Watsonville Community Hospital & Pajaro Valley Healthcare District

STRATEGIC PLANNING BOARD RETREAT PRE-READ

Draft for preliminary review

June 2023

Today's Focus:

Objectives

- To capture input on draft mission, vision, and values statements

- To validate strategic priorities and tactics

- To seek feedback on clinical, financial, and operational impact of strategies and tactics

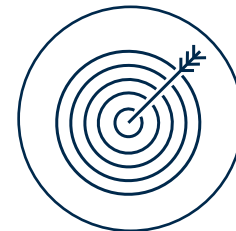# Recap: Strategic Planning Process Overview

Phase I	Phase II	Phase III
Assess Current State & Articulate Vision / Goals	**Plan Strategies & Tactics**	**Create Roadmap & Synthesized Plan**

Market Landscape and Watsonville Community Hospital Assessment

Internal and External Stakeholder Engagement

Draft Mission, Vision, Values and Goals

Develop Strategies and Tactics, such as:

- *Clinical Services*
- *Community Health & Access*
- *Provider & Facility Network*
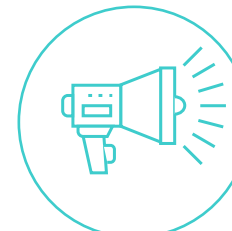- *Workforce Engagement*
- *Partnerships*

High-Level Financial Impact and Projections

Strategic Plan and Implementation Roadmap

Communications Strategy for Internal and External Audience

Pajaro Valley Healthcare District & Watsonville Community Hospital Work Together to Achieve a Shared Mission

The Pajaro Valley Healthcare District...

❖ Provides public oversight of Watsonville Community Hospital to ensure financially sustainable services

❖ Ensures the community has access to high-quality, sustainable health care services

❖ Acts as a trusted community partner to improve social determinants of health and health outcomes

Watsonville Community Hospital...

❖ Provides critical health care services, operating the only hospital in southern Santa Cruz County

❖ Delivers high-quality, compassionate healthcare, serving over 30,000 unique patients annually

❖ Supports diverse care teams, with over 600 employees and 300 physicians on the medical staff

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WCH and PVHCD Strategies – *draft for discussion*

PVHCD-FOCUSED STRATEGIES

Community Health & Partnerships
Expand **community partnerships** to serve as a trusted partner and address needs in areas such as behavioral health, health equity, and social determinants of health

Provider Platform
Develop an aligned, multi-specialty provider platform to support **engaged, committed providers and enable care closer to home**

WCH-FOCUSED STRATEGIES

Clinical Quality & Patient Experience
Improve clinical and operational processes and protocols to provide **high-quality care and excellent patient experience**

Talent & Culture
Recruit, retain and support exceptional teams who advance a culture of trust, compassion, and integrity for those we serve

Clinical Services & Access
Expand WCH clinical programs and partnerships to deliver **clinical services and sustainable and equitable access** for our community

Financially Sustainable Services
Ensure **efficient operations and financial sustainability** to achieve PVHCD's mission and ensure services for generations to come

Health Equity Across All Strategies

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Community Health & Partnerships – *draft for discussion*

STRATEGY

Expand community partnerships to serve as a trusted partner and address needs in areas such as behavioral health, health equity, and social determinants of health

CONTEXT & RATIONALE

- **Medi-Cal Services:** Medi-Cal patients in the Pajaro Valley mainly receive care from Salud and WCH, supported by Central California Alliance for Health, the non-profit health plan. There is an opportunity for these organizations to collaborate to design a care model for underserved residents.

- **Community Partners:** WCH's status as a public organization requires a commitment to openness, integrity, service, and community accountability. There is a desire among employees, board members, and external partners for WCH to grow relationships with local organizations and partners.

- **Kaiser Relationship:** When Kaiser entered Santa Cruz County, they forged a relationship with WCH to meet network adequacy requirements for their health plan. There is an opportunity for WCH to expand its partnership with Kaiser to grow clinical services, learn from Kaiser's strengths in clinical operations, and pursue areas of shared investment such as infrastructure, equipment, and technology.

TACTICS

1 Grow WCH's role in the community and relationships with local organizations and partners

2 Partner with Salud and other healthcare organizations to design a population health delivery model for underserved residents

3 Expand partnership with Kaiser to ensure shared clinical, operational, and financial success

Provider Platform – *draft for discussion*

STRATEGY

Develop an aligned, multi-specialty provider platform to support engaged, committed providers and enable care closer to home

CONTEXT & RATIONALE

- **Specialty Care:** Residents see WCH as a local necessity—they need to have a place close by they can take their friends and family if an issue ever arises. Lack of staffing in key specialty areas has exacerbated the perception that patients must travel north for complex care; they think if they come to WCH for treatment, they will be "shipped out" elsewhere. WCH can address specialty care gaps through partnership, recruitment, and increased alignment.

- **Primary Care:** There is unmet primary care demand in Pajaro Valley, with a shrinking number of independent primary care providers. A WCH primary care platform will increase access, support care coordination, and enable care closer to home.

TACTICS

1 Fill gaps in core specialty services (e.g., GI, Critical Care)

2 Align select specialists to offer integrated care for distinct populations and services (e.g., Ortho. Gen Surgery)

3 Create an integrated primary care base for WCH through recruitment, succession planning, and primary care provider alignment

Clinical Quality & Patient Experience – *draft for discussion*

STRATEGY	Improve clinical and operational processes and protocols to provide high-quality care and excellent patient experience

CONTEXT & RATIONALE

- **Quality Scores and Outcomes:** WCH's clinical outcomes and patient safety measures are lower than California state averages, internal WCH goals, and regional competitors. There is an opportunity to improve quality and patient experience to demonstrate that while WCH may not provide every clinical service, the services we offer are the highest quality care for our families and neighbors when they need it most

- **Operational Performance:** As a newly independent organization, WCH is responsible for many processes that were previously managed by the previous owners. There is an opportunity to optimize clinical operations, which will also result in financial performance improvement

TACTICS

1 Expand clinical and operational processes to improve quality outcomes and patient experience

2 Deepen data and analytics capabilities to ensure consistent clinical quality and patient experience monitoring and reporting

3 Optimize clinical operations including access / throughput, clinical documentation improvement, and revenue cycle

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Talent & Culture – *draft for discussion*

STRATEGY

Recruit, retain and support exceptional teams who advance a culture of trust, compassion, and integrity for those we serve.

CONTEXT & RATIONALE

- **Care Team Experience and Engagement:** Employees care deeply about the community they live in and work in and feel inspired to serve those who need their care locally. WCH should embed two-way communication and foster ownership and engagement at all levels of the organization.

- **Patient Experience:** Low WCH patient experience scores result in lower quality ratings (e.g., Leapfrog) and undermine WCH's commitment to be a consistent source of accessible care for *all* in the community. WCH should embrace a shift to patient-first thinking, which may require aligning incentives and enforcing behavior standards in new ways.

- **Aligned Leadership:** Previous ownership groups have enabled an "us vs. them" mindset and inhibited good-faith collaboration, which colleagues recognize and hope to address. There is a need to create trust, alignment, and good-faith collaboration between WCH leadership and employees.

TACTICS

1 Support and retain employees through a focus on care team experience, competitive compensation, and access to resources that enable success

2 Expand staff, care team, and physician engagement, ownership, and collaboration, and foster employee pride as "ambassadors" for WCH

3 Ensure leaders and staff embody a culture of transparency and accountability to achieve WCH's mission and vision

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Clinical Services & Access – *draft for discussion*

STRATEGY

Expand WCH clinical programs and partnerships to deliver clinical services and sustainable and equitable access for our community

CONTEXT & RATIONALE

- **Focused Clinical Growth:** Over half of Pajaro Valley residents leave the district for Cardiac, GI, Ortho, and General Surgery inpatient services.

- **OB and NICU:** WCH supports 68% of deliveries for Medi-Cal patients in Pajaro Valley, but only 20% of commercial patients. WCH delivery and Neonatal Intensive Care Unit (NICU) volumes have decreased, and both programs have experienced increasing financial challenges.

- **Tertiary/Quaternary Care:** Stanford and Dominican provide most high acuity care for patients from the Pajaro Valley that leave the region. WCH should act as the "quarterback" for patients, to enable seamless patient navigation and access to partners for higher acuity care as needed.

- **Post-Acute Care:** Pajaro Valley residents must leave the district for post-acute care (PAC) services today. Sub-leasing available space to a PAC provider will increase access and create an important revenue source for WCH.

TACTICS

1 Grow select clinical programs and aligned services (e.g., Cardiovascular, GI, General Surgery, and Orthopedics)

2 Grow WCH OB program and explore NICU programs and partnerships to ensure financial sustainability and access

3 Establish seamless tertiary/quaternary care partnerships to ensure coordinated care across the continuum

4 Sub-lease available second floor unit to inpatient rehab, behavioral health or long-term acute care (LTAC) service provider

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Financially Sustainable Services – *draft for discussion*

STRATEGY	Ensure efficient operations and financial sustainability to achieve PVHCD's mission and ensure services for generations to come

CONTEXT & RATIONALE

- **Philanthropic Support:** Now that WCH is publicly owned, we are held accountable by our donors and community members. There is an opportunity to build on the unprecedented community support and engagement to ensure WCH's services are tailored to the community and sustainable for generations to come.

- **Government Funding:** Many healthcare districts use municipal bonds or county-generated revenue sources to finance capital investments and support ongoing operations and clinical services. WCH should explore numerous mechanisms for supplemental funding.

- **Technology and Infrastructure Investments:** WCH leases the land and hospital facility from Medical Properties Trust, a national REIT, which is a significant annual expense. In addition, an outdated electronic health record (EHR) makes patient documentation and reporting difficult.

TACTICS

1 Assess the financial implications for all organizational initiatives to improve operating margins and performance

2 Continue to engage community donors and identify philanthropic funding opportunities

3 Pursue federal, state, and local government funding to support future initiatives

4 Identify longer-term technology and infrastructure investments and financing strategy

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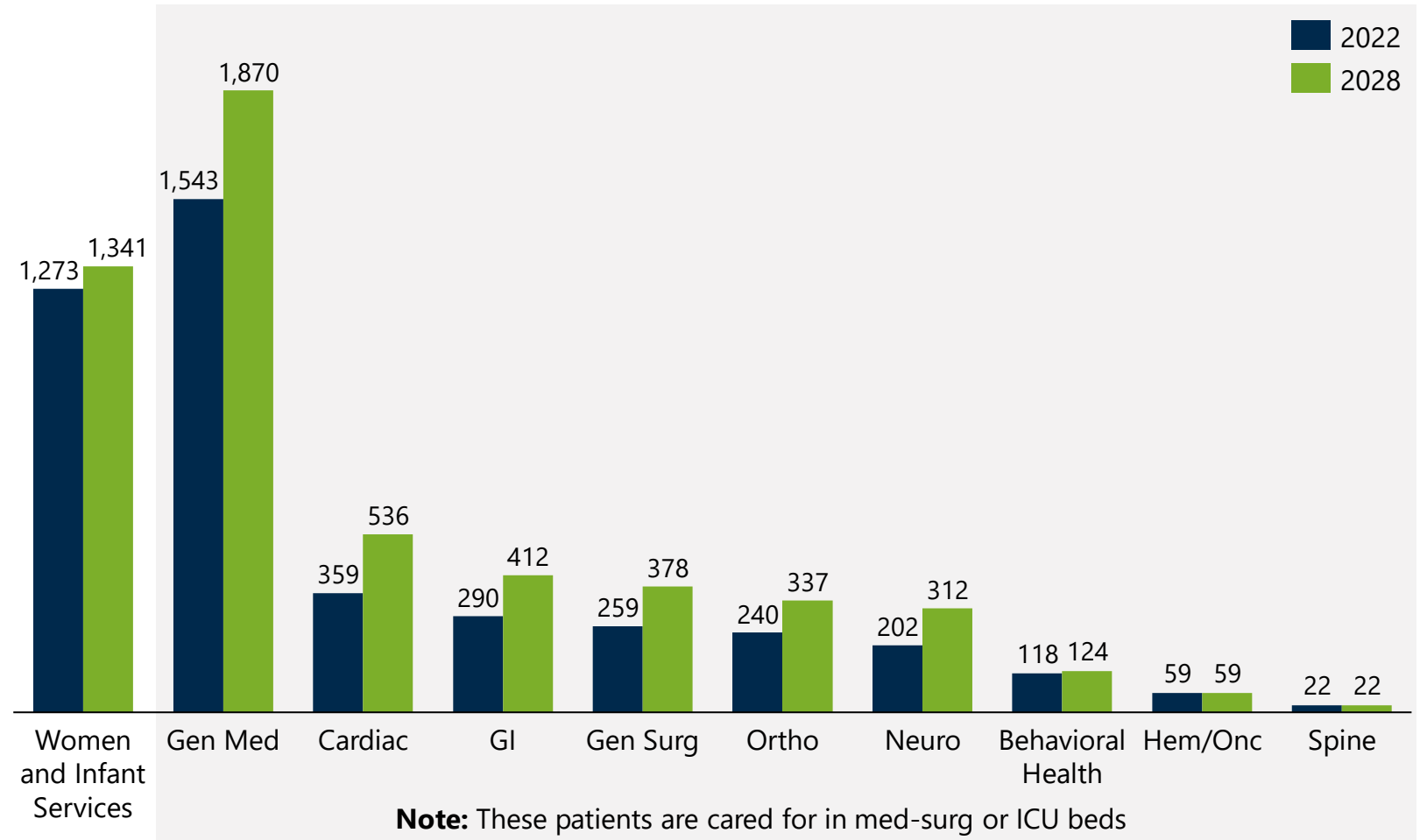# Summary of Key Tactics – *draft for discussion*

Strategies	Tactics
Community Health & Partnerships	1. Grow WCH's role in the community and relationships with local organizations and partners 2. Partner with Salud and other organizations to design a population health delivery model for underserved residents 3. Expand partnership with Kaiser to ensure shared clinical, operational, and financial success
Provider Platform	1. Create an integrated primary care base for WCH through recruitment, succession planning, and provider alignment 2. Fill gaps in core specialty services (e.g., GI, Critical Care) 3. Align select specialists to offer integrated care for distinct populations and services (e.g., Ortho. Gen Surgery)
Clinical Quality & Patient Experience	1. Expand clinical and operational processes to improve quality outcomes and patient experience 2. Deepen data and analytics capabilities to ensure consistent quality and experience monitoring and reporting 3. Optimize clinical operations including access / throughput, clinical documentation improvement, and revenue cycle
Talent & Culture	1. Support and retain employees through a focus on care team experience, competitive compensation, and access to resources that enable success 2. Expand staff, care team, and physician engagement, ownership, and collaboration, and foster employee pride as "ambassadors" for WCH 3. Ensure leaders and staff embody a culture of transparency and accountability to achieve WCH's mission and vision
Clinical Services & Access	1. Grow select clinical programs and aligned services (e.g., Cardiovascular, GI, General Surgery, and Orthopedics) 2. Grow WCH OB program and explore NICU programs and partnerships to ensure financial sustainability and access 3. Establish seamless tertiary/quaternary care partnerships to ensure coordinated care across the continuum 4. Sub-lease available second floor unit to inpatient rehab, behavioral health, or long-term acute care service provider
Financially Sustainable Services	1. Assess the financial implications for all organizational initiatives to improve operating margins and performance 2. Continue to engage community donors and identify philanthropic funding opportunities 3. Pursue federal, state, and local government funding to support ongoing capital and operational expenses 4. Identify longer-term technology and infrastructure investments and financing strategy

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WCH Clinical Projections – *draft for discussion*

Statistics: 2022 vs. 2028

2022	2028	
44	~52	Average Daily Census
4,365	~5,400	IP Discharges
98,890	~106,000	Outpatient Visits
29,024	~32,200	ED Visits
2,281	~3,200	Outpatient Surgeries

Source: WCH Internal Data, 2022. Excludes Normal Newborns.

WCH Inpatient Discharges by Service Line, 2022 vs. 2028

Legend: ■ 2022 ■ 2028

Service Line	2022	2028
Women and Infant Services	1,273	1,341
Gen Med	1,543	1,870
Cardiac	359	536
GI	290	412
Gen Surg	259	378
Ortho	240	337
Neuro	202	312
Behavioral Health	118	124
Hem/Onc	59	59
Spine	22	22

Note: These patients are cared for in med-surg or ICU beds

Strategic Plan Roadmap Highlights – *draft for discussion*

WE ARE HERE

Expand community role and partnerships

Pursue municipal bond to support long-term infrastructure investments

Renovate ED and sub-lease second floor unit

| 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |

PVHCD created and WCH emerged from bankruptcy

Turnaround Plan Underway

Finalize WCH and PVHCD Mission, Vision, Values and Strategic Plan

Invest in clinical growth, team-building and infrastructure, including:
- Cath Lab, GI, General Surgery, and Ortho growth
- Clinical and operational processes, teams, and tools
- Restructure NICU partnership
- Invest in talent, quality, and patient experience

Build primary care platform

Grow clinical services and explore on-site neurology and stroke certification