...taking us to the pinnacle of healthcare

Harry R. Jacobson, M.D.
November 22 & 23, 2004
Mission

• Educational Mission
  - One of the Most Selective Medical Schools
  - One of the Best Places for Doctoral and Post Doctoral Studies
  - Residency Programs Improving

• Research Mission
  – Fastest Growing Research Program in US
  – 5th Ranked for Clinical Medicine Citation
  – Investments on Target with NIH

• Clinical Care
  – USN&WR Best Hospitals
  – Solucient Top 100 Hospitals
  – Strong Growth – Market Share and Preference
  – Strong Financially – Margins in Top Quartile
  – Quality
  – Customer Service
    GOOD BUT NOT YET GREAT
  – Workplace of Choice
Recognition

• Top 50 in 9 of 12 Major Specialities
  - Cancer
  - Neurology
  - Urology
  - Gynecology
  - Pulmonary Disease
  - ENT
  - Kidney
  - Orthopedics
  - Hormonal Diseases

• Only Tennessee Hospital Listed
Dominant Provider

Highest Quality

America’s Top Doctors
  – 67 in Tennessee, 46 at Vanderbilt
• Solucient
  – Top 100 Hospital 4 years in a row
  – Mortality, Profitability, Cost Effectiveness
• Bioinformatics
  – Manage care to best standards of evidence
  – Manage utilization, cost and effectiveness
  – Safety improved
  – Manage disease
Consumer Hospital Preference
Comparative Rates Fall 2002 – Spring 2004

Hospital of Choice

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>2002</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanderbilt</td>
<td>7.8%</td>
<td>13.3%</td>
<td>15.8%</td>
</tr>
<tr>
<td>St. Thomas</td>
<td>12.2%</td>
<td>10.5%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Baptist</td>
<td>16.8%</td>
<td>15.1%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Centennial</td>
<td>2.6%</td>
<td>3.4%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Uncertain</td>
<td>7.1%</td>
<td>3.8%</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

Based on a survey of 1,920 households
Equivalent Patient Days

- Vanderbilt
- St Thomas
- Baptist
- Centennial
Where are we now...
Vanderbilt University Hospital & Clinic
Available for Capital Replacement

Source: VUMC Department of Finance
Goals for the Medical Center

- **Be the dominant healthcare provider in Middle Tennessee**
  - strongest market share
  - most preferred
  - highest quality, highest severity
  - #1 or #2 in all key service lines

- **Become the top referral center in the Southeast**
  - Cancer, transplant, pediatric subspecialties, neurology/neurosurgery, trauma, diabetes, cardiovascular disease, burn, orthopedics

- **Become nationally recognized as top 10 best medical center**

- **Earn Mayo-like brand**
  - exceptional healthcare
  - organized around the patient
  - perfect customer service
Earn the Mayo-Like Reputation

- Exceptional physicians and nurses
- Excellent quality and safety
- Exceptional staff
- Care organized around the patient
- Flawless hand-offs
- High value on customer service
  - Communication
  - Coordination
  - Kindness
  - Quality
  - Follow-up
Clinical Quality

VUMC Mortality Report

UHC Observed/Expected Ratio vs. Norm

- UHC Norm
- Best in Class
- Optimal
People Initiatives

- Vanderbilt Community Survey
- Fortune’s Top 100 Places to Work
  - Selected for Top 300 past two years
- Vanderbilt Valet
- Staff Bonus
- Performance Improvement Program
- Reward and Recognition
TN Nurse Association – Best Place to Work

Outstanding Employer Award

- Awarded for Commitment to Nursing Excellence
- Top Place for Nurses to Work in Tennessee
- “Consistently Performing Above Standards – The Best of the Best”
<table>
<thead>
<tr>
<th>2004 Imp. Score</th>
<th>Item</th>
<th>2004 Perf. Score</th>
<th>% Unfav</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.53</td>
<td>24. The person I report to treats me with <em>respect</em>.</td>
<td>4.14</td>
<td>9%</td>
</tr>
<tr>
<td>4.48</td>
<td>10. My <em>work group</em> provides high-quality care and customer service.</td>
<td>4.30</td>
<td>3%</td>
</tr>
<tr>
<td>4.46</td>
<td>39. I <em>trust</em> the person to whom I report.</td>
<td>3.86</td>
<td>14%</td>
</tr>
<tr>
<td>4.44</td>
<td>14. I am a member of a <em>work group</em> that works well together.</td>
<td>4.03</td>
<td>9%</td>
</tr>
<tr>
<td>4.42</td>
<td>62. Overall, I am a <em>satisfied</em> employee.</td>
<td>3.94</td>
<td>9%</td>
</tr>
<tr>
<td>4.40</td>
<td>15. The person I report to <em>listens</em> to my comments and/or suggestions.</td>
<td>3.99</td>
<td>11%</td>
</tr>
</tbody>
</table>
### Staff Survey 2004
#### Most Important Items

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>4.40</td>
<td>30. I can ask the person I report to any reasonable question and get a <strong>straight answer</strong>.</td>
<td>3.79</td>
<td>16%</td>
</tr>
<tr>
<td>4.39</td>
<td>56. The medical center provides <strong>high-quality</strong> care and customer service.</td>
<td>4.07</td>
<td>5%</td>
</tr>
<tr>
<td>4.39</td>
<td>29. My <strong>pay</strong> compares favorably with similar positions in my job market.</td>
<td>3.19</td>
<td>31%</td>
</tr>
<tr>
<td>4.38</td>
<td>5. I <strong>respect</strong> the abilities of the person to whom I report.</td>
<td>4.18</td>
<td>8%</td>
</tr>
<tr>
<td>4.38</td>
<td>11. There is a climate of <strong>trust</strong> within my work group.</td>
<td>3.66</td>
<td>18%</td>
</tr>
</tbody>
</table>
## Staff Survey 2001 to 2004
### Top Five Items with Greatest Difference from 2001 - POSITIVE

<table>
<thead>
<tr>
<th>Item</th>
<th>Section</th>
<th>2004 Perf. Score</th>
<th>Diff. From 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>29. My pay compares favorably with similar positions in my job market.</td>
<td>Fair Compensation</td>
<td>3.19</td>
<td>+.45</td>
</tr>
<tr>
<td>31. There is a climate of trust in the medical center.</td>
<td>Unity</td>
<td>3.43</td>
<td>+.38</td>
</tr>
<tr>
<td>27. The medical center treats employees with respect.</td>
<td>Regard for Employees</td>
<td>3.79</td>
<td>+.35</td>
</tr>
<tr>
<td>6. The medical center provides opportunities for career development.</td>
<td>Growth/Development</td>
<td>3.74</td>
<td>+.31</td>
</tr>
<tr>
<td>18. The medical center supports me in balancing my work life and personal life.</td>
<td>Work-Peers Life Balance</td>
<td>3.65</td>
<td>+.31</td>
</tr>
</tbody>
</table>
### Staff Survey and National Norms
#### Top Five Items with Greatest Difference from National Healthcare Average 2004 - **POSITIVE**

<table>
<thead>
<tr>
<th>Item</th>
<th>Section</th>
<th>2004 Perf. Score</th>
<th>Diff. From Nat’l HC Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. The medical center's <strong>leadership</strong> provides the direction necessary for the medical center's continued success.</td>
<td>Regard for Employees</td>
<td>3.83</td>
<td>+.37</td>
</tr>
<tr>
<td>17. There is effective <strong>communication</strong> within my work group.</td>
<td>Coworker Relations</td>
<td>3.60</td>
<td>+.37</td>
</tr>
<tr>
<td>23. I am satisfied with the job <strong>security</strong> at the medical center.</td>
<td>Work-Peers Life Balance</td>
<td>3.92</td>
<td>+.26</td>
</tr>
<tr>
<td>46. I am <strong>proud</strong> to tell people that I work for the medical center.</td>
<td>Commitment Indicator</td>
<td>4.30</td>
<td>+.24</td>
</tr>
<tr>
<td>31. There is a climate of <strong>trust</strong> in the medical center.</td>
<td>Unity</td>
<td>3.43</td>
<td>+.24</td>
</tr>
</tbody>
</table>
Credo

- We provide excellence in healthcare
- We treat patients and each other as we wish to be treated
- We continuously improve our performance
The Origin of Great Customer Service

- Customer satisfaction is driven by employee satisfaction (Harvard Business Review)
- Employee satisfaction is driven by trust (Gallup, Buckingham, Great Places to Work Institute)
- Elements that most effectively build trust…
  - Clear, effective and relentless communication with managers
  - Personal relationships between managers and staffs
  - Clear goals and expectations – more objective the better
  - Clear job scope of work and empowered to meet goals
GOAL: TO BE RECOGNIZED AT THE PINNACLE OF HEALTH PROVIDERS

Credo Value

Patient Care
- World Class Quality
- Evidence-Based Practice
- Discovery Driven
- Patient Satisfaction
- Leader Training
- Behavioral Interviewing
- Clear Accountability
- Quality of Worklife
- Staff Satisfaction
- Reward and Recognition
- Recruitment and Retention

Leadership Development

Workplace of Choice
Service Renewal

- Multi-year organizational development approach
- Focuses All Staff on Five Pillars:
  - Clinical Quality
  - Service and Patient Satisfaction
  - Financial Performance
  - Growth
  - Staff Satisfaction
- Headed by Studer Group and Quint Studer
  - Former CEO Baptist/Pensacola
    - Only Malcolm Baldrige Hospital
    - Fortune 500 – 100 Best Places to Work
  - Clients Include University of Chicago and Cleveland Clinic