs (O) HCAHPS Score – Communication with Physicians (O) Overall Patient Experience (O)
Transfer/ Discharge/ Admit	Inpatient Care Outpatient Care Emergency Care	HCAPHS Score – Discharge Information (O) Overall Patient Experience (O)
Financial Management	Inpatient Care Outpatient Care Emergency Care Community Wellness	Consolidated balance sheets (O) Five-year pro forma consol. balance sheets (O) SBL financial viability (op. & total margin) (O) SBL liquidity (current ratio, net days in AR, days cash on hand) (O) SBL capital structure (long term debt to capitalization, cash flow to total debt, debt service coverage (O)

Key Work Process	**Work System**	**Measures (**O – Outcome Measure, I – In process Measure)
HR Management	Inpatient Care Outpatient Care Emergency Care Community Wellness	Time to fill vacancies (I) Percent of timely 90-day evaluations (I) Percent of timely annual evaluations (I) Training hours per FTE (I) Percent of staff deemed competent (O) Employee opinion survey results (O) "Are We Making Progress" survey results (O) Gainsharing (O) Patient experience (O) Operating margin (I) Retention rates (O)
IS Management	Inpatient Care Outpatient Care Emergency Care Community Wellness	CPOE usage report (O) Installation schedule report (O) Breached calls (O) System downtime (O)
Supply Chain Management	Inpatient Care Outpatient Care Emergency Care Community Wellness	Supply cost per discharge (O) Supply cost savings (O) Drug cost per patient day (O) Pharmacy inventory turns (I)
Philanthropic and Community Support	Inpatient Care Outpatient Care Emergency Care Community Wellness	Donors and dollars by segment (O) Donors and dollars by county (O) Numbers of new and renewed donors (O) Annual fund gifts by category (O) Other annual gifts (O) Donors giving two or more gifts (O) Consistent donors (O) Major gifts by category (O) Planned gifts by category (O) See aggregate measures
Process Encounter	Inpatient Care Outpatient Care Emergency Care	Average AR days in MRM (O) Percent of transcription jobs over turnaround time standard (O)
Assess Community Problems	Community Wellness	IPLAN – County Measure (O)
Select Community Interventions	Community Wellness	Community Scorecard (I)
Implement Community Interventions	Community Wellness	Number of Fresh Start Participants (I) Jump Start Participant Data (I,O)
Evaluate Community Interventions	Community Wellness	Fresh Start Payouts (O) Overall Weight Loss - Fresh Start (O) Leading Health Indicator (O)

6.2a(2) Patient expectations are addressed through proactive activities including providing affinity programs, building relationships through community activities, and reviewing information about patient dissatisfaction, such as Patient Representative reports, patient experience surveys and through Service Mapping (**Item 3.2**). The key services are identified in the SP and are the basis for the development of the key processes. The key processes are used to provide continuity across the continuum of care. The input from the proactive activities is used in the planning phase of the FOCUS-PDCA model to incorporate identified patient expectations. Key requirements related to

the health care processes are patient safety, patient experience, quality, continuity, timeliness, efficiency, effectiveness and business growth. Patient expectations are identified during the assessment process using an assessment tool driven by regulatory, accrediting bodies, and performance improvement data. A multidisciplinary approach including patient and family participation is used to develop an individualized plan of care, which includes identified needs and patient expectations.

6.2a(3) Overall costs associated with inspections, tests, and process or performance audits are minimized, as appropriate, through due diligence in researching options, consulting experts, and acquiring input and achieving buy-in from employees prior to decision/action. In-house expertise and collaboration are encouraged and used prior to, and/or in addition to, soliciting outside resources. The VAC and Meditech CORE Teams are examples of this collaboration.

SBL uses Failure Mode Effects Analysis, a proactive approach, to identify any potential errors that may occur in processes and prevents errors and rework by establishing process safeguards, checks and balances (both for safety and compliance) and the use of automated transactions. Examples include time-outs for invasive procedures, bar-coded bed-side medication verification, duplicate order checking, delta checks for unexpected changes in laboratory results, automated charge posting, medical necessity checking (Omega Health Systems medical necessity compliance software) and coding checks (3M Health Information Systems coding and reimbursement software), medication reconciliation, computerized physician order entry, EMR and AEMR. Other checks and balances include internal chart audits, critical incident reviews, and multi-disciplinary/multi-departmental performance improvement teams to improve efficiencies in processes, measurements, and best practices.

Employees are active in professional organizations, community activities, and political processes to serve as knowledgeable resources for the health system. Working together in inter-departmental PI teams, groups investigate existing problems or research emerging trends and technology to identify options for process improvement and better patient care. MT members serve as resources for each other and encourage staff members to participate in collaborative projects.

6.2b SBL uses a multi-disciplinary team to assess key work processes by flow-charting and identifying outcome and in-process measures to assess efficiency and make progress toward strategic goals. Annually, managers and directors review departmental plans for provision of care and identify PI indicators their departments will monitor and report. These are based on regulatory and quality requirements (e.g. HIPAA, Illinois Department of Public Health [IDPH], CMS, and the Environmental Protection Agency for compliance, billing and environmental codes), as well as feedback from patients, customers, suppliers, partners, and collaborators; they are incorporated into departmental 90 Day Progress Plans **(Category 6 Divider)** tied to the SP.

Examples:

- A multidisciplinary team, including medical staff leadership, was established to implement a Rapid Response Team to respond to deteriorating patients. The positive outcomes of this team have led to the inclusion of family members in activating the Rapid Response Team.
- The human resources indicator for vacancy of key positions triggers recruitment initiatives to ensure the strategic goals for human capital are achieved.
- Physician stakeholders provide input and feedback valuable to decisions for information management and patient safety, including IS training and support for CPOE and the AEMR.
- Feedback on stipulations and requirements for ambulatory payment codes and Medicare reimbursement are incorporated into billing and coding procedures for each area.
- Client survey scores and feedback received from customers on client billing prompted changes in account management.

Additionally, Quality and Risk Management monitors trend data from occurrence reports, audits and surveys. Information drawn from these sources is used to communicate issues to departments and initiate PI Teams. These teams (comprised of process stakeholders) use FOCUS-PDCA to evaluate processes and recommend changes that will be monitored with specific indicators.

Day-to-day operations support the key work processes since employee responsibilities are aligned with measures previously noted. Goal planning during annual evaluations helps employees understand their individual roles in achieving key performance measures and defines daily expectations to ensure accountability to achieve individual, departmental, and system outcomes (e.g. timely posting of payments to decrease days in AR, and friendly customer service to resolve complaints or problems and increase patient experience).

Improvements and lessons learned are shared with other organizational units at Divisional Meetings, at quarterly Patient Care Services PI meetings, and as

agenda items for MT and Town Hall meetings. The SP, APs, and PI team summaries are currently communicated through the AT and to the MS and BoD. Online access provides further deployment by allowing managers and directors edit and view information to provide more timely information to all stakeholders.

7 RESULTS

7.1a The Centers for Medicare & Medicaid Services (CMS), part of the U.S. Department of Health and Human Services (HHS), post survey information at the Hospital Compare consumer Web site offering consumers more insight about the hospitals in their communities. The table below summarizes results for SBL, SBL's most significant competitors (Carle and Provena Covenant), all reporting U.S. hospitals, all reporting Illinois hospitals, and top hospitals. Data are available at: http://www.cms.hhs.gov/. Results for items under the heading "Survey of Patients About Their Hospital Experiences" also apply to 7.2a(1) and 7.2a(2).

TABLE 7.1-1

Table 7.1-1 **Evaluation Item (July 2006-June 2007)**	**SBL**	**Carle**	**Provena**	**All U.S. Hosp's**	**IL State Hosp's**	**Top Hosp's**
Surgical Care Improvements/Surgical Infection Prevention						
Percent of patients who receive preventative antibiotic(s) one hour before incision.	94%	83%	84%	82%	79%	100%
Percent of surgery patients who received the appropriate preventative antbiotic(s) for their surgery.	89%	79%	88%	90%	91%	99%
Percent of surgery patients whose preventative antibiotic(s) are stopped with 24 hours after surgery.	74%	80%	74%	78%	74%	96%
Percent of surgery patients whose doctors ordered treatments to prevent blood clots (venous thromboembolism) for certain types of surgeries).	96%	94%	81%	79%	81%	97%
Percent of surgery patients who received treatment to prevent blood clots within 24 hours before or after selected surgeries to prevent blood clots.	94%	94%	71%	75%	78%	95%
Heart Attack * SBL's number of cases is too small for purposes of reliably predicting hospital performance per Hospital Compare						
Percent of heart attack patients given aspirin at arrival.	100%	98%	94%	93%	93%	100%
Percent of heart attack patients given aspirin at discharge.	100%*	98%	98%	90%	90%	100%
Percent of heart attack patients given ACE Inhibitor or ARB for left ventricular systolic dysfunction (LVSD).	100%*	77%	95%	85%	84%	100%
Percent of heart attack patients given smoking cessation advice/counseling.	100%*	77%	100%	91%	91%	100%
Percent of heart attack patients given beta blocker at discharge.	100%*	95%	100%	91%	89%	100%
Percent of heart attack patients given beta blocker at arrival.	100%*	97%	95%	88%	88%	100%
Percent of heart attack patients give fibrinolytic medication with 30 minutes of arrival.	NA	NA	75%	39%	31%	100%
Percent of heart attack patients give PCI within 90 minutes of arrival.	NA	73%	53%	60%	55%	88%
Pneumonia						
Percent of pneumonia patients given oxygenation assessment.	100%	100%	100%	99%	99%	100%
Percent of pneumonia patients assessed and given pneumococcal vaccination.	98%	80%	65%	75%	71%	96%
Percent of pneumonia patients whose initial emergency room blood culture was performed prior to the administration of the first hospital dose of antibiotics.	81%	87%	97%	90%	90%	100%
Percent of pneumonia patients given smoking cessation advice/counseling.	97%	90%	94%	93%	94%	100%
Percent of pneumonia patients given antibiotics within 6 hours.	100%	94%	92%	93%	94%	100%
Percent of pneumonia patients given the most appropriate initial antibiotic(s).	92%	96%	94%	86%	86%	96%
Percent of pneumonia patients assessed and given influenza vaccination.	87%	86%	60%	75%	71%	98%

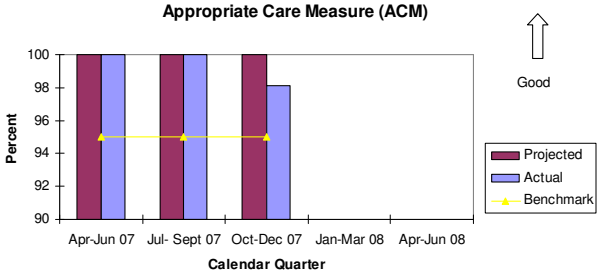
Table 7.1-1 **Evaluation Item (July 2006-June 2007)**	**SBL**	**Carle**	**Provena**	**All U.S. Hosp's**	**IL State Hosp's**	**Top Hosp's**
Heart Failure						
Percent of Heart Failure patients given discharge instructions.	85%	76%	80%	66%	71%	100%
Percent of heart failure patients given an evaluation of left ventricular systolic (LVS) function.	100%	97%	98%	85%	90%	100%
Percent of heart failure patients given ACE inhibitor or ARB for left ventricular systolic dysfunction (LVSD).	100%	88%	92%	84%	85%	100%
Percent of heart failure patients given smoking cessation advice/counseling.	100%	86%	96%	86%	86%	100%
Adjusted adult heart failure death (mortality).	Identical assessment for all groups: "No different than the U.S. National Rate."					
Adjusted adult heart attack death (mortality).						
Survey of Patients About Their Hospital Experiences						
Percent of patients who reported that their nurses "always" communicated well.	75%	74%	77%	73%	73%	100%
Percent of patients who reported that their doctors "always" communicated well.	82%	78%	79%	79%	80%	100%
Percent of patients who reported that they "always" received help as soon as they wanted.	65%	57%	57%	60%	60%	100%
Percent of patients who reported that their pain was "always" well controlled.	70%	66%	65%	67%	68%	100%
Percent of patients who reported that staff "always" explained about medicines before giving it to them.	61%	57%	59%	58%	57%	100%
Percent of patients who reported that their room and bathroom were "always" clean.	69%	68%	67%	68%	69%	100%
Percent of patients who reported that the area around their room was "always" quiet at night.	51%	55%	56%	54%	53%	100%
Percent of patients at each hospital who reported that YES, they were given information about what to do during their recovery at home.	81%	85%	86%	79%	79%	100%
Percent of patients who gave their hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest).	65%	71%	67%	63%	62%	100%
Percent of patients who reported YES, they would definitely recommend the hospital.	62%	76%	70%	67%	66%	100%

See 7.2a(1) & 7.2a(2) for additional details for patient satisfaction and experiences.

Each year, the Clinical Skills are determined by PCS Clinical leadership, staff, and recent critical incident and/or occurrence reports where skills are identified that might need additional training. In 2007, 285 staff completed competency testing. For the 2008 Skills Fairs held on May 2 and May 13, 199 staff attended; one additional day is scheduled for June 11.
(Also applies to 7.4a(1).)

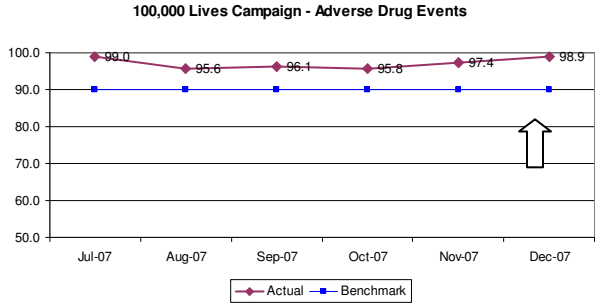
With respect to Strategic Objective II.A, "Achieve the Illinois Foundation for Quality Health Care's program goals," which are 100% of the elements of care for 100% of the patients within the three diagnoses: AMI, CHF, and pneumonia (combined into ACM).

FIGURE 7.1-1



We are preventing adverse drug events (ADE's) by implementing a process for medication reconciliation on admission, transfer, and discharge. Prospective review of medical records ensures appropriate completion of the Medication Reconciliation Form.

FIGURE 7.1-2



(Benchmark source: Institute of Healthcare Improvement.)
Early intervention by the Rapid Response Team (RRT) decreases the number of in-patients who code. Numerator exclusions are codes occurring in the ED. Denominator exclusions are stillbirths and

deaths in the ED of ED patients. *See also: Strategic Objective II.B.4; Table 7.6-1*

FIGURE 7.1-3

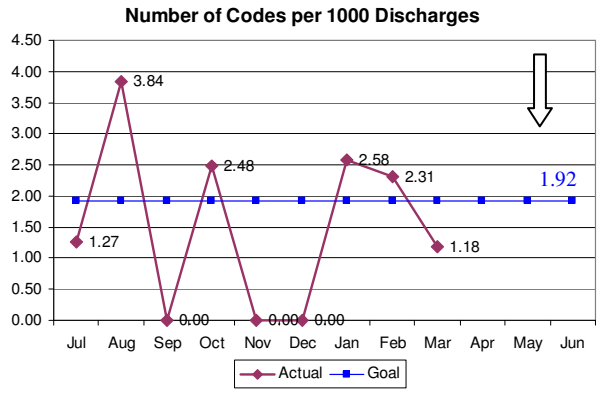
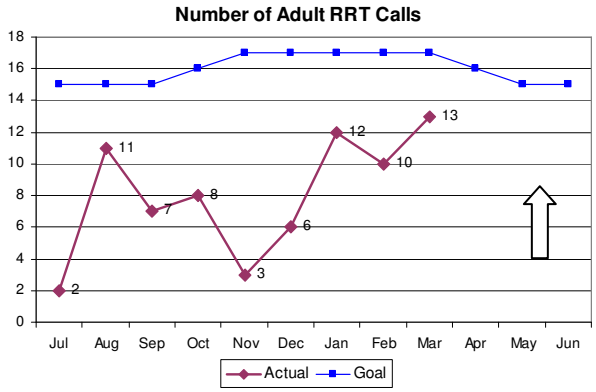


FIGURE 7.1-4



7.2a(1)

The HCAHPS Hospital Survey, also known as Hospital CAHPS or HCAHPS, is a standardized survey instrument and data collection methodology for measuring patients' perspectives of hospital care. Hospitals implement HCAHPS under the auspices of the Hospital Quality Alliance (HQA), a private/public partnership that includes major hospital associations, government agencies, consumer groups, measurement and accrediting bodies, and other stakeholders that share a common interest in improving hospital quality.

Information related to HCAHPS can be found at: http://www.hcahpsonline.org. The following charts report SBL's performance against recent Baldrige winning healthcare organizations.

The HCAHPS summary data are provided below.

FIGURE 7.2-1

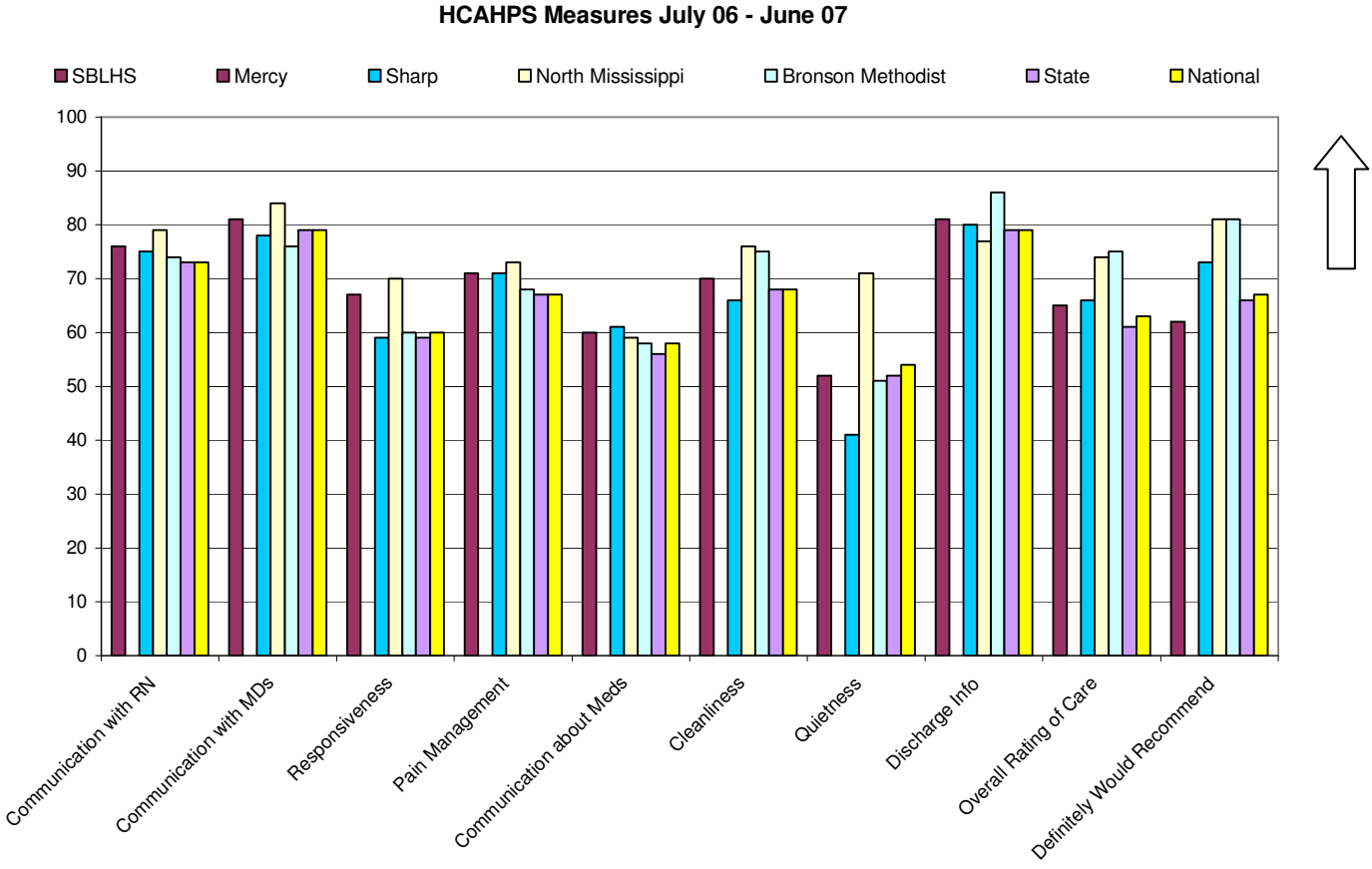


FIGURE 7.2-2

The Surgical Care measures are provided in the following chart.

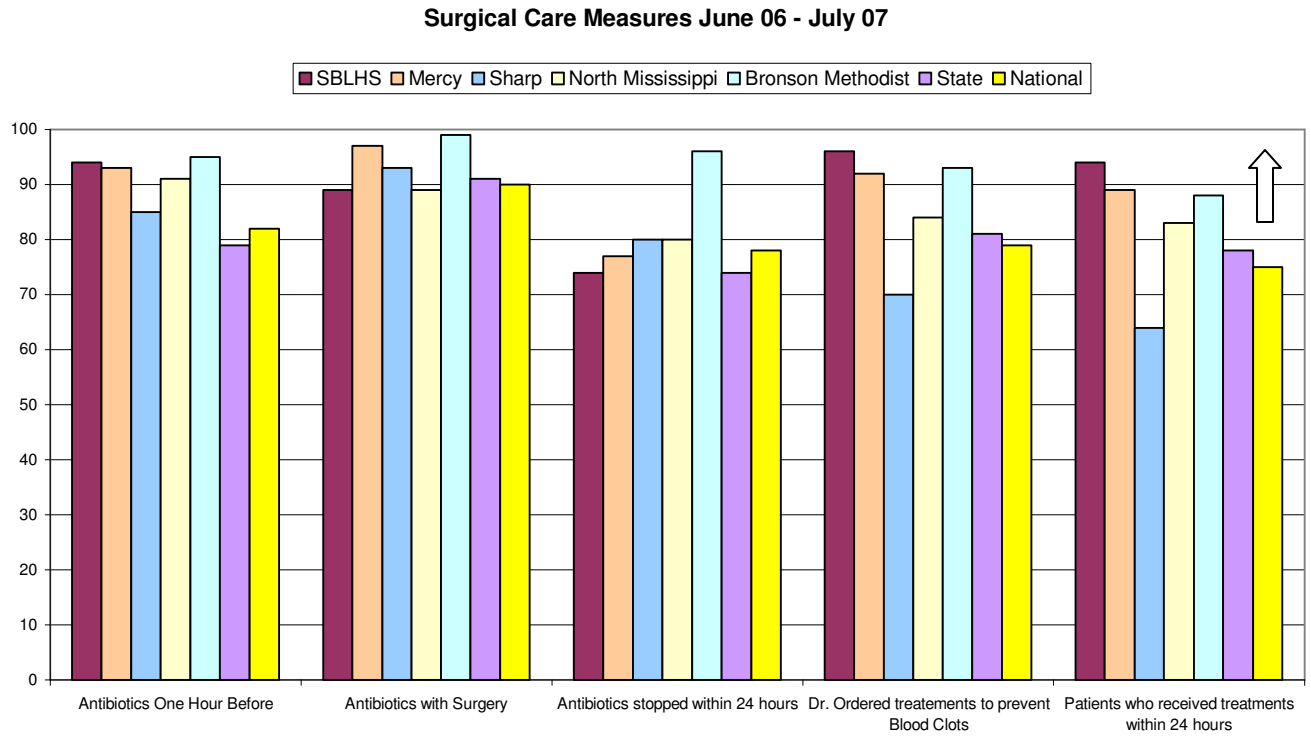


FIGURE 7.2-3

The Heart Attack Care measures are shown below.

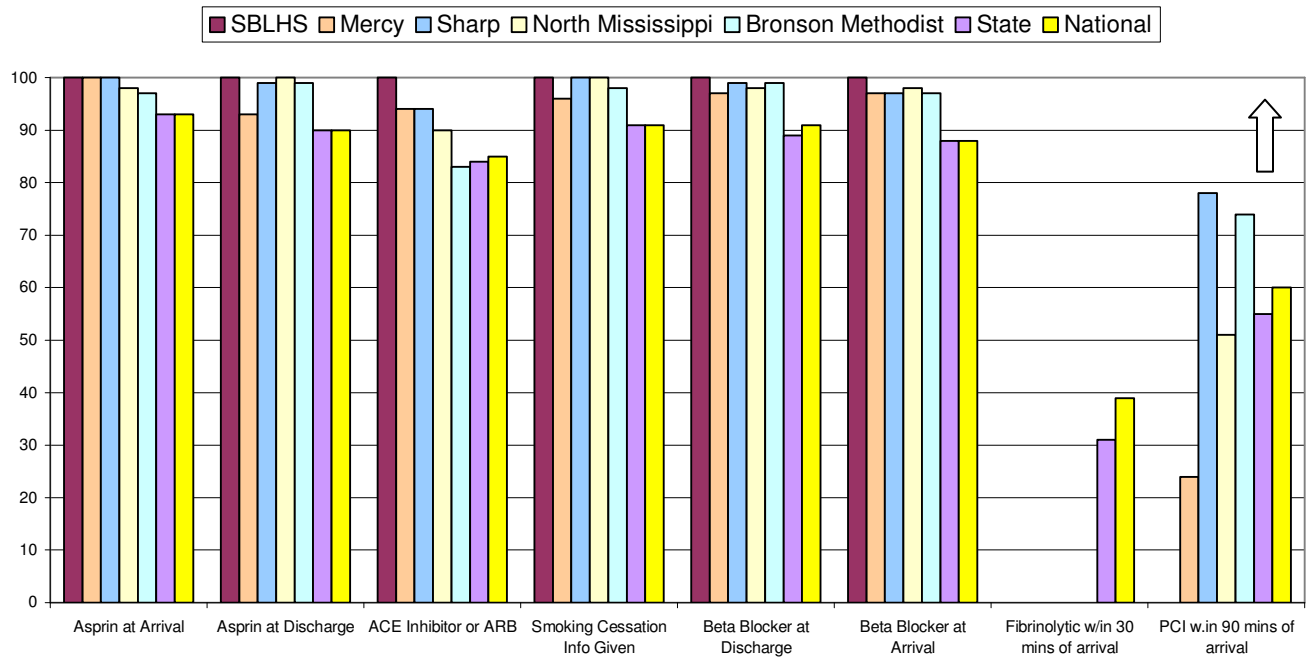


FIGURE 7.2-4
The following chart shows results for Pneumonia Care.

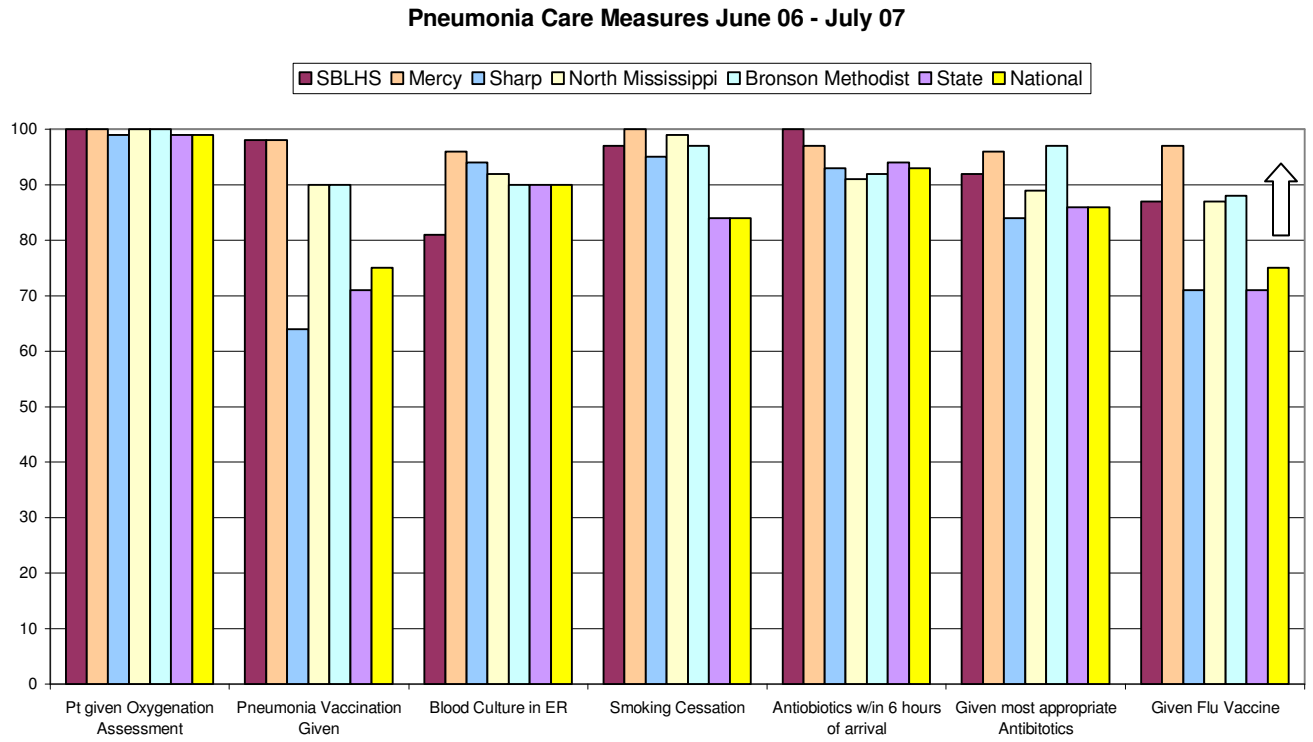
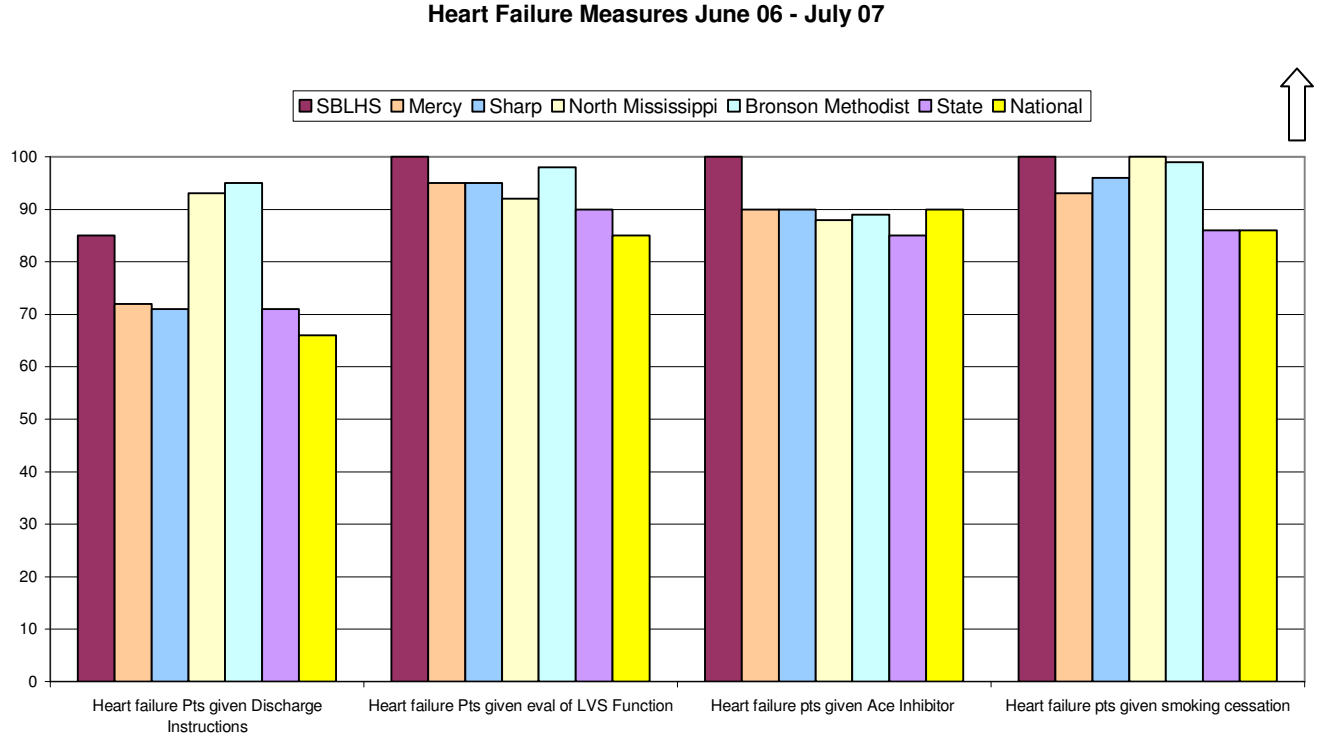
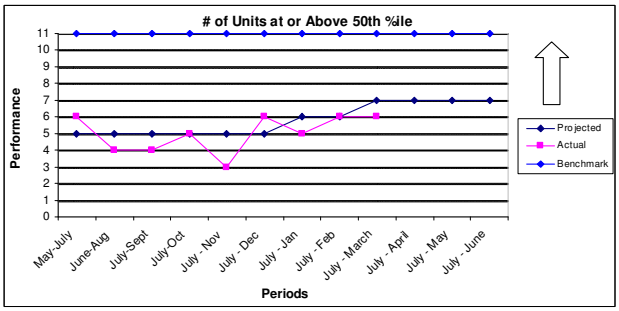


FIGURE 7.2-5
The Heart Failure measures are shown in the chart below.



Strategic Objective I.A.1, "Improve Patient Experience & Loyalty," is measured as the number of units at or above the 50th percentile from NRC Picker.

FIGURE 7.2-6



The charts below shows patient experience scores for our 11 units that are measured via NRC Picker results.

FIGURE 7.2-7

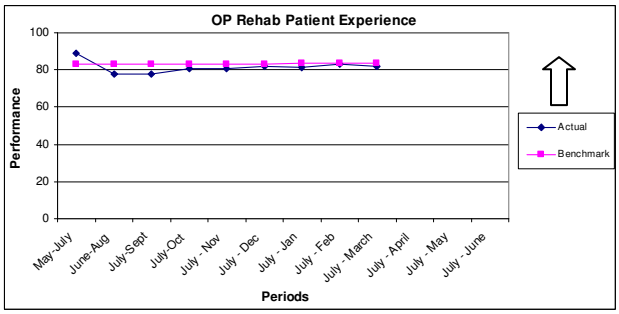


FIGURE 7.2-8

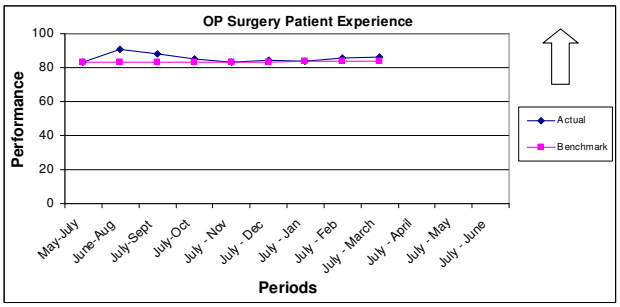


FIGURE 7.2-9

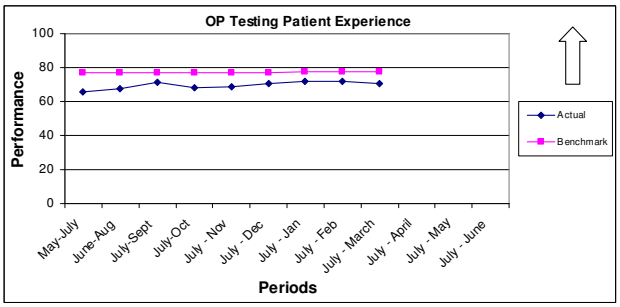


FIGURE 7.2-10

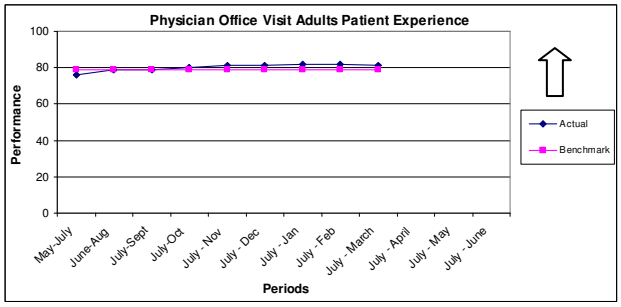


FIGURE 7.2-11

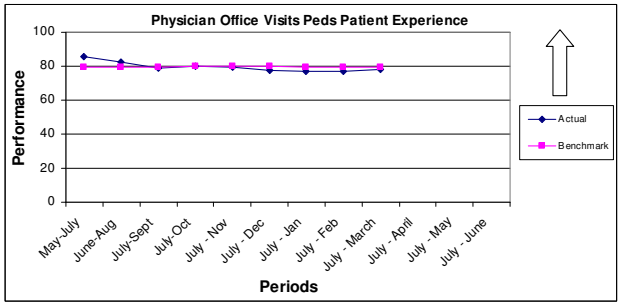


FIGURE 7.2-12

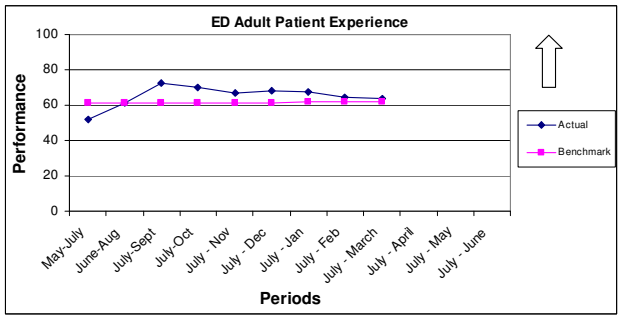


FIGURE 7.2-13

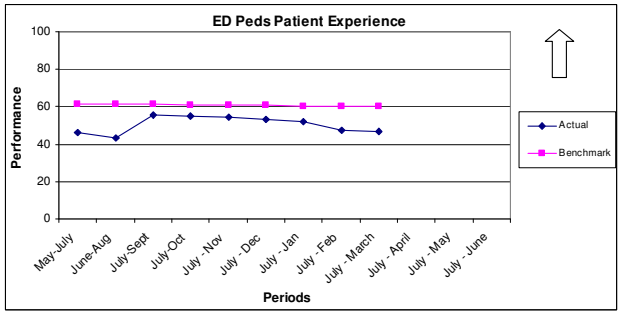


FIGURE 7.2-14

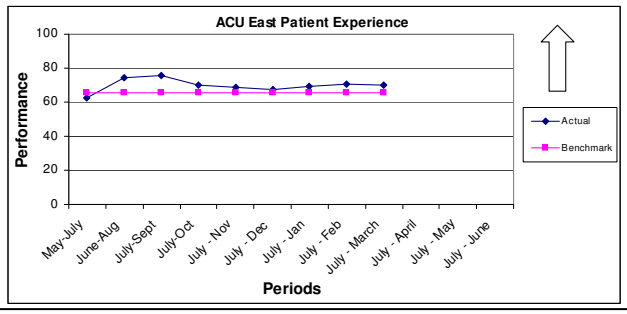


FIGURE 7.2-15

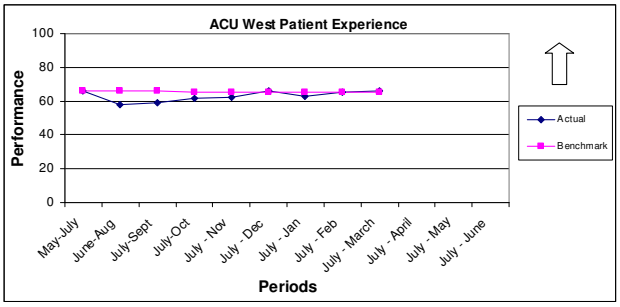


FIGURE 7.2-16

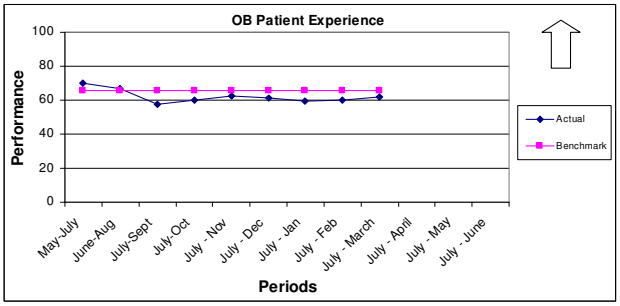
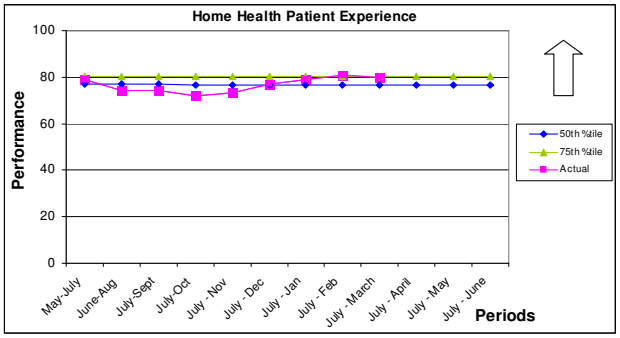
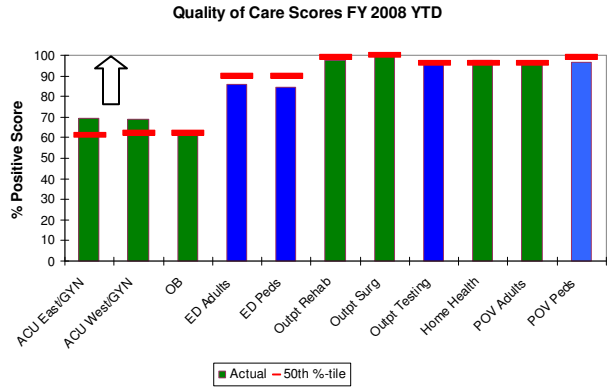


FIGURE 7.2-17



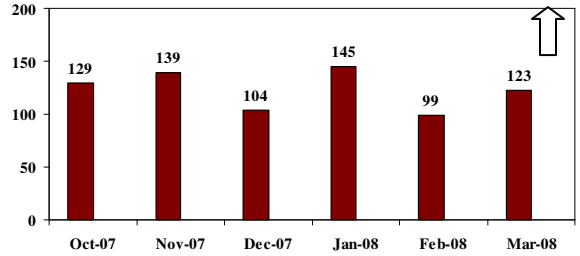
The FY08 goal for our 11 rated units is based on the number of units at or above the 50th percentile based on the NRC Picker results. YTD FY08 results for our 11 units are shown below. The chart below shows Quality of Care scores.

FIGURE 7.2-18



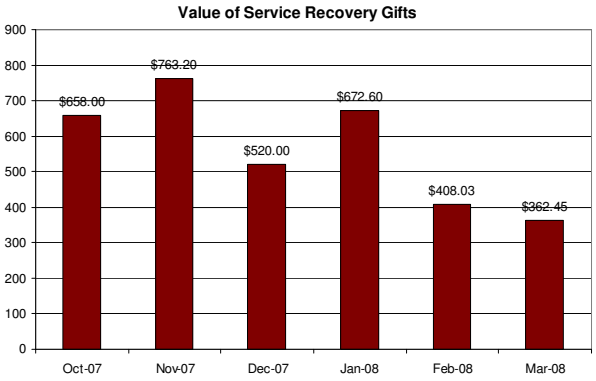
The Service Recovery program is designed to immediately address incidents related to lapses in patient/customer service. The number of Service Recoveries per month since the start of the program is shown below.

FIGURE 7.2-19



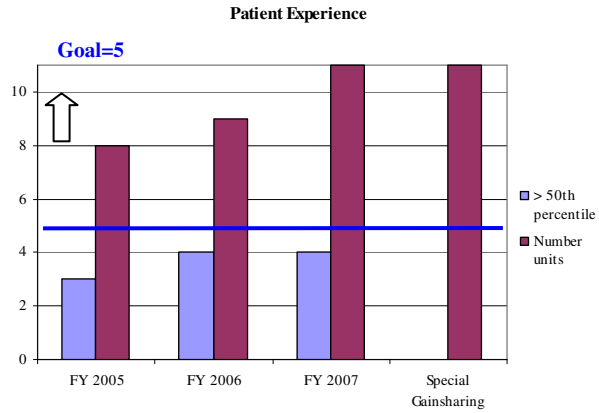
The monetary value of service recoveries generally tracks the number of recovery events.

FIGURE 7.2-20



Patient Experience results are drivers of our gainsharing program as noted below. *Also applies to 7.4a(1).*

FIGURE 7.2-21



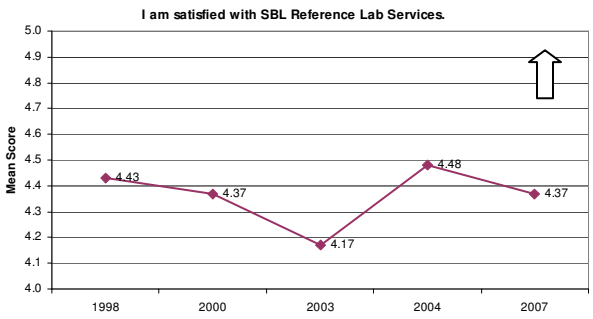
The February 2007 Reference Laboratory Services Client Satisfaction Survey asked 180 clients with 94 surveys returned, a 52% return rate. The scale is: 5 = Strongly Agree; 4 = Agree; 3 = Neutral; 2 = Disagree; and 1 = Strongly Disagree.

TABLE 7.2-1

Question	Mean Score
Couriers are professional.	4.57
Test results are easy to understand.	4.54
Test results received are accurate.	4.46
I would recommend SBL Reference Lab Services to other providers. *(Figure 7.3-N.)*	4.44
Telephone questions are answered in a courteous manner.	4.41
Couriers arrive at the scheduled time.	4.41
I know who to contact to have my questions answered.	4.37
Overall I am satisfied with SBL Reference Lab Services. *(Figure 7.3-N.)*	4.37
Telephone questions are answered promptly.	4.36
Request forms are easy to use.	4.27
Test results are received in a timely manner.	4.24
The billing process is timely.	4.09
The pricing of services is competitive with other providers.	3.94
Reference Manuals are helpful.	3.90
The billing process is accurate.	3.87

Reference Lab Survey results are linked to Strategic Objective IV.G.

FIGURE 7.2-22



7.2a(2)

The FY08 goal for our 11 rated units is based on the number of units at or above the 50th percentile based on the NRC Picker results (as noted for Figure 7.2-11.). YTD FY08 results for our 11 units are shown below. The charts below show patient loyalty scores.

FIGURE 7.2-23

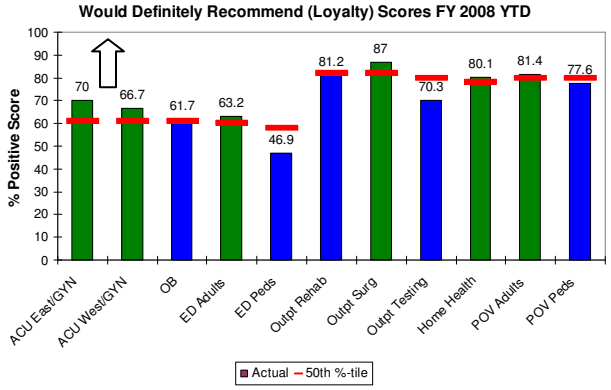
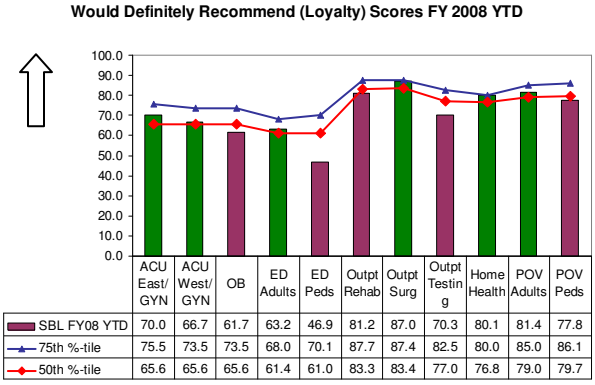


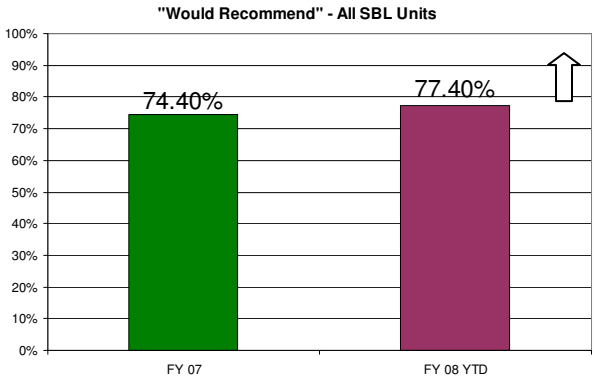
FIGURE 7.2-24



	ACU East/ GYN	ACU West/ GYN	OB	ED Adults	ED Peds	Outpt Rehab	Outpt Surg	Outpt Testing	Home Health	POV Adults	POV Peds
SBL FY08 YTD	70.0	66.7	61.7	63.2	46.9	81.2	87.0	70.3	80.1	81.4	77.8
75th %-tile	75.5	73.5	73.5	68.0	70.1	87.7	87.4	82.5	80.0	85.0	86.1
50th %-tile	65.6	65.6	65.6	61.4	61.0	83.3	83.4	77.0	76.8	79.0	79.7

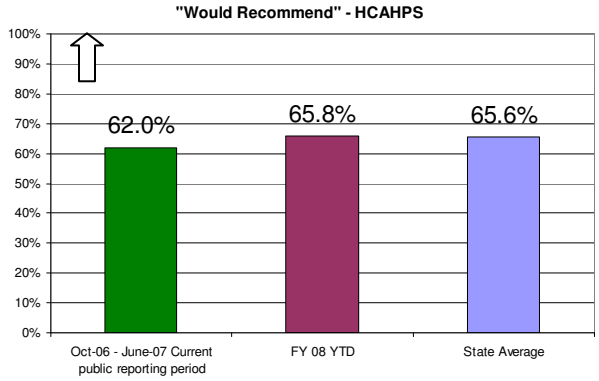
The chart below shows our NRC Picker scores for "Would Recommend" for all 11 SBL units.

FIGURE 7.2-25



Supplementing the previous figure, the chart below provides results for our HCAHPS "Would Recommend" scores for the most recent reporting period via Hospital Compare.

FIGURE 7.2-26



Results of 2007 PRC Consumer Perception Survey are shown below. The next two paragraphs describe the methodology and survey dimensions. The reported results appear in the charts immediately following.

Methodology:

- Interviews with 700 consumers in 22 zip codes.
- 71-variable telephone interviews conducted between June 28 and July 12, 2007.
- Interviews conducted by PRC staff.
- Maximum error rate associated with a sample of 700 consumers is ±3.7% at the 95th percent level of confidence.

Survey Dimensions:

- Top of Mind Recall.
- Hospital of Choice.
- Best Hospital for Medical Treatments.
- Best Hospital for Services/Capabilities.
- Advertising Awareness and Internet Usage.

FIGURE 7.2-27

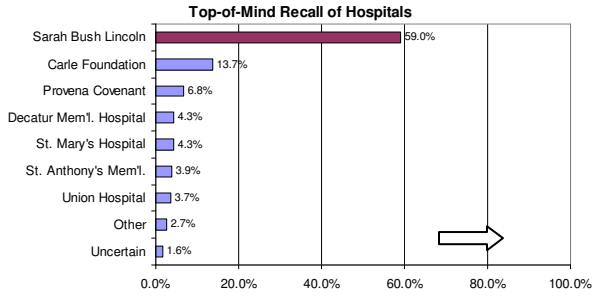
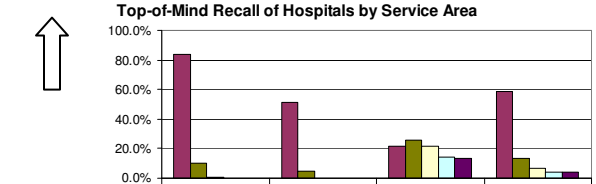


FIGURE 7.2-28



	Coles	Clark/ Cumberland	Moultrie/ Douglas	Total Sample
Sarah Bush Lincoln	83.5%	51.2%	21.9%	59.0%
Carle Foundation	9.9%	4.6%	25.5%	13.7%
Provena Covenant	0.6%	0.0%	21.5%	6.8%
St. Mary's Hospital	0.0%	0.0%	14.2%	4.3%
Decatur Mem'l. Hospital	0.2%	0.0%	13.7%	4.3%

FIGURE 7.2-29

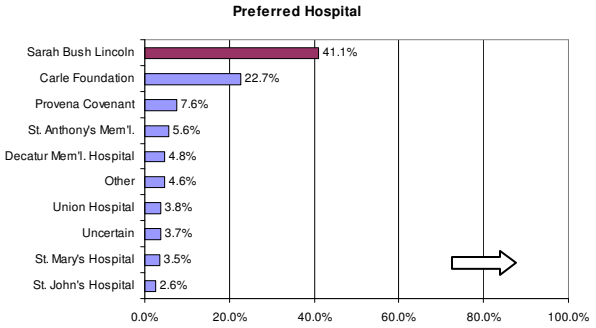
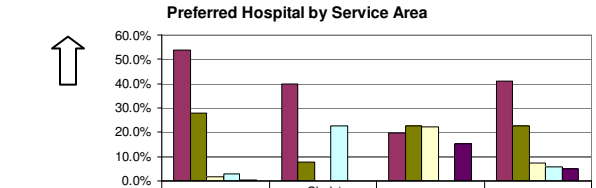


FIGURE 7.2-30



	Coles	Clark/ Cumberland	Moultrie/ Douglas	Total Sample
Sarah Bush Lincoln	54.0%	39.8%	19.9%	41.1%
Carle Foundation	28.0%	8.0%	22.5%	22.7%
Provena Covenant	1.8%	0.0%	22.1%	7.6%
St. Mary's Hospital	2.7%	22.8%	0.0%	5.6%
Decatur Mem'l. Hospital	0.4%	0.0%	15.1%	4.8%

FIGURE 7.2-31

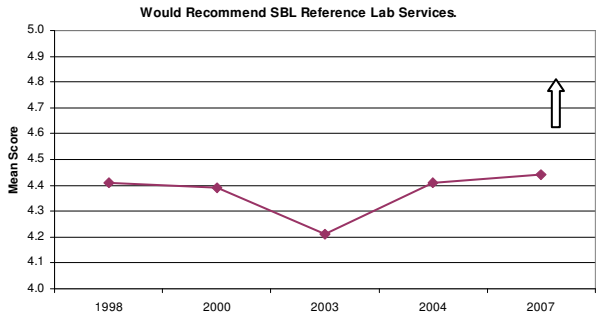
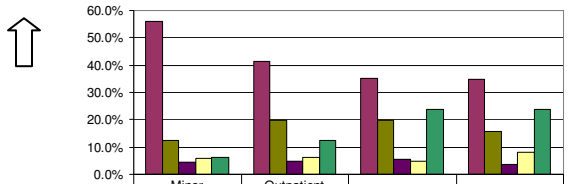


FIGURE 7.2-32

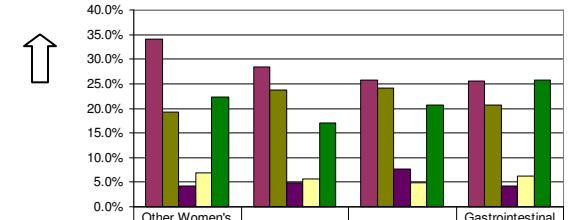
Perceived "Best" Hospital for Various Medical Treatment Areas



	Minor Emergencies	Outpatient Surgery	ENT	Maternity Care
Sarah Bush Lincoln	56.1%	41.5%	35.2%	34.6%
Carle Foundation	12.3%	19.8%	19.8%	15.7%
Decatur Mem'l. Hospital	4.5%	4.6%	5.4%	3.7%
Provena Covenant	6.0%	6.3%	4.6%	8.1%
Uncertain	6.3%	12.3%	23.9%	23.6%

FIGURE 7.2-33

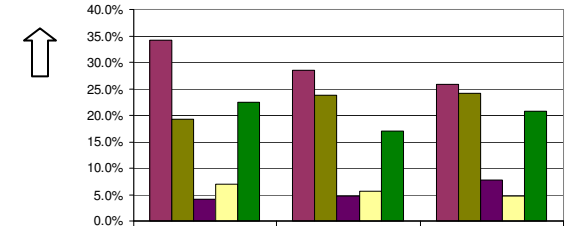
Perceived "Best" Hospital for Various Medical Treatment Areas



	Other Women's Svcs	Orthopedics	Cancer Care	Gastrointestinal Problems
Sarah Bush Lincoln	34.1%	28.5%	25.8%	25.6%
Carle Foundation	19.3%	23.8%	24.1%	20.8%
Decatur Mem'l. Hospital	4.2%	4.8%	7.8%	4.3%
Provena Covenant	7.0%	5.7%	4.8%	6.3%
Uncertain	22.4%	17.0%	20.8%	25.8%

FIGURE 7.2-34

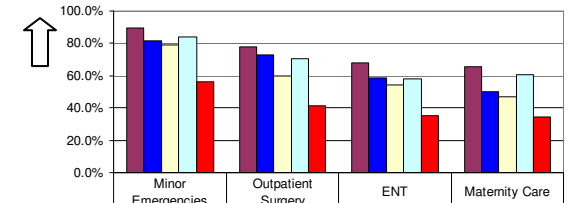
Perceived "Best" Hospital for Various Medical Treatment Areas



	Psychiatric Care	Major Surgery	Heart Problems
Sarah Bush Lincoln	34.1%	28.5%	25.8%
Carle Foundation	19.3%	23.8%	24.1%
Decatur Mem'l. Hospital	4.2%	4.8%	7.8%
Provena Covenant	7.0%	5.7%	4.8%
Uncertain	22.4%	17.0%	20.8%

FIGURE 7.2-35

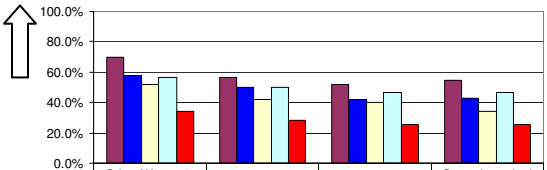
Identification of Sarah Bush Lincoln Health Center as "Best" for Various Medical Treatment Areas (Among Those Who Prefer or Have Used the Hospital)



	Minor Emergencies	Outpatient Surgery	ENT	Maternity Care
Prefer SBLHC	89.2%	77.5%	67.9%	65.4%
SBLHC OS Patients	81.7%	72.9%	58.6%	49.8%
SBLHC ER Patients	79.0%	59.6%	54.1%	46.7%
SBLHC Inpatients	83.8%	70.2%	57.8%	60.2%
Total Sample	56.1%	41.5%	35.2%	34.6%

FIGURE 7.2-36

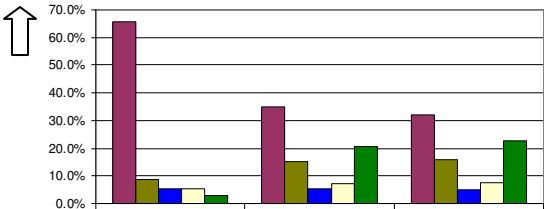
Identification of Sarah Bush Lincoln Health Center as "Best" for Various Medical Treatment Areas (Among Those Who Prefer or Have Used the Hospital)



	Other Women's Svcs	Orthopedics	Cancer Care	Gastrointestinal Problems
Prefer SBLHC	69.6%	56.3%	52.0%	54.3%
SBLHC OS Patients	57.6%	50.0%	42.1%	42.7%
SBLHC ER Patients	52.3%	42.1%	39.9%	34.4%
SBLHC Inpatients	56.4%	50.0%	46.9%	47.0%
Total Sample	34.1%	28.5%	25.8%	25.6%

FIGURE 7.2-37

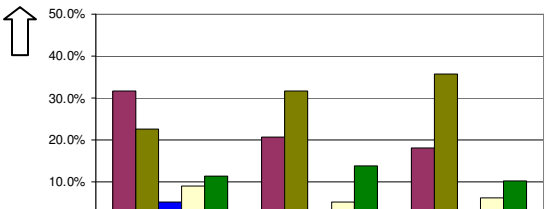
Perceived "Best" Hospital for Various Services or Capabilities



	Easiest to Reach From Home	Friendly/Caring Employees	Nursing Care
Sarah Bush Lincoln	65.5%	34.9%	32.1%
Carle Foundation	8.5%	15.1%	15.7%
St. Anthony's Mem'l.	5.4%	5.3%	5.0%
Provena Covenant	5.5%	7.2%	7.6%
Uncertain	3.0%	20.7%	22.6%

FIGURE 7.2-38

Perceived "Best" Hospital for Various Services or Capabilities



	Overall Quality of Care	Latest Tech/Equip	Variety of Specialists
Sarah Bush Lincoln	31.6%	20.8%	18.0%
Carle Foundation	22.7%	31.6%	35.6%
St. Anthony's Mem'l.	5.2%	2.5%	3.1%
Provena Covenant	9.1%	5.2%	6.3%
Uncertain	11.5%	13.8%	10.2%

TABLE 7.2-2

Advertising Awareness

	Yes	No
SBL (Total Sample)	55.3%	44.7%
National Norm	57.2%	42.8%

FIGURE 7.2-39

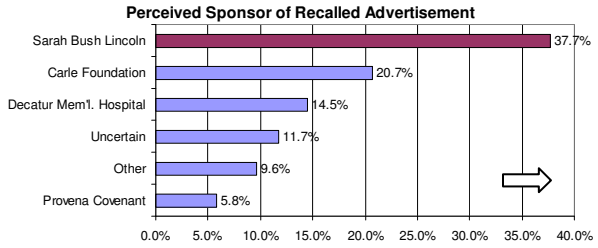
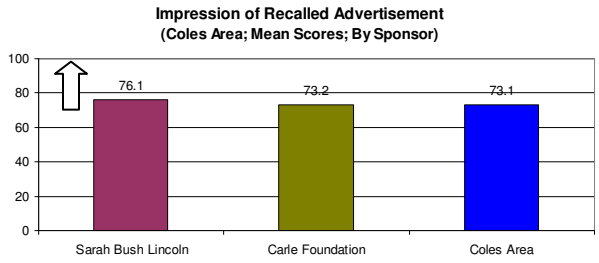


FIGURE 7.2-40



The following three charts should be compared with our goal for 'Easiest to Reach from Home' of 65.5%.

FIGURE 7.2-41

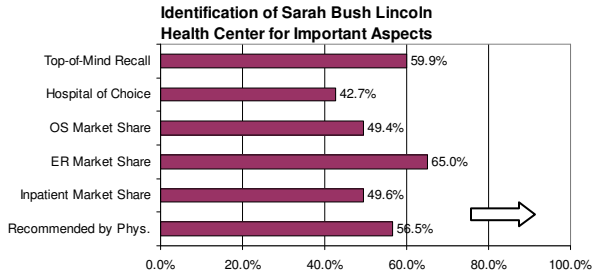


FIGURE 7.2-42

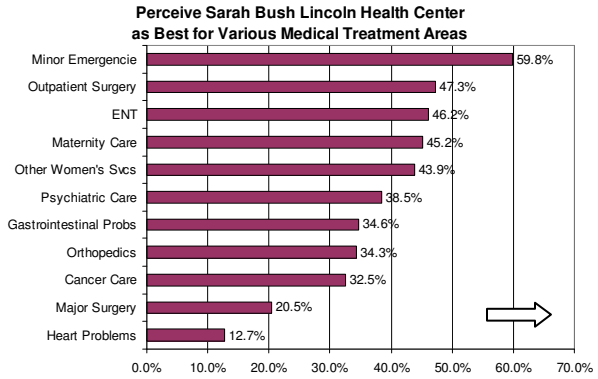
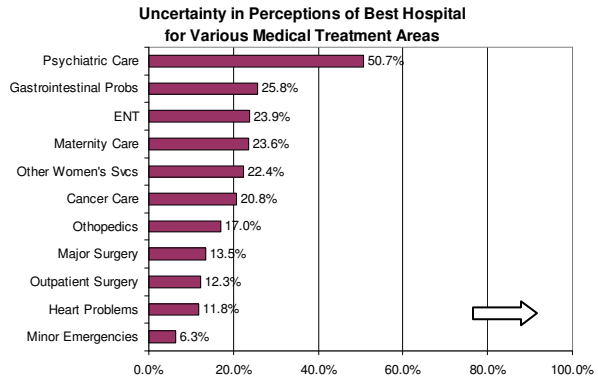


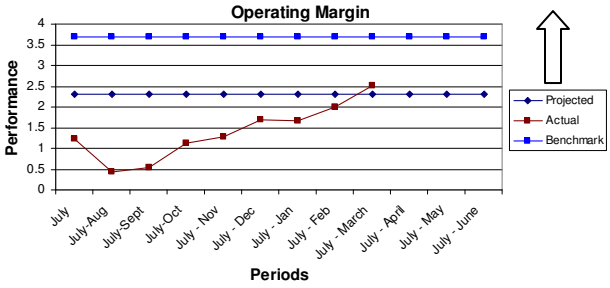
FIGURE 7.2-43



7.3a(1)

The following chart provides trend data for Strategic Goal VI.A, "Achieve operating margin sufficient for continued viability."

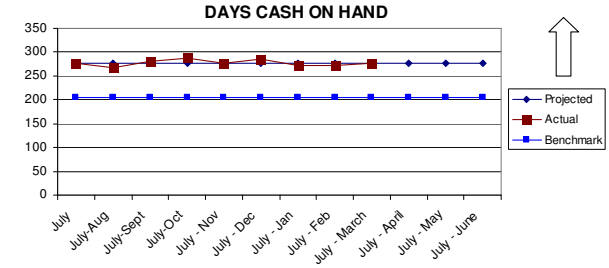
FIGURE 7.3-1



(Benchmark source: 2006 S&P A Rated.) See also: 7.6a(1).

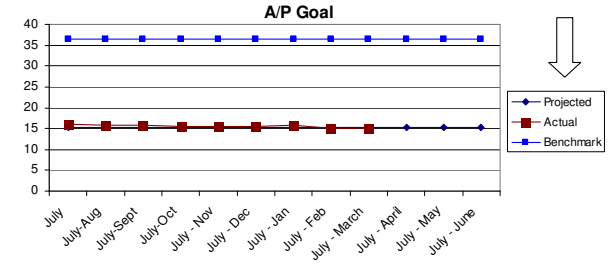
The following chart provides trend data for Strategic Goal VI.B for Days Cash on Hand, supporting Strategic Goal VI.B.

FIGURE 7.3-2



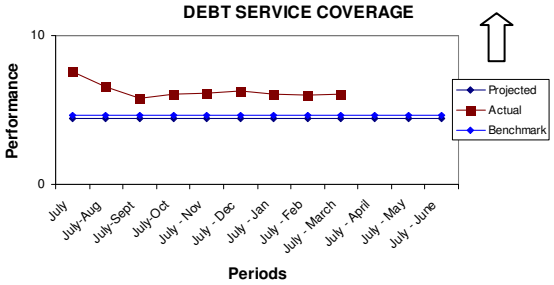
The following chart provides trend data that also supports Strategic Goal VI.B for Long Term Debt to Capitalization.

FIGURE 7.3-3



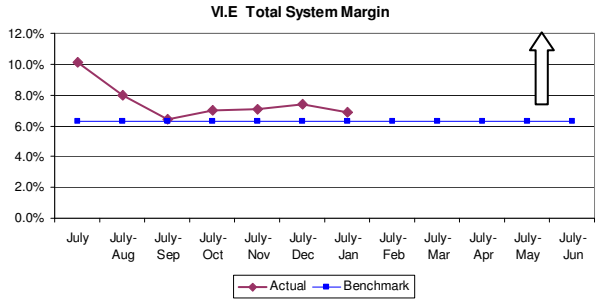
The following chart provides trend data for Strategic Goal VI.B for Debt Service Coverage.

FIGURE 7.3-4



Strategic Objective VI.E focuses on achieving a Total Margin for the System that allows SBL to continue to provide exceptional care for all who seek it, while maintaining a fair and consistent policy for providing Financial Assistance to those who are unable to pay for their care.

FIGURE 7.3-5

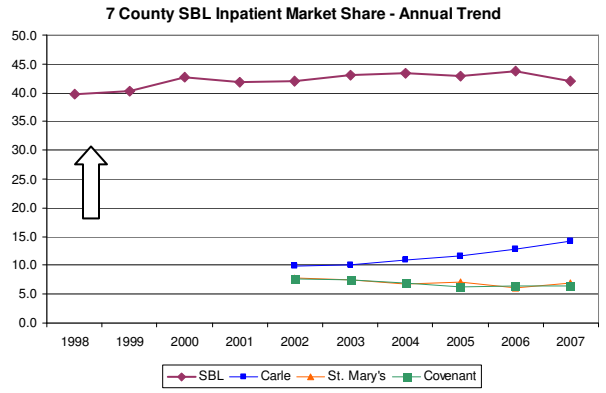


(Benchmark: 2006 Ingenix publication for data through 2005 – S&P A-Rated.)

7.3a(2)

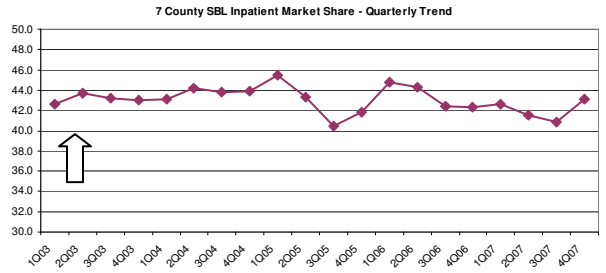
SBL's inpatient market share in 2007 is 42 percent, a decline of 1.7 percentage points from prior year. Carle is ranked second in this market with 14.3 percent. Provena Covenant and St. Mary's follow, each with 6 percent of the market.

FIGURE 7.3-6



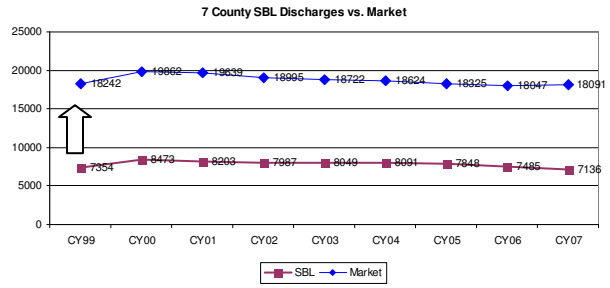
The 4Q07's performance is better than the three previous quarters.

FIGURE 7.3-7



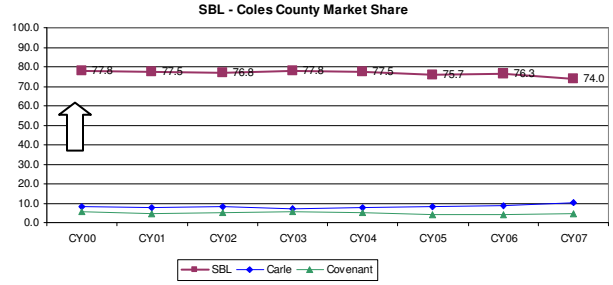
Inpatient market share is trending downward. This graph depicts discharges, not observations.

FIGURE 7.3-8



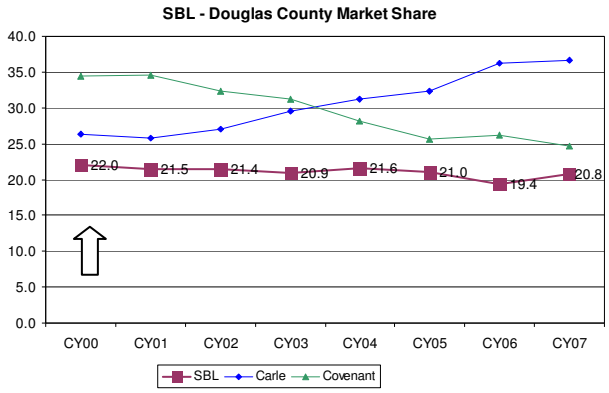
SBL is the market leader in Coles County with 74 percent. Carle holds the second most market share at 10%. Other area hospitals hold less than 5 percent of the market.

FIGURE 7.3-9



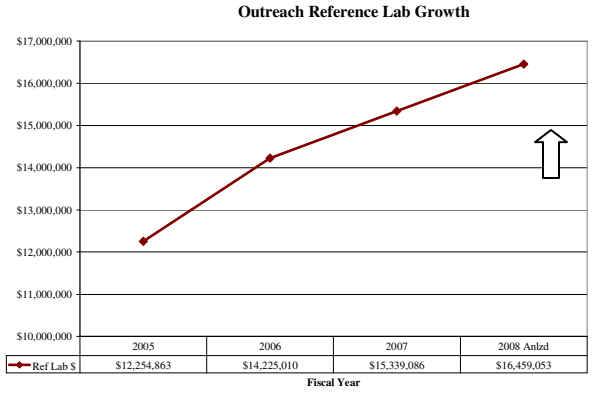
Strategic Objective IV.D identifies growth in the secondary service area of Douglas County. SBL holds 20.9 percent of the Douglas County market, an increase of 1.4 percentage points and an additional 74 cases from the prior year. Carle and Covenant substantially shifted market positions in 2004.

FIGURE 7.3-10



Strategic Objective IV.G identifies growth in our reference lab business. The industry benchmark is an annual growth of +8%. *(Source: "Outlook for the Lab Industry," G-2 Laboratory Industry Report, Vol. XII, No. 1 / January 2008.)* Our projected annualized result is a 7.3% growth (to $16,459,086) compared to the benchmark of $16,566,213.

FIGURE 7.3-11



The following two charts show progress toward Strategic Goal IV.H, "Increase home health and hospice volume."

FIGURE 7.3-12

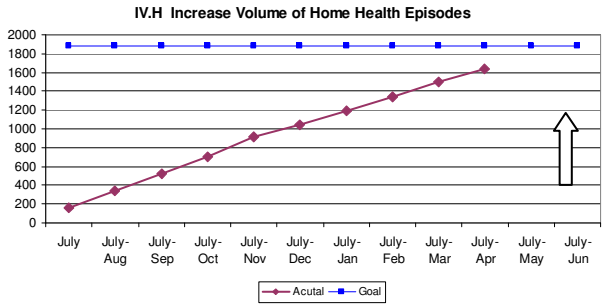
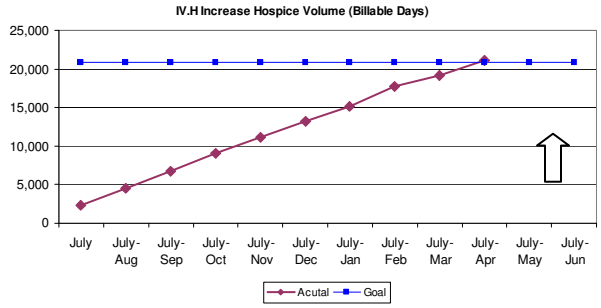


FIGURE 7.3-13



Similar to the two charts above, the following charts show progress for another Strategic Objective related to growing our business. FY08 progress is shown below for Objective IV.E and IV.F respectively.

FIGURE 7.3-14

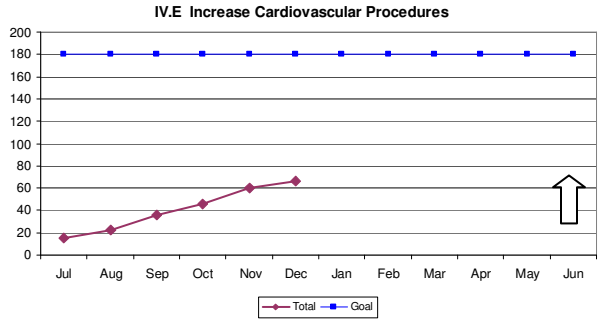
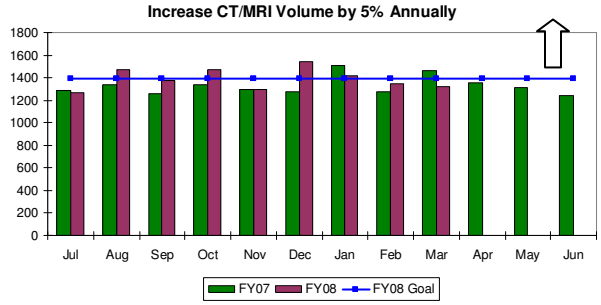


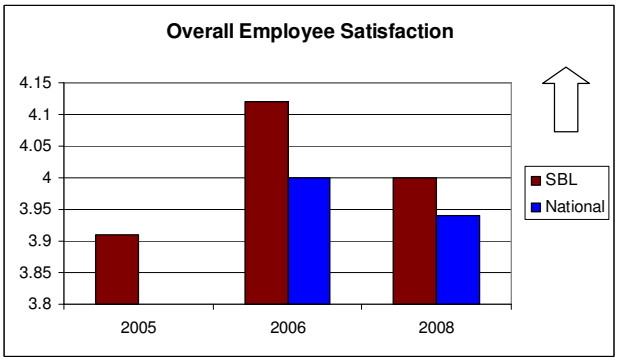
FIGURE 7.3-15



7.4a(1)

Employee satisfaction is measured through the "Are We Making Progress?" survey question "Overall, how satisfied are you with your job?"

FIGURE 7.4-1



Through 3Q-FY08, SBL has spent $16,887.69 on employee recognition via the Bravo program. This is the first year of the program.

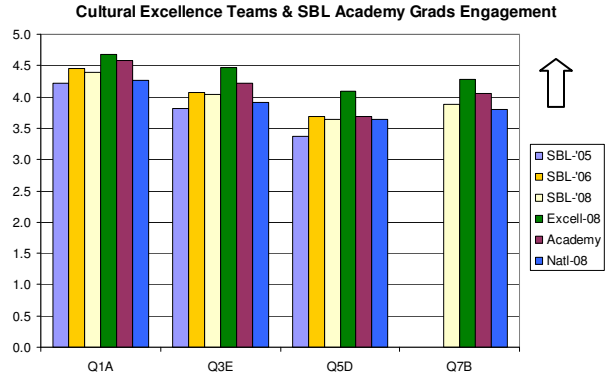
"Are We Making Progress?" survey questions which measure employee engagement:

Q #	Question
1A	I know my organization's missions (what it is trying to accomplish).
3E	I am allowed to make decisions to solve problems for my customers.
5D	I am recognized for my work.
7B	I feel encouraged to come up with new and better ways of doing things.

(Note: Q7B was not asked in previous surveys.)

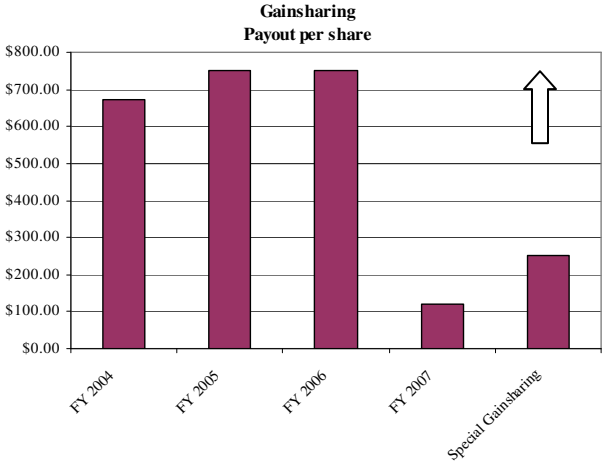
Results are segmented to also show results for those employees who participated on committees and in the Academy.

FIGURE 7.4-2



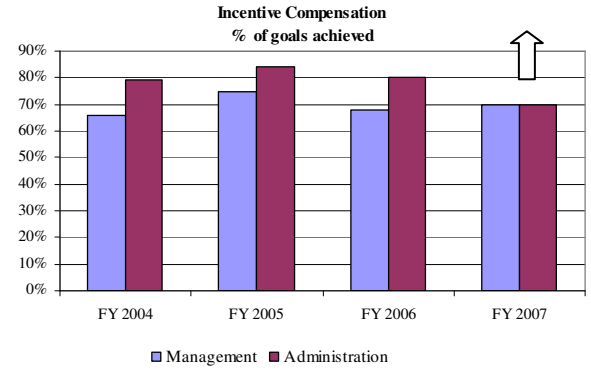
Employee gainsharing payouts are based on our patient experience scores and financial triggers. In May 2008, the Board granted a special gainsharing award for 6 of 11 units as specified in Strategic Objective I.A.1, one short of our Goal of seven.

FIGURE 7.4-3



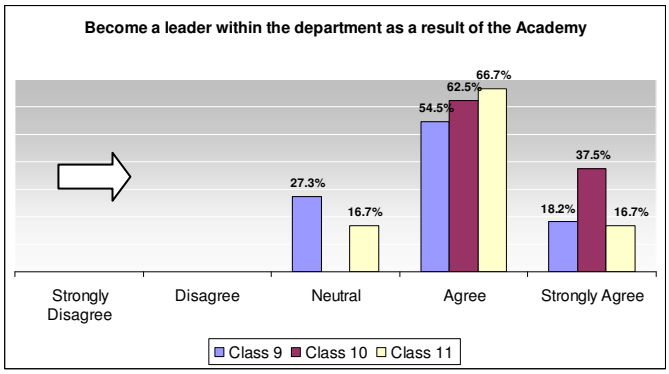
Incentive compensation ('incentive comp') is awarded to members of our Admin and Management Team based on organizational goals. The chart below show the percent of goals achieved.

FIGURE 7.4-4



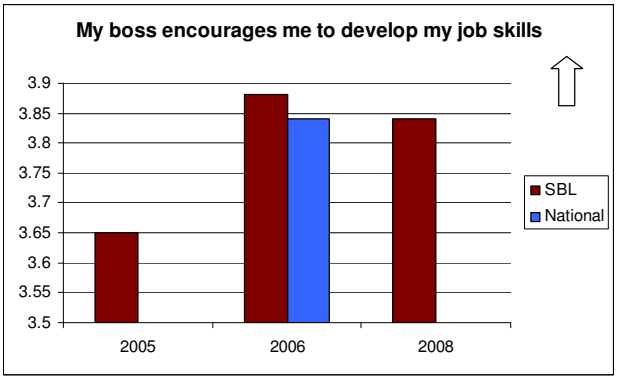
The SBL Academy provides leadership training to SBL employees to assure ongoing organizational excellence and to prepare for future challenges. The chart below shows the Academy Graduates' ratings for the last three Academy classes.

FIGURE 7.4-5



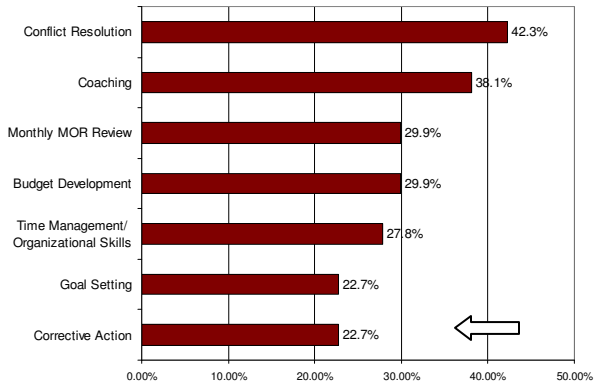
The 2008 "Are We Making Progress?" Survey Question: "*My boss encourages me to develop my job skills so I can advance in my career."* Is our measure for Strategic Objective III.B. The results of this question are shown below.

FIGURE 7.4-6



The Excellence As A Way Of Life – Leadership Development Team conducted a survey of SBL leaders (Directors, Managers, and Supervisors) in May 2008. 104 of 125 surveys were returned (83%). The following areas were identified as needing additional training to improve skills (at least 20% of leaders indicating an opportunity):

FIGURE 7.4-7

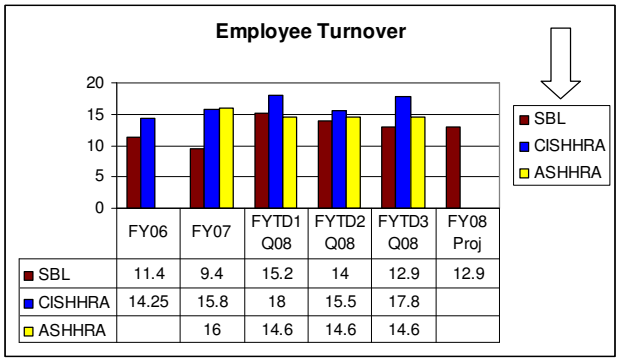


Other areas below 20% were: Peer Review, Personnel Action Plans, and Capital Expense Reports. 11% of leaders indicated no additional training needed. These results are used for the basis of Quarterly Leadership sessions as discussed in Category 5.

7.4a(2)

Maintaining a capable employee base is critical to any organization; SBL is no different. The chart below summarizes our FY06-FY08 turnover.

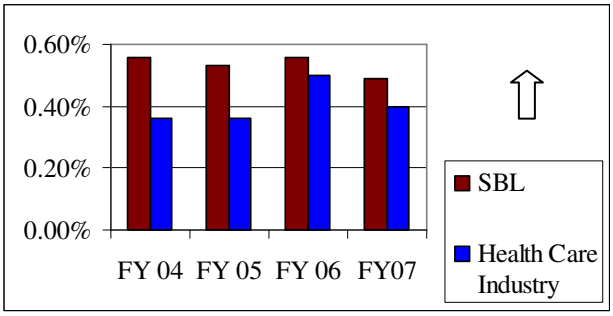
FIGURE 7.4-8



	FY06	FY07	FYTD1 Q08	FYTD2 Q08	FYTD3 Q08	FY08 Proj
SBL	11.4	9.4	15.2	14	12.9	12.9
CISHHRA	14.25	15.8	18	15.5	17.8	
ASHHRA		16	14.6	14.6	14.6	

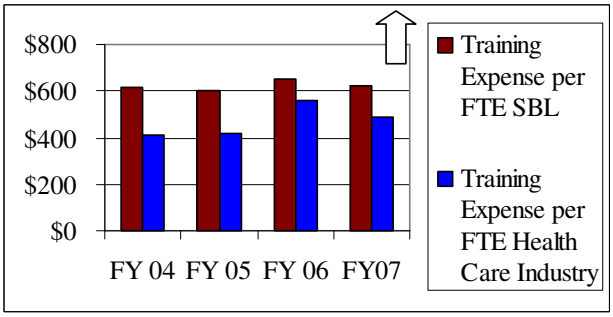
The chart below shows SBL training expenses as a percent of operating expenses compared to the average in health care industry. Source: ASHHRA.

FIGURE 7.4-9



The chart below shows SBL training expenses per FTE compared to the average for the healthcare industry. *Source: ASHHRA.*

FIGURE 7.4.10



All SBL employees are required to complete on-line interactive education modules annually. 2008 – current compliance of 94%.

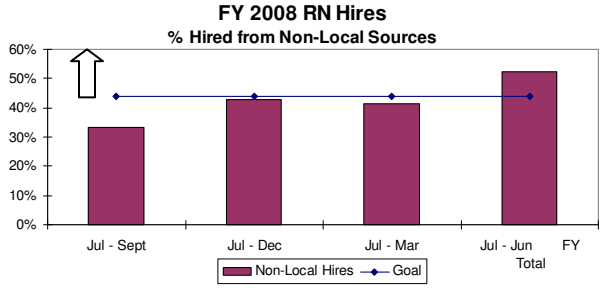
SBL began the New Grad RN program in attempt to retain new grad RNs within the first year of employment. The results after year are positive with a decrease in turnover in New Grad RNs.

TABLE 7.4-1

	New Grad RN Program		
Year	RN's Hired	Left SBL	Turnover
2005	16	2	12.5%
2006	25	4	16.0%
2007	10	1	10.0%

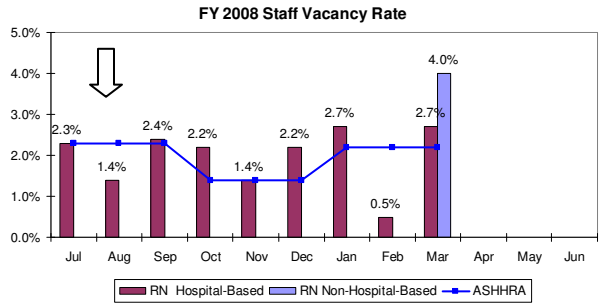
Strategic Objective III.A focuses on broadening the recruitment base as measured by the number of RNs hired outside local programs. Results over the current fiscal year show an improving trend.

FIGURE 7.4-11



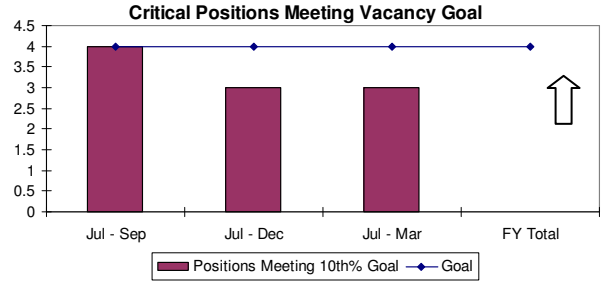
Strategic Objective III.C indicates the importance of bringing qualified staff to SBL, as measured by vacancy rate. The chart below provides our FY08 YTD results for RNs.

FIGURE 7.4-12



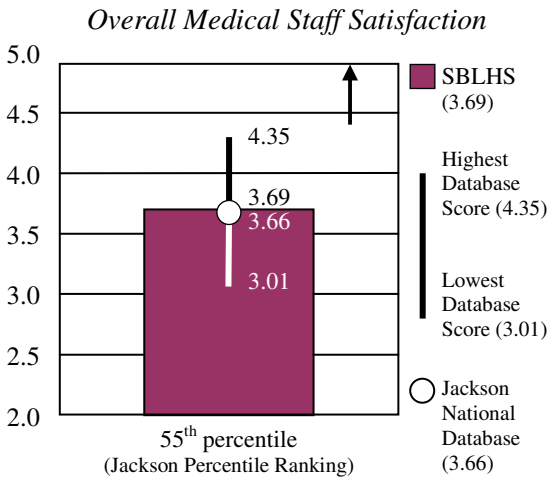
We ensure that positions critical to patient care will be filled by retaining current employees and successfully recruiting new employees as needed. Current positions reported include Registered Nurse, Diagnostic Imaging Techs, Laboratory Techs, Pharmacists and Respiratory Therapists.

FIGURE 7.4-13



SBL contracted with The Jackson Organization in early 2007 to assess medical staff satisfaction. Their report, submitted in May 2007, indicated SBL's medical staff is slightly above the average in Jackson's national database. SBL's percentile ranking is 55th. Based upon these results AT and MS leadership continue to work on communication with the Medical Staff.

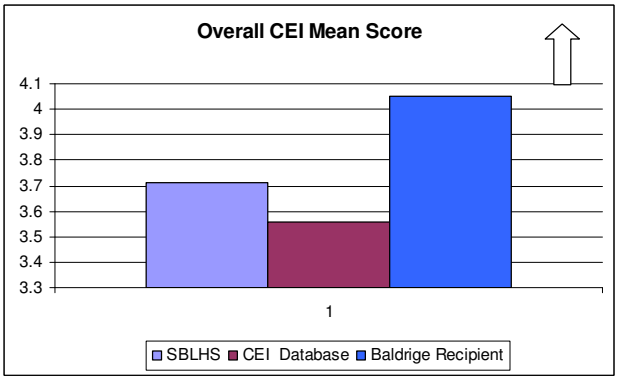
Figure 7.4-14



7.4a(3)

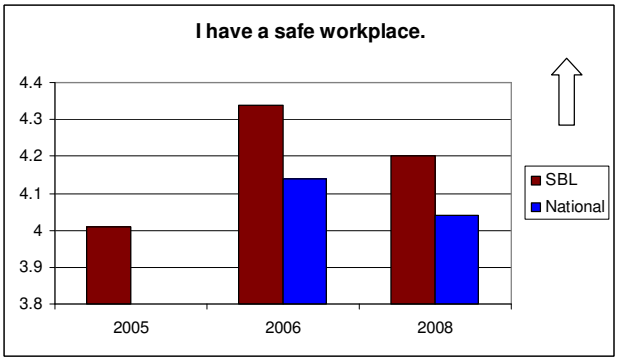
As part of our journey to Excellence, we conducted a cultural excellence inventory in May, 2007 to assess workforce climate and culture. The CEI database includes over 15,500 respondents from over 30 healthcare organizations across the United States and Canada.

FIGURE 7.4-15



Workforce safety is important at SBL. The "Are We Making Progress?" survey asked the question "I have a safe workplace?"

FIGURE 7.4-16



7.5a(1)

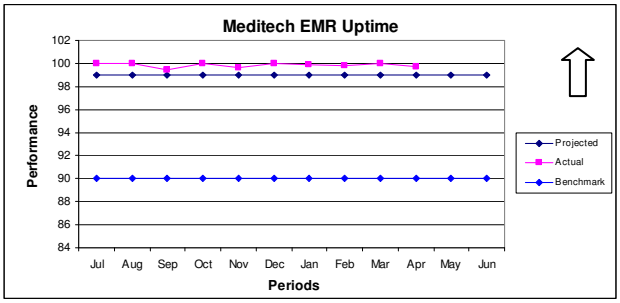
In 2007, SBL utilized about 75% of the VHA supply contracts available while the national average for contract compliance is about 65%. SBL spends $24 million annually on medical supplies with at least $14 million through VHA spending.

TABLE 7.5-1

	Total VHA Spending	Annualized	Per Month
FY-06	$17,976,528	$17,976,528	$1,498.044
FY-07	$14,035,769	$14,035,769	$1,169,647
FY-08 (YTD)	$3,895,727	$15,582,908	$1,298,576

Information system reliability enables SBL to achieve its Strategic Goals through assuring effective Work System and Key Work Process performance. Meditech is an enterprise application used by all clinical departments as well as by medical records coding and patient billing.

FIGURE 7.5-1



SBL continues to invest in technology as a means to more effectively provide patient/ customer service as well as operational efficiencies. IT Capital Expenditures as Percentage of SBL Capital Expenditures are shown below and compared to results compiled by the Most Wired Survey.

TABLE 7.5-2

Year	Most Wired Survey	SBL
FY-06	18.5%	11.1%
FY-07	22.3%	18.1%
FY-08	Not Yet Available	27.2% (budgeted)

7.5a(2)

The comparative data in the following charts is from Compdata. The data include a comparison of overall charges per DRG (excluding BHS) for discharges from 7/1/07 – 9/30/07. The analysis comprised of SBLHS in a 3-month period ending 9/30/07 – Total Charges of $10,825,849 or 1170 discharges. The study asked, "What would patients have paid at other hospitals for the same services they received at Sarah Bush Lincoln Health System?" Results are shown for both dollar and percent amounts with SBL as the 100% base.

FIGURE 7.5-2

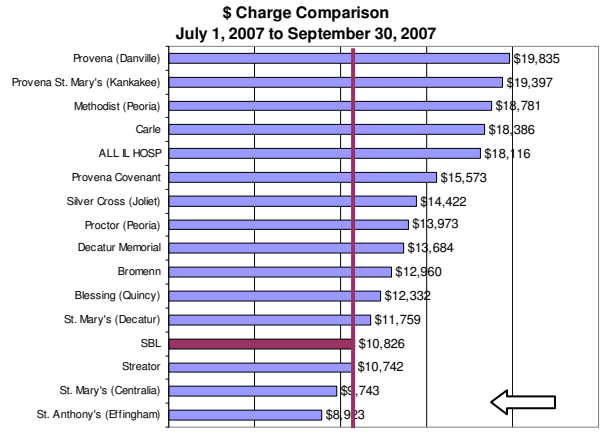
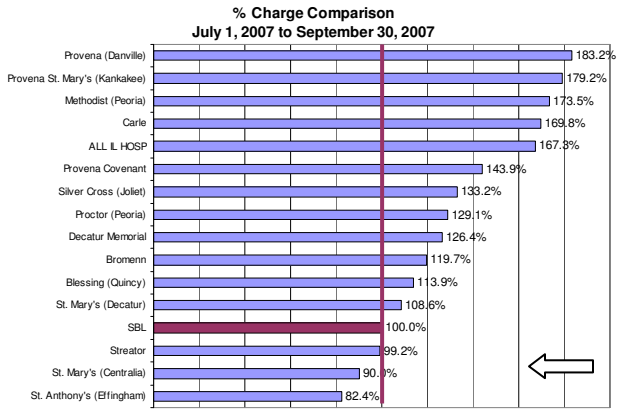


FIGURE 7.5-3



SBL's Medical Supply Cost per Adjusted Discharge averages $801 compared to a national average of $1102 for a comparable organization. *(Comparison source: Solucient.)*

SBL's commitment to technology is demonstrated in our Strategic Plan's Objective II.D, "Implement information technology." The three charts below show progress toward our goals for Longitudinal EMR, CPOE, and AEMR.

FIGURE 7.5-4

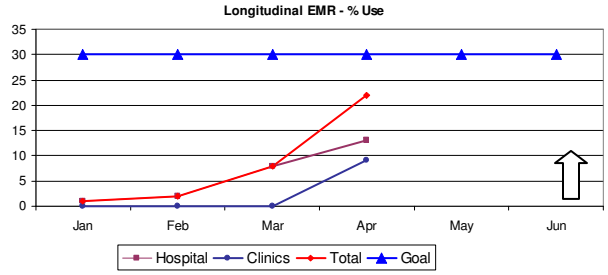
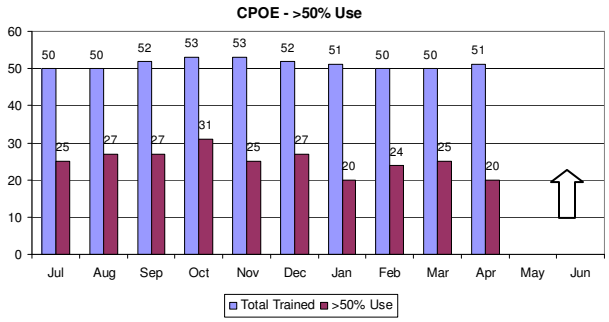
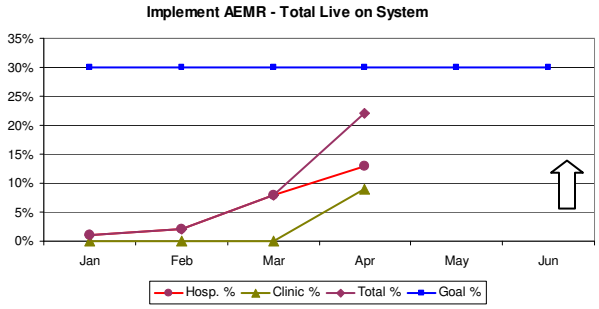


FIGURE 7.5-5



We are deploying the Ambulatory Electronic Medical Record technology. Our goal is to have 30% of all medical records available via AEMR in our hospital and clinics.

FIGURE 7.5-6



7.6a(1)

Table 7.6-1 shows our performance with respect to our Strategic Objectives.

TABLE 7.6-1

Strat.	Strategy & Objective Descriptions	YTD FY08	GOALS FY08	GOALS FY09	GOALS FY10	Also applies to:
I.	**Strategy: Improve Patient Experience & Loyalty**					
A.1	Improve patient experience scores on all 11areas measured. *(Units at or above 50th %tile.)*	6	5	7	8	7.2a(1)
A.2	Improve HCAHPS scores. *(Units at or above the state mean.)*	8	8	9	10	7.1a
B.	Improve consumer perception of Sarah Bush Lincoln. *(Hospital of choice.)*	42.7%	N/A	45%	50%	7.2a(2)
II.	**Improve Clinical and Operational Quality**					
A.	Achieve the IL Foundation for Quality Health Care's (IFQHC) program goals.	98.1%	100%	100%	100%	7.1a
B.	Achieve the established goals of the selected quality improvement programs: 1. AMI Improvement. (*8 indicators)* 2. Prevent Central Line Infection *(per catheter days)* 3. Prevent Adverse Drug Events *(Medication Recon)* 4. Rapid Response Team (*per 1000 discharge days)* 5. Surgical Site Infections *(4 indicators)* 6. Ventilator Associated Pneumonia *(infection per cath days)*	5 of 6 100% 0% >90% 1.18% 100% 0%	4 of 6 @ 100% 100% 0% 95.6% 1.29% 100% 0%	5 of 6 @ 100%	6 of 6 @ 100%	7.1a
C.	Achieve a culture of clinical and organizational excellence via the Baldrige model.	N/A	N/A	LFPE Gold	MBNQA Site Visit	7.6a(4)
D.	Implement information technology. (1) SBLHS Longitudinal EMR *(% use)* (2) CPOE *(>50% use)* (3) AEMR *(Total Live on System)*	 22% 20 6	 30% 50 10	 30% 60 10	 20% 70 18	7.5a(2)
E.	Implement evidence-based medicine.		TBD	TBD	TBD	
F.	Expand Peer Review focus on education.		TBD	TBD	TBD	
III.	**Enhance Human Capital**					
A.	Broaden the recruitment base. *(# of RNs hired outside of local programs.)*	52%	44%	46%	50%	7.4a(2)

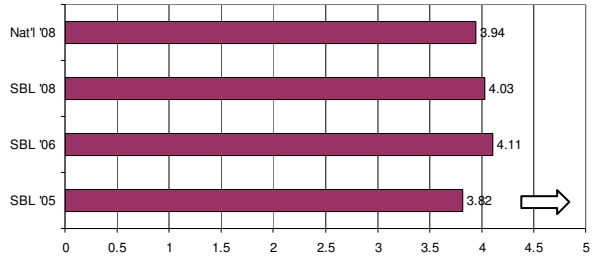
Strat.	Strategy & Objective Descriptions	YTD FY08	GOALS FY08	GOALS FY09	GOALS FY10	Also applies to:
B.	Create a culture of lifelong learners. *(Survey question from 'Are We Making Progress?': "My boss encourages me to develop my job skills so I can advance in my career.")*	3.68	3.95	4.0	4.2	7.4a(1)
C.	Fill critical positions. *(Vacancy rates better than 10th percentile for identified positions.)*	75%	100%	100%	100%	7.4a(2)
D.	Maintain low turnover rate.	12.9% Projected	13%	12%	10.9%	7.4a(2)
IV.	**Support Charitable Mission Through Service Growth**					
A.	Retain and recruit providers. *(Provider turnover rate.)*	7%	10%	7%	7%	7.4a(2)
B.	Develop System Practice provider culture.		TBD	TBD	TBD	
C.	Meet evolving community benefit standards to demonstrate delivery of our charitable mission. *(Tax exemption.)*	Yes	Yes	Yes	Yes	7.3a(1)
D.	Increase inpatient market share in secondary service area. *(Douglas County only.)*	20.8%	Same as '07	'07 + 5%	'07 + 10%	7.3a(2)
E.	Increase outpatient surgeries and procedures in cardiovascular, orthopedic, and general surgery product lines.					7.3a(2)
	- General surgery;	728 (FY06)	TBD	1013	TBD	
	- Cath lab; and	66 (YTD)	180	185	191	
	- Orthopedic.	2570 (FY06)	TBD	TBD	TBD	
F.	Increase outpatient diagnostic imaging with a focus on high-end imaging. *(MRI & CT tests.)*	12,499 (08 FYTD)	16,728	17,564	18,442	7.3a(2)
G.	Increase reference lab volume. *(Gross revenue in $millions.)*	$16.5 (annualized)	$15.9	$16.9	$17.9	7.3a(2)
H.	Increase home health and hospice volume:					7.3a(2)
	- Billable days	21,166	20,805	23,300	25,800	
	- Episodes	1638	1888	2200	2300	
V.	Create Healthy Communities					
A.	Improve Leading Health Indicator physical activity score. *(# counties meeting participation goal.)*		4 of 7	5 of 7	7 of 7	7.6a(5)
B.	Improve Leading Health Indicator obesity score. *(% of participants meeting 5 of 5 goals.)*		4 of 7	5 of 7	7 of 7	
C.	Improve Leading Health Indicator immunizations over the age of 65 score.	Results due in 6/08	70%	75%	80%	
VI.	Maintain Financial Viability					
A.	Achieve operating margin sufficient for continued viability.	2.52%	2.3%	3.7%	3.7%	7.3a(1)
B.	Achieve capital structure sufficient to fund strategic plan and unforeseen opportunities into the future, as defined by:					7.3a(1)
	- LT debt to capitalization	15.11	15.25	13.65	12.18	
	- days cash on hand	276	276	303	311	
	- debt service coverage	6.09	4.41	4.19	4.01	
C.	Build and maintain a culture of philanthropy within the health system and in the community. *($ millions)*	$1.350	$1.076	$1.130	$1.187	7.6a(5)
D.	Secure grant funds that support strategic objectives. *($ millions)*	$1.22	$1.1	$1.2	$1.2	7.6a(5)
E.	Seek sustainable solution to the issue of the uninsured. *(Total Charity Care for System)*	6.9%	TBD	TBD	TBD	7.3a(1)

Strat.	Strategy & Objective Descriptions	YTD FY08	GOALS FY08	GOALS FY09	GOALS FY10	Also applies to:
F.	Achieve rational regulatory outcomes. *(# of legislative contacts by Admin)*		40	60	80	7.6a(4)
G.	Revise managed care strategy to reflect current marketplace changes and opportunities. *(Net reimbursement % for MC contracts.)*		Budget	+1%	+1%	7.3a(2)

7.6a(2)

Question Q1B from our "Are We Making Progress?" survey provides an indication of our leaders' ethical behavior: "My senior (top) leaders use our organization's values to guide us." SBL's scores are above the national average.

FIGURE 7.6-1



7.6a(3)

SBL continues to be fiscally accountable as shown through the measures for LT debt to capitalization, days cash on hand and debt service coverage. See Results in SP VI.B **(see Table 7.6-1).**

7.6a(4)

SBL has been accredited through the Joint Commission on Accreditation of Healthcare Organizations since opening in 1977 and meets all legal and regulatory compliance standards for a healthcare organization.

We conduct assessments of our organization using the Baldrige Criteria. One method is participation in St. Luke's 'Baldrige Aligned' survey as described earlier. Another approach is a full assessment of SBLHS through the Lincoln Award program.

TABLE 7.6-2

Year	Actual	Goal
2005	495	
2006	545	
2008		586

7.6a(5)

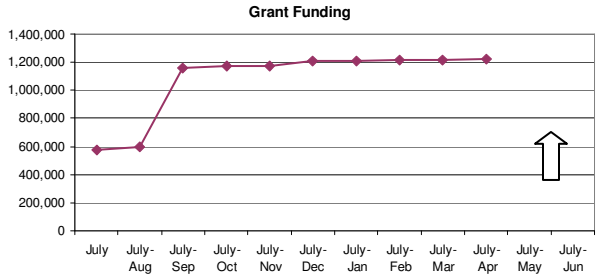
The total number of Health System donors has decreased as we have not been involved in a major capital campaign since 2000-2001. However, the goal to build a loyal donor base through a culture of philanthropy is being met and is reflected by this chart.

TABLE 7.6-3

Donor Cat.	FY04	FY05	FY06	FY07	FY08
Renewal %	40%	40.8%	44.6%	37.2%	46.7 %
# New	940	835	858	610	513
Total	2225	2068	2157	1652	1563

We are ahead of our goal for securing grant funds that support strategic objectives as described by Strategic Objective VI.D.

FIGURE 7.6-2



Since 2001, annual SBL Guild Scholarships to area students pursuing careers in health care averaged $28,000 compared to a benchmark average of $8,200.

FIGURE 7.6-3

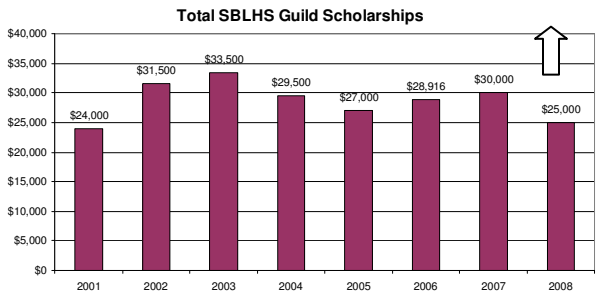
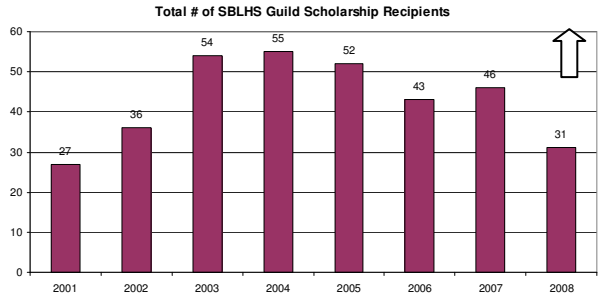


FIGURE 7.6-4



Employee Giving has increased over time, an indication of our commitment to our communities.

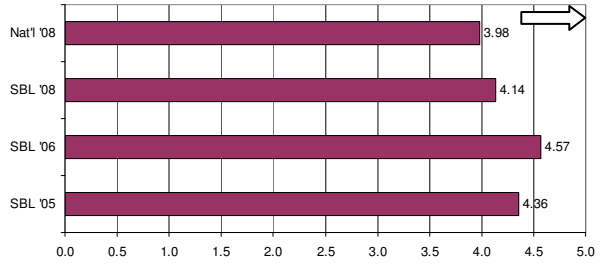
TABLE 7.6-4

	FY04	FY05	FY06	FY07	FY08
Admin	6	8	8	8	8
Directors	35	38	42	33	36
Employees	564	579	600	614	700
Total	605	625	650	655	744

The FY08 participation rate of 57.2% slightly exceeds our goal of 56%.

Question Q1B from our "Are We Making Progress?" survey provides an indication of our commitment to our communities: "My organization helps me help my community." SBL's scores are above the national average.

FIGURE 7.6-5



SBL continues to support our key communities through our Financial Assistance program which provides free or discounted healthcare to qualifying members of the community. The amount of financial assistance has continued to grow since FY04.

FIGURE 7.6-6