

St. Elizabeth's Hospital, Belleville, Ill.

Relying on Faith to Orchestrate a \$27 Million Turnaround

BY MARY BUFE

Ms. Bufe is a St. Louis-based writer who reports frequently on health care-related topics. She was engaged by St. Elizabeth's Hospital to tell their story.

Amid the toothpaste ads and 5 o'clock news promotions, St. Louis fans of Oprah have seen a different kind of commercial message popping up between segments of the popular talk show in recent months.

In one such spot, three elderly nuns kneel in the front row of a chapel, silently praying the rosary while a Gregorian chant plays in the background.

That ad — and others like it — is designed to be a reminder of both the healing power of prayer and the local hospital that is placing its Catholic identity front and center in a \$1 million marketing campaign.

The faith-focused campaign is one of several bold moves made by leaders at St. Elizabeth's Hospital in Belleville, Ill., a suburb of St. Louis. The hospital is going where few hospitals have gone before in its quest to improve its financial condition and become southwestern Illinois' health care provider and employer of choice.

"One in three Americans use prayer for healing," said Kevin Shrake, who took helm as president and CEO of St. Elizabeth's Hospital in February 2008. "Faith is a critical part of health care for many people. As a Catholic hospital, it is also fundamental to our mission and what sets us apart from many other hospitals. So why hide it?"

OPERATION: MISSION INTEGRATION

Shrake is not one to hide anything. In fact, he spent much of his first year at the 505-bed hospital creating an atmosphere of transparency that would allow St. Elizabeth's employees — all 1,750 of them — to understand the difficult financial straits the hospital was under, and their personal role in orchestrating a turnaround.

An affiliate of the Hospital Sisters Health System, 134-year-old St. Elizabeth's is one of two hospitals that serve the residents of Belleville and the growing southwestern Illinois communities that surround it. Its primary competitor is independently owned Memorial Hospital, which had 2008 revenues of \$239.8 million, compared to St. Elizabeth's \$170.8 million. If that local competition weren't enough, St. Elizabeth's faces the challenge of convincing potential patients to forgo the 30-minute trek across the Mississippi River to St. Louis hospitals for hometown care.

That task became more difficult in recent years, thanks in part to the state's skyrocketing medical malpractice insurance rates, resulting in the exodus of numerous physicians.



St. Elizabeth's employees and volunteers stand in line to receive \$25 gas cards as rewards for their efforts in the hospital's financial turnaround and improved patient satisfaction.



Kevin Shrake, president and CEO of St. Elizabeth's Hospital, speaks with employees during a recent meeting. Shrake took over in his current role in February 2008, helping to oversee the facility's \$27 million turnaround.

Increasing amounts of self-pay and charity care, and delays in payments from the State of Illinois, also added to the challenge. The health care crisis took a toll both on employee morale and the hospital's bottom line.

"As we entered 2008, revenues were down. Patient satisfaction was down," recalled Craig Steiner, the hospital's director of marketing. "Internal surveys showed some employees felt disconnected from the hospital and its mission."

Enter Shrake as interim president and CEO before the job became permanent five months later. "There was one thing I knew coming in: You can't downsize yourself to prosperity," he said.

Instead, Shrake called a meeting. Actually, he called a series of meetings, panel discussions and "edu-tainment" sessions to explain the challenges facing the hospital and, over time, how employees at every level of the organization could help address them.

"Our atmosphere at the time was negative," he said. "We made the decision to focus on the positive and actively engage all employees in a turnaround plan."

It was a situation not unlike ones the hospital

had faced before in its long history in the community.

"During the Great Depression, locals would come to St. Elizabeth's to fill their food baskets," Steiner said. "It was a time when antibiotics were still in their infancy, and a bad case of the flu could put someone in the hospital for a week."

"Even given their limited resources, the sisters who ran the hospital saw each of these trials as opportunity — an opportunity to do more, to serve more people. They strove to provide excellent care in the most difficult times, which is exactly what we are doing today."

A TURNAROUND TAKES SHAPE

The hospital's leadership didn't just tell employees to integrate its mission of service and healing in every facet of the hospital's operation; it showed them how.

Since October 2008 it has invested more than \$200,000 in Service Excellence training, focusing on the skills every employee needs for St. Elizabeth's Hospital to be the health care provider and the employer of choice. The program began when managers and directors identified employees who were already role models in

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their individual units. Dubbed Service Excellence Advisors, they received training which is now "trickling down" to every level of the hospital.

"We're big on rewarding everyday excellence, and recognizing the kindness our employees show both patients and each other as they go about their day's work," Shrake said. That can include everything from a cafeteria worker who splits a plate lunch in two for a pair of volunteers, to a painter who comes to the aid of a lost visitor who can't find her car.

Within months of beginning the initiative, the atmosphere at St. Elizabeth's was undergoing a noticeable shift, as were the figures on its balance sheet. By March 2009, it had achieved a \$27 million turnaround, thanks to careful expense control and revenue cycle management, coupled with modest growth. Patient satisfaction surveys today show sharp improvement in all major indicators, including a dramatic increase in patients who would recommend the hospital to family and friends. And a recently completed employee survey indicates that the number of employees feeling like they're part of the hospital's mission is up by more than 50 percent.

CELEBRATING ONE VICTORY AT A TIME

Along the way, the hospital has made a point of celebrating every success, large and small. At the height of last year's skyrocketing gas prices, for example, St Elizabeth's rewarded the progress already made by giving every hospital employee and volunteer a \$25 gas card — an investment that cost the hospital about \$50,000, but paid even bigger dividends.

"Each employee was required to bring their ID badge to a room in the hospital where a member of the administrative team could hand them the card and thank them personally," Shrake said. "We strongly believe that it is not only what you do that is important, but how you do it that has a positive impact on employees."

This past February, as the local economy fell further into the grips of recession, the hospital

hatched a plan for its own economic stimulus plan.

"We need the community as much as it needs us," said Shrake.

The plan: The hospital combined its National Nurses Week and National Hospital Week celebrations into one, using the savings to provide each employee with a \$20 cash bonus that they were encouraged to spend at neighborhood merchants. The local business community got in on the act by offering special discounts to hospital employees who shopped at downtown shops. The mayor declared it "St. Elizabeth's Appreciation Day."

Not everyone spent the cash as originally intended. Some employees, for example, opted to give their bonuses to a cancer patient at the hospital who they learned was down to his last \$20.

"It's the 'pay-it-forward' concept applied to how we perform our work" Shrake said. "Kindness begets kindness, and excellent service draws in patients. Patients tell their family and friends how they are treated here. It is a direct extension of the philosophy established by our founding sisters and helps to set us apart. And it's working."

The \$1 million marketing campaign, which in addition to TV includes billboards and newspaper advertising, may seem like an extravagance for a hospital that is just now beginning to turn some monthly profits.

"The campaign is important to us on many levels," Steiner said. "First and foremost, it accurately reflects to the outside world how we are integrating our Catholic mission into the way we live our lives, both inside and outside of the hospital. In many ways, our campaign is as much for our own people as it is for the community. It gives us another source of pride and puts us on the map with other hospitals in the St. Louis area as we recruit employees."

If there's a lesson for other hospitals to learn from St. Elizabeth's experience, it may be this: A financial turnaround can be accomplished using a bottom-up, people-oriented approach.

"What the people of St. Elizabeth's have taught me is that it is possible to remain positive while doing difficult things," Shrake said. "All it takes is an engaged workforce." ■



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