



2007 Award Recipient

Mercy Health System

In 1989, Mercy Hospital was a single stand-alone community hospital primarily serving Janesville, Wisconsin. Today, Mercy Health System (MHS) is a fully integrated health care system with three hospitals and a network of 64 facilities consisting of 39 multi-specialty outpatient centers located in six counties throughout southern Wisconsin and northern Illinois. Mercy has a unique W2 Physician Partnership Model with 285 primary and speciality physicians. In addition, MHS offers post-acute and retail services, and an insurance company which operates the second largest health maintenance organization in its market area.

With an unwavering commitment to quality and cost-effective health care, MHS provides a complete spectrum of integrated health care services, including basic preventive medicine and health education, complex neurosurgery and open heart surgery, and post-acute care such as rehabilitation, home health, and hospice care to more than 1 million patients annually. Mercy's nearly 4,000 employees, called "partners," include 285 W2 physician partners who make up 80 percent of its medical staff. For the past six years, MHS has been ranked in the top 100 integrated health care networks, reaching number 11 on the list in 2008.

Healing in the Broadest Sense

To further its mission of providing "exceptional health care services, resulting in healing in the broadest sense," MHS has created a culture of high quality care, customer focus, partner cooperation, innovation, and cost consciousness. The entire organization is aligned according



What is the Malcolm Baldrige National Quality Award?

Named after the 26th Secretary of Commerce, the Malcolm Baldrige National Quality Award was established by Congress in 1987 to promote excellence in organizational performance, recognize the achievements and results of U.S. organizations, and publicize successful performance strategies. For more information, see <http://baldrige.nist.gov>.

Baldrige 20th Anniversary Highlight: The Eligibility Categories

Originally, three types of organizations were eligible for the Baldrige Award: manufacturers, service companies, and small businesses. This was expanded in 1999 to include education and health care organizations, and again in 2007 to include nonprofit organizations (including charities, trade and professional associations, and government agencies).

Up to 18 awards may be given in a single year (maximum of three in each category). The most awards in a single year to date were seven in 2003 (one manufacturing, two service, one small business, one education, and two health care). Four organizations have received two Baldrige Awards: the Ritz-Carlton Hotel Co. in 1992 and 1999 (service), Solectron Corp. in 1991 and 1997 (manufacturing), Sunny Fresh Foods Inc. in 1999 (small business) and 2005 (manufacturing), and Texas Nameplate Co. Inc. in 1998 and 2004 (small business).

The award is not given for specific products or services.

to its Culture of Excellence Four Pillars—quality, service, partnering, and cost—and its values—healing in its broadest sense, patients come first, treat each other like family, and strive for excellence.

Quality—Excellence in patient care. Every MHS partner is committed to exceeding patient expectations by making quality care a top priority. Best-practice benchmarks are used to measure clinical care and ensure continuous improvement and patient safety. At MHS, an engaged, empowered workforce and advanced medical and information technology are key to high quality patient care.

- Current overall mortality rates for MHS match the best practice benchmark based on data from the CareScience adjusted rate for the top 15 percent of hospitals in the United States. (CareScience is a provider of care management, clinical analysis, and clinical quality improvement solutions.)

- Results for community acquired pneumonia mortality have decreased steadily since 2003, with current results at 1.2 percent—significantly below the benchmark of 4.0 percent.

- Medication safety procedures and technology allows for 24/7 pharmacist review of medication orders prior to administration at all hospital locations.

- A system-wide, secure electronic network gives authorized partners at all sites access to patient health information, including visit history, diagnostic and medication orders, test results, and images.

Service—Exceptional patient and customer service.

MHS focuses on patient and customer satisfaction, timely resolution of problems, and expanding and improving services. Continuous benchmarking, tracking of quality indicators, and surveying patients and customers help MHS ensure excellence in patient care.

- In 2006, overall satisfaction with MHS multi-specialty outpatient centers was 96 percent; overall satisfaction with MHS hospitals was 95.2 percent.

- In 2006, about 84 percent of hospital customers and about 90 percent of multi-specialty outpatient center customers would recommend MHS to others, a key indicator of customer loyalty and a reflection of overall satisfaction.

- MHS's "Take the **L.E.A.D**" program—Listen to the customer; Empathize with the customer; Accept the customer's perspective, Apologize, Acknowledge concern and take Action to recover; Direct to the person able to recover the situation—is used to turn negative experiences into positive ones. Effectiveness in resolving patient and customer concerns has risen from about 90 percent in 2002 to 94 percent in 2007.

- The Mercy Health Mall is a one-stop superstore offering a number of services, including acupuncture, massage therapy, a vision center, a pharmacy, durable medical equipment and supplies, an urgent care clinic, a cardiac rehabilitation and fitness center, outpatient diabetic treatment, an entire array of health products, and more.

Partnering—Best place to work. A basic belief at MHS is that engaged, empowered, and valued partners, including 285 W2 physician partners, are vital to providing exceptional health care services. At the time they are hired, partners are asked to commit to achieving the MHS mission, participate in performance improvement efforts, and create a personal and professional growth and development plan. MHS's leaders live by a "servant leadership" philosophy: When leaders provide excellent service to partners, partners provide excellent service to patients.

- For the last two years, MHS has been ranked number one and number two in the nation on the American Association of Retired Persons (AARP) "Best Employers for Workers Over Age 50" list. This year, MHS was the only organization to receive AARP's "Bernard Nash Award" in the flexible work options category for its innovative age-neutral policies. MHS also was named one of the "100 Best Companies to Work" by *Working Mother* magazine.

- To determine workforce engagement, MHS uses surveys as well as informal methods such as CEO partner forums and lunch with leaders. MHS ranks in the 96th percentile for "feeling valued" and in the 95th percentile for overall satisfaction. Physician satisfaction ranks above the American Medical Group Association 95th percentile.

- Staff turnover at MHS has declined from 13.5 percent in 2002 to 7.5 percent in 2007.

- Almost 100 percent of participants are satisfied with Mercy's Leadership Development Academy, an internal management development program.

Cost—Long-term financial success. MHS encourages and entices partners to identify innovative ideas for growing revenue, decreasing expenses and waste as well as increasing productivity and effectiveness.

- Since 1989, MHS's revenue has increased from about \$33 million to \$847 million, demonstrating significant growth.

- Rewards to partners for achieving system-wide financial and customer satisfaction goals has increased from \$676,704 in 2002 to \$1.1 million in 2006.

- MHS is the leader in market share for inpatient services and outpatient surgery in its Wisconsin service area.

- MHS's physician clinic office visit captures 87 percent of the market in its Wisconsin service area.

- Since 1989, many health care systems have seen declining bond ratings while MHS's Moody bond rating remained stable at A2 from 1996 to 2007, and increased to positive long-term outlook in 2007. This is a key measure of its commitment to financial stability and long-term viability.

Care for the Community

Good citizenship at MHS is not a slogan, it is part and parcel of the organization's core mission (to "provide exceptional health care services resulting in healing in the broadest sense") and its vision statement (to "promote educational programs and health care initiatives to improve community quality of life"). For example, MHS founded the House of Mercy Homeless Center in Janesville, WI, after Javon Bea, president and chief executive officer of MHS, realized that a growing number of emergency room patients were listing the family car as their primary address. The only shelter of its kind operated by a health system, the House of Mercy can shelter up to 25 women and children for 30 days at a time. Since its inception in 1996, the Center has provided shelter for more than 3,800 individuals, including 1,900 children.

- In 2007, MHS provided more than \$32 million in uncompensated care and free services to local communities.

- MHS annually sponsors more than 3,800 health screenings, community education classes, and other activities designed to meet community needs.

- Senior Connection, a free program for those 55 and older, offers Medicare advice, referrals for home health care, and other information from trained counselors.

- Annually, Mercy partners give thousands of hours of their time and more than \$550,000 in donations to local organizations.

For more information:

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