

Stratus Healthcare Integrated Network

Keeping Health Care Local across Georgia

The largest of its kind in the southeast, [Stratus Healthcare](#) is a collaborative partnership of hospitals in central and south Georgia formed to create a network of hospitals, health care systems and physicians. Members of the Stratus Healthcare alliance work together to exchange best practices, combine resources, develop coordinated information systems, reduce costs and manage the health of populations.



Overview: [Navicent Health](#) in Macon, GA and [Tift Regional Health System](#) (TRHS) in Tifton, GA first announced a partnership in April, 2012. Respective presidents/CEOs Ninfa Saunders, Ph.D. and William T. Richardson have worked purposely to develop the partnership framework and recruit members for the network. In July, 2013, Stratus Healthcare was formed uniting healthcare providers across Georgia in one of the nation's largest collaborations of hospitals, healthcare systems and physicians aligned to develop a clinically-integrated network. The name "Stratus" was chosen because of the upward inference of the word and the alliance's goal to strive for excellence; the goal of the collaborative is to elevate health care to a higher level.

Mission, Vision and Founding Principles:

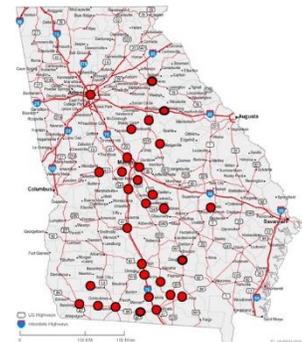


The mission of Stratus Healthcare is to enhance the health and wellness of patients by delivering exceptional care through a connected community of physicians, hospitals and shared services. The vision is to be the providers of choice by providing a clinically integrated network of medical professionals working together to coordinate patient-centered, high quality and efficient care.

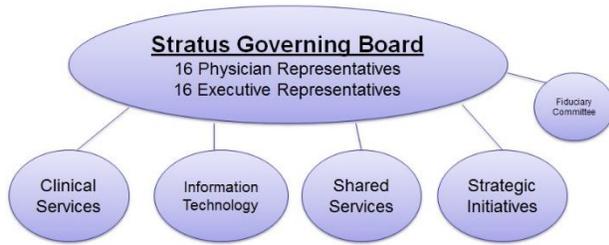
The following signify Stratus' founding principles:

- Physician Leadership and Engagement;
- Providing the Right Care at the Right Place and Right Cost;
- Creating a culture of trust and collaboration;
- Utilizing a patient-centered approach with a focus on efficiency and clinical quality;
- A Commitment to improving the health of their patient populations;
- Independent providers coming together to build systems of care.

Location and Composition: Stratus Healthcare reaches out to 66 Georgia counties and currently consists of 30 hospitals, 16 health systems and approximately 2,000 physicians and 22,000 employees. This partnership includes over 3,500 total beds at over 80 sites of care. The breakdown of members include 20 rural hospitals; 15 safety net hospitals; 8 critical access hospitals, 2 urban and 8 suburban facilities. The collaborative partnership sets the stage for innovation, while providing an alternative to mergers and



acquisitions in a changing healthcare climate. Stratus Healthcare serves as a vehicle to keep healthcare local.



Structure and Governance: A non-equity partnership at the outset, Stratus Healthcare plans to form a non-profit limited liability corporation, pooling both human capital and financial resources to meet its mission and vision. A governing body consisting of physicians and CEOs from each of the medical centers will oversee the

alliance. The Stratus Healthcare board comprises 50 percent physicians and 50 percent CEOs of participating hospitals crafted the agreement. Members of Stratus Healthcare worked together in a formalized partnership to exchange best practices, combine resources, develop coordinated information systems, reduce costs and manage the health of populations.

| Stratus Healthcare Top Strategic Goals |
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| Developing a Clinically Integrated Network |
| Stratus Member Employee Health Plan Development |
| Developing a Partnership with a Quaternary Provider |
| Developing a Payor Strategy |
| Sharing Cost Savings Opportunities |

Strategy: Expectations from the health partners were very clear from the start. Redefining the health systems' independence and collaboration was imperative. In order to fit the model and partner, governance, physicians and management had to respond to the new imperatives. The partnerships sought had to foster improved access, lower costs and improved quality for a regional population. Partnering hospitals also had to transition from volume-based to

value based and physicians had to move from fee for service to fee for value.

Clinical Integration: Stratus Healthcare workgroups have developed clinical guidelines, telemedicine connections, transfer arrangements and sharing of outcomes data, as well as collective purchasing, integrated clinical networks and shared business resources. They enhance the health and wellness of the communities by improving the regional coordination of medical services for patients, employs and payers by:

- Developing clinical guidelines and sharing clinical outcomes;
- Timely exchange of electronic patient information;
- A program grounded in clinical integration;
- Prevention of duplication or over-utilization of healthcare services

Outcomes: Performance improvements were seen through economies of scale, scope, structure and skill. In addition, Stratus was able to apply market powers toward suppliers to rein in costs in shared savings opportunities including:

- Stratus member employee health plan development;
- Supply chain leverage;
- Group purchasing;
- Product and vendor evaluation;
- Hospital-based specialists (such as anesthesiologists and hospitalists.)

Outcomes could also be seen in increased output in several key areas of scope:

- Specialty service diversification and range of services provided;

- Telemedicine
 - Increased patient retention in rural hospitals
 - Increased referrals to engaged specialists in Stratus network
- Reference lab;
- Mobile imaging;

Identifying and engaging leadership and creating standardized evidence-based care plans for quality improvement was a focal point in the planning process. This included sharing clinical resources for service lines as well as population data and administrative support.

Knowledge transfer was also a focal point; the Stratus University was developed as the basis for in-house training and CME:

- Lean/Six Sigma Training
- Leadership Academy
- On-site MBA program
- Continuing medical education for physicians
- Continuing education for RNs and AHPs

The engagement of population health was also a consideration in the educational planning process:

- Data sharing among Stratus providers
- HIE interoperability
- Data warehousing/enterprise analytics
- Care coordination

Progress: As the founding parties learned, not all consequences are intended. There was a considerable impact on the continuum of care, specifically the ambulatory and retail space and post-acute care. The leaders were pleased to see that Stratus Healthcare was positioned as a “one-stop-shop” with access to known, high-quality providers to support access and offered a competitive cost structure to competitors. This put them in an advantageous position for potential partnerships with employers, national retail giants and quaternary healthcare systems.

The merger allowed Stratus Healthcare to think differently about rural health delivery and critical access hospitals. By offering a forum for dialogue, they learned there is a very strong identity with one’s local hospital and that culture and operational challenges exists in trying to transition to a different model.

The Future and Lessons Learned: Stratus Healthcare has benefited from many economies without mergers and acquisitions, commitment to long-term relationships or expending large capital investments. The merger has allowed a direct relationship with payers and employers by establishing new care and payment methods with a care management focus including:

- Narrow network;
- Regional and possible national networks and contracting;
- Partnership with a quaternary healthcare system

The have also been able to establish clinical integration platform for implementation to prepare for a clinically integrated network.

Looking back, Stratus shared a few of their lessons learned:

- Never underestimate the power of culture, this must be a priority and consideration along with strategy;

- Create a board structure that facilitates speed to execution;
- Identify physician leaders.

Stratus Healthcare continues to evolve in strategy and implementation. As the process continues its members are confident they are well positioned for the transformations from volume to value-based purchasing. This has been accomplished with members maintaining their unique identity, while experiencing the value of collaboration.