

FINDING NEW STRENGTH IN UNITY

Four Cincinnati-Area Mercy Hospitals Form An Integrated Regional System

BY JULIE HANSER



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In January 1993 I became president of the new Mercy Health System Greater Cincinnati Region and took on the responsibility of integrating four local Sisters of Mercy hospitals into it. In preparation for this, my staff and I had interviewed hospital employees and community residents, conducted focus groups, and used other methods to study the cultures of both southwestern Ohio and the four hospitals. I already knew that the Sisters of Mercy, with more than 150 years of healthcare experience in the Cincinnati area, were viewed as visionary, values-driven providers. I assumed that integrating the Mercy hospitals would be relatively easy. But I was wrong.

Our goal, of course, was a single organization that would enhance the delivery of healthcare services to the residents of greater Cincinnati. But we discovered that, to accomplish this, we had to "let go" of familiar organizational structures in order to design something altogether different. Despite our extensive preparation, the support of

all participants, and the best wishes of our communities, the meshing of several diverse cultures proved difficult.

The vexation we faced in creating a new regional information system was a symptom of the larger problem. Each of the four organizations had its own information system, and each registered patients differently. When we tried to combine all these databases—especially those involving accounts receivable—we wound up crippling the new system for eight months. In six months, our backlog of accounts receivable grew from 68 days to 108 days.

The major difficulty was that although the leaders of the four organizations understood what we were trying to accomplish, each of them saw it differently. What one leader saw as promising, another saw as threatening; what one saw as an asset, another saw as a liability. And these differences of opinion were exacerbated by the fact that we needed to make changes speedily. Delay would brake our momentum and depress our spirits.

Summary In early 1993 the leaders of the Sisters of Mercy in Cincinnati decided to form their four area hospitals into a new integrated regional system.

The creation of this system—Mercy Regional Health System Greater Cincinnati—was made difficult by the fact that each of its four facilities had its own culture. Change, moreover, can be threatening to even the boldest. As a result of these factors, formation of the new system did not proceed as smoothly as we had planned.

Things improved after we began to acquaint ourselves with the histories and cultures of the four hospitals. After that, we created a new regional leadership structure that enabled us to form

administrators and employees into teams, breaking down the compartmentalization traditional in healthcare. We showed our employees that the system would open opportunities for them.

We also created a new regional board of trustees to develop the system's strategic plan, manage its business infrastructure, and draw up its budget. We established a holistic health and wellness center to encourage a focus on the connections between body, mind, and spirit. Through new corporate publications, newspaper advertisements, and lobby displays, we have explained our evolution both to our employees and the residents of the region. As a result, we are now in virtually all of greater Cincinnati's managed care plans.

DISCOVERING WHO WE WERE

We began to realize that we were unable to move ahead because we had inadequately understood the histories and cultures of the four constituent organizations. We saw that, to create a future together, we must first become students of the past. This we did through discussions with members of our sponsoring congregation, staff members, and community

residents. From such talks, we discovered that we were indeed dramatically different, even in the interpretation of our core values.

Mercy Hospital Anderson Our system's newest facility, this 186-bed hospital was opened in the booming southeastern section of Cincinnati in 1984. Located in a relatively wealthy part of the city and boasting luxury hotel amenities and services, Mercy Anderson is often perceived as an elite facility, both by its own community and by the staffs of other hospitals in the system. With a young, energetic administration that was implementing innovative services at the time of the merger, the hospital was clearly not in need of assistance.

Clermont Mercy Hospital Founded in 1973, this 157-bed hospital is just 10 miles from Mercy Anderson, with which it used to compete for business. Clermont Mercy is located in a semirural area, relatively isolated from the Cincinnati urban environment. Its staff members, who saw themselves as self-reliant, were proud of their hospital's pioneer status in the rural healthcare market.

Mercy Hospital Hamilton Founded in 1892, this 176-bed hospital was the Sisters of Mercy's first in southeastern Ohio. It is located in Hamilton, a city of 90,000 in the most northern part of the greater Cincinnati region. Embraced by a tightly knit community, the staff of Mercy Hamilton, like the staff of Clermont Mercy, saw themselves as self-reliant, with no need to share resources with other facilities.

Mercy Hospital Fairfield This 150-bed facility opened in 1978. Like Mercy Hamilton, it is located in the northern part of the region. But, in the early 1990s, its staff differed from Mercy

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Hamilton's in that they had no confidence in their ability to remain independent. For one thing, Mercy Fairfield lacked an obstetrics unit. Indeed, staff members sometimes said they were lucky that their facility had no competitor nearby. The hospital would eventually have to become part of a network, its staff said, because it could not survive as an independent organization.

REPLACING FEAR WITH EMPOWERMENT

Change of any kind evokes fear in even the best and boldest of us. In early 1993, when we began discussing the formation of a regional Mercy system, fear was palpable in our organizations. Everyone was asking himself or herself: What will these changes mean for me?

We believed that, in order to bond the four hospitals into a new regional system, we had to replace fear with empowerment. We decided to create a new leadership structure that, by crossing departmental and organizational lines, would break down the traditional compartmentalization of healthcare institutions.

To introduce the idea of teams, we formed the Regional Management Team (composed of the four hospitals' CEOs, administrators of the system's long-term care centers, and other top executives), the Wisdom Council (the system's vice presidents), and the Megateam (the top executives plus department managers). These groups then organized all the other employees into teams and educated them about the virtues of teamwork.

We designed this new structure to be circular rather than hierarchical. Under it, physicians and employees work with their colleagues at other system hospitals to identify the best care delivery methods and to redesign those which fail to measure up. The educational process emphasized how forming the system would create many new opportunities for our employees.

A NEW REGIONAL BOARD

We also created a regional board of trustees to develop our system's strategic plan, manage its

business infrastructure, and draw up its budget. The new board did not supersede the boards of our four hospitals; in fact, the chairpersons of the local boards served on the regional board. This change was not entirely smooth, because local board members sometimes had difficulties acquiring the wider vision required at the regional board level.

For this reason, we soon changed the name and role of the local boards. Those boards began to focus on community needs, relationships with physicians, quality-of-care evaluations, and fundraising. This was important because integration had become so complete that our four facilities were not "hospitals" in the old sense of the word, but rather total healthcare organizations prepared to serve the physical, emotional, and spiritual needs of their communities. The boards—which involve civic, advocacy, and patient groups—are now called "community area boards."

PROMOTING HEALTH AND WELLNESS

Our system has been a pioneer, in both the nation and the region, in introducing holistic approaches to healthcare. Our commitment to holistic health also demonstrates our willingness to reshape healthcare delivery so that it provides comprehensive care, not just episodic care in time of illness. In 1994 we opened at Mercy Hospital the Holistic Health and Wellness Center, which encourages its clients to maintain harmony of body, mind, and spirit. The center offers stress counseling, personal fitness consultation, massage therapy, biofeedback, classes in meditation and therapeutic touch, and other programs.

Today health-and-wellness services are offered at 10 Mercy sites in our region. In addition, we are enlarging the new health-and-wellness center at Mercy Anderson and constructing a new one at Mercy Fairfield. Because we realize that health is an important factor in job performance, we encourage our employees to participate in these programs. Our system's health insurance plan is unique in the Cincinnati area in that it reimburses members for certain wellness programs, including those related to hypertension, back sprain, stress, and obesity.

STRENGTH IN UNITY

In 1995 we began unifying our corporate image by having all system members adopt the Mercy Health System logo. We kicked off the effort with "Logo Celebration Day." At each of our facilities we threw a party—complete with cakes and bal-

loons—at which we gave employees a pin bearing the system logo.


Following that, we launched a series of corporate publications: *MERCYtoday*, a bimonthly newsletter for system employees that carries in-depth articles on issues like personal development and system strategy; *MERCYconnection*, a four-page monthly newsletter for employees that focuses on birthdays, anniversaries, coming events, and so forth; *MERCYmedstaff*, a monthly newsletter for staff physicians; and *mercyNOW*, an occasional bulletin for board members and community leaders as well as system physicians and employees. We use these publications to share positive outcomes, thereby demonstrating that the formation of our new system was indeed a wise move.

To reach a wider audience, we have published a series of advertisements about our changes in Cincinnati-area newspapers. We exhibited in our facilities' lobbies and community centers a corporate display of oversized photographs illustrating our mission, achievements, and plans for the future. Through these various media, we have explained our evolution from four separate hospitals into a regional system unified to promote the dignity of the individual and the well-being of the community.

It has all paid off. Today our system is in virtually all of the greater Cincinnati area's managed care plans. In the past two years we have installed a comprehensive information system, centralized our patient records, and refined our approach to managed care. Our system now includes Mercy St. Theresa Center, a multiservice community for seniors; a home healthcare company; and other services and programs.

What is more, our transformation of four separate hospitals into a regional system has produced positive fiscal results. By the end of 1995 we had reduced financial charges by 13 percent, business office costs by 22 percent, information services costs by 14 percent, materials management costs by 6 percent, and human resources costs by 20 percent.

In turn, these reductions enabled us to increase our minimum beginning wage to \$7 an hour and to cut employees' health insurance premiums by 12 percent. Such achievements have given us the confidence necessary to expand and improve our system even more. □

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