Leadership Development Institute V
February 14 and 15, 2006
Vanderbilt Medical Center
**Vanderbilt Pillar Goals**

**2006 Goals**

**People**
- Vanderbilt is a great place to work and will be on Fortune 100 Best Employer list by 2007.

**2006 Goals:**
- Reduce our turnover rate by 10%
- Overall to 13.5%
- Nursing to 9.8%
- Elevate our new hire employee retention after 18 months to 65%
- Elevate our employee satisfaction in all Survey Domains:
  - Employee Domain - 4.0
  - Manager Domain - 4.0
  - Organization Domain - 4.0
  - Commitment Indicator - 4.15

**Service**
- We will continuously improve how we serve others.

**2006 Goals:**
- Elevate “overall service” satisfaction by 5 points
- Elevate “overall medical care” satisfaction by 5 points
- Elevate “would return to provider” by 5 points
- Elevate “would recommend provider” by 5 points

**Quality**
- We will provide safe and high quality preventive, acute, and chronic patient care.

**2006 Goals:**
- Mortality rate - .85 of expected
- Perform above 50th percentile in all publicly reported clinical quality measures
- Establish baseline for medication errors

**Growth**
- We will be the leading provider of health care services in the region.

**2006 Goals:**
- Patient volumes
  - In-patient admissions will meet or exceed budget
  - Out-patient visits will meet or exceed budget
  - Surgical operations will meet or exceed budget
  - Emergency Department visits will meet or exceed budget
- Increase sponsored research by 10%
- Increase high-volume referring physicians by 5%

**Finance**
- Vanderbilt financial resources attract world class faculty, staff, and students to heal, teach, and discover in state of the art facilities.

**2006 Goals:**
- Increase net revenue
  - Hospitals and Clinics $1.07 billion or more
  - Vanderbilt Medical Group $273.4 million or more
- Increase net income to $46 million
- Save 5% of cash flow
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Quality

• Achieve lowest mortality rate
• Perform in top 10% of clinical quality measures
• Eliminate medication errors
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Quality – Mortality 2003-2005

[Graph showing mortality rates by month and category, with labels for Other, Neurology, Surgical Science, Medicine, Peds, and VUMC O/E.]
Central Line Associated Bloodstream Infection Rates in VUH ICUs
January 2004 - December 2005

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Quality - Infections

Infections/1000 Central Line Days
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Quality - VUMC Hand Hygiene Campaign

- Adherence to hand hygiene practices by healthcare workers is an important way to prevent hospital-acquired infections
- Key component of elevate Quality pillar
- JCAHO, Leapfrog safety goal
- VUMC Hand Hygiene Campaign commenced Summer ’04 to increase adherence
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**Quality** - Improving Hand Hygiene Adherence

Q3 2004 to Q2 2005

- VCH: 27%
- VUH: 26%
- Nurses: 29%

Increase in Hand Hygiene Adherence
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People — FORTUNE 100 BEST COMPANIES TO WORK FOR 2006

Projecting the Trend Forward

Year of the Survey

Average Percent Agreeing (for 58 questions)
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People — FORTUNE 100 BEST COMPANIES TO WORK FOR 2006

Smallest Gaps between 100 best and Vanderbilt

<table>
<thead>
<tr>
<th></th>
<th>VU</th>
<th>Top 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>People here care about each other</td>
<td>86%</td>
<td>86%</td>
</tr>
<tr>
<td>When I look at what we accomplish, I feel a sense of pride</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>People here are given a lot of responsibility</td>
<td>88%</td>
<td>88%</td>
</tr>
<tr>
<td>I feel good about the ways we contribute to the community</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>My work has special meaning, this is not “just a job”</td>
<td>85%</td>
<td>82%</td>
</tr>
</tbody>
</table>
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**People — FORTUNE 100 BEST COMPANIES TO WORK FOR 2006**

#### Largest Gaps between 100 best and Vanderbilt

<table>
<thead>
<tr>
<th>Statement</th>
<th>VU</th>
<th>Top 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>I receive a fair share of the profits made by this organization</td>
<td>49%</td>
<td>69%</td>
</tr>
<tr>
<td>Management is honest and ethical in its business practices</td>
<td>74%</td>
<td>88%</td>
</tr>
<tr>
<td>Management is competent at running the business</td>
<td>74%</td>
<td>87%</td>
</tr>
<tr>
<td>Management involves people in decisions that affect their jobs or work environment</td>
<td>60%</td>
<td>73%</td>
</tr>
</tbody>
</table>
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**People - Reward & Recognition**

<table>
<thead>
<tr>
<th></th>
<th># of Awards</th>
<th>Total Value</th>
<th>Average $</th>
<th>Total Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary</td>
<td>2,005</td>
<td>$111,531</td>
<td>$56</td>
<td>14%</td>
</tr>
<tr>
<td>Non-Monetary</td>
<td>695</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,700</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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People – Community Survey

• March 20 to March 31
• Goal is 100% participation
• Leader Codes Supplied
• We Listen…
  – Success Sharing Bonuses
  – Reward and Recognition
  – Performance Development
  – Elevate
## Leadership Development Institute

### Service — Quality of Care
July to December 2005

<table>
<thead>
<tr>
<th>Survey</th>
<th>% Excellent</th>
<th>National Percentile</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult IP</td>
<td>63.8%</td>
<td>90.2</td>
<td>90th Percentile</td>
</tr>
<tr>
<td>VCH IP</td>
<td>73.6%</td>
<td>90.3</td>
<td>90th Percentile</td>
</tr>
<tr>
<td>Adult ED</td>
<td>55.9%</td>
<td>89.6</td>
<td>90th Percentile</td>
</tr>
<tr>
<td>VCH ED</td>
<td>66.1%</td>
<td>98.7</td>
<td>90th Percentile</td>
</tr>
<tr>
<td>OP Surgery</td>
<td>75.7%</td>
<td>96.5</td>
<td>90th Percentile</td>
</tr>
<tr>
<td>OP Technical</td>
<td>70.6%</td>
<td>96.8</td>
<td>90th Percentile</td>
</tr>
<tr>
<td>Clinic Visit</td>
<td>67.3%</td>
<td>75.1</td>
<td>90th Percentile</td>
</tr>
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</table>
Leadership Development Institute Service
- Likelihood to Recommend Vanderbilt July to December 2005

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<th>Survey</th>
<th>% Excellent</th>
<th>National Percentile</th>
<th>Goal</th>
</tr>
</thead>
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<tr>
<td>Adult IP</td>
<td>67.6%</td>
<td>93.1</td>
<td>95th Percentile</td>
</tr>
<tr>
<td>VCH IP</td>
<td>78.4%</td>
<td>96.6</td>
<td>95th Percentile</td>
</tr>
<tr>
<td>Adult ED</td>
<td>58.9%</td>
<td>89.5</td>
<td>95th Percentile</td>
</tr>
<tr>
<td>VCH ED</td>
<td>73.0%</td>
<td>99.4</td>
<td>95th Percentile</td>
</tr>
<tr>
<td>OP Surgery</td>
<td>77.4%</td>
<td>97.6</td>
<td>95th Percentile</td>
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<tr>
<td>OP Technical</td>
<td>73.1%</td>
<td>98.3</td>
<td>95th Percentile</td>
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<tr>
<td>Clinic Visit</td>
<td>71.1%</td>
<td>82.3</td>
<td>95th Percentile</td>
</tr>
</tbody>
</table>
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Service – Overall Quality of Care
July to December 2005 - VMG Visits
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Service - Likelihood to Recommend Vanderbilt July to December 2005 - VMG Visits
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Growth - Hospital and Clinic
Key Volume Measures Forecast

<table>
<thead>
<tr>
<th>Volume</th>
<th>FY 2006 December YTD</th>
<th>FY 2006 Forecast</th>
<th>FY 2005 Target</th>
<th>% Forecast To Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharges</td>
<td>23,204</td>
<td>46,402</td>
<td>45,885</td>
<td>+1.1%</td>
</tr>
<tr>
<td>LOS</td>
<td>5.5</td>
<td>5.5</td>
<td>5.6</td>
<td>-1.8%</td>
</tr>
<tr>
<td>CMI</td>
<td>1.80</td>
<td>1.86</td>
<td>1.86</td>
<td>0.0%</td>
</tr>
<tr>
<td>Patient Days</td>
<td>126,758</td>
<td>254,113</td>
<td>255,481</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Ambulatory Visits</td>
<td>244,245</td>
<td>998,536</td>
<td>995,192</td>
<td>+0.3%</td>
</tr>
<tr>
<td>ED Visits</td>
<td>44,188</td>
<td>91,550</td>
<td>88,330</td>
<td>+3.7%</td>
</tr>
<tr>
<td>Surgical Operations</td>
<td>18,892</td>
<td>38,573</td>
<td>38,579</td>
<td>-0.0%</td>
</tr>
</tbody>
</table>
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Financial Performance Results
Fiscal Year 2005 – 2006 (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY 2006 December YTD</th>
<th>FY 2006 Forecast</th>
<th>FY 2006 Target</th>
<th>% Forecast to Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$539,458</td>
<td>$1,085,855</td>
<td>$1,091,854</td>
<td>-0.1%</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>$522,608</td>
<td>$1,049,763</td>
<td>$1,042,154</td>
<td>+0.1%</td>
</tr>
<tr>
<td><strong>Available for Capital Improvements</strong></td>
<td>$16,850</td>
<td>$36,092</td>
<td>$49,700</td>
<td>-27.4%</td>
</tr>
</tbody>
</table>

Source: VUMC Department of Finance
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**Financial - Uncompensated Care Amount and Rate – Year-to-Date December, 2005**

*(in thousands)*

<table>
<thead>
<tr>
<th></th>
<th>FY 2006 Actual</th>
<th>FY 2006 Target</th>
<th>% Actual To Target</th>
<th>FY 2005 Actual</th>
<th>% Year to Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncompensated Care Amount</td>
<td>$97,383</td>
<td>$74,828</td>
<td>+30.1%</td>
<td>$66,761</td>
<td>+45.9%</td>
</tr>
<tr>
<td>Uncompensated Care Rate</td>
<td>7.1%</td>
<td>5.6%</td>
<td>+26.8%</td>
<td>5.7%</td>
<td>+24.6%</td>
</tr>
</tbody>
</table>

Source: VUMC Department of Finance
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Financial - Uncompensated Care
As of December 31, 2005

- TennCare/Medicaid discharges have increased 4%
- Self Pay discharges have increased 66%
- Hospital and Clinic Uncompensated Care Rate has increased from the budgeted rate of 5.6% to 7.1%
- $20 million more in Uncompensated Care than anticipated in the budget
- Trauma Adult Self Pay Discharges are up 118% from 166 to 363 through November 2005*
- Related Trauma Self Pay charges are up 209.9% from $8.1M to $25.1M through November 2005*

*Most recent data available
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Financial - TennCare

Solutions

- New $50 Million Essential Provider Pool
- New Pool for Level I Trauma Centers
- New Definition of Medically Needy
- Establish Disproportionate Share Pool for Tennessee
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Year End Assessment

• Communication 3.47
  – Providing overviews, linking pillars, reviewing tough questions

• Rounding 3.35
  – Do on regular basis, use logs, follow up for outcomes

• Recognition 3.32
  – Sending thank you notes, logging, manage-up, using “Recognize”

• Credo Behavior 3.63
  – Launched “It’s Who We Are,” behaviors customized to area, commitment document signed, using tool kits