

THE Value Initiative

Members in Action: Implementing Operational Solutions

Jefferson Health – Philadelphia, PA

Strategic Relationship with GE Healthcare to Achieve \$1 Billion in Efficiencies

In the Members in Action series, AHA will highlight how hospitals and health systems are implementing new value-based strategies to improve health care affordability. This includes work to redesign the delivery system, manage risk and new payment models, improve quality and outcomes, and implement operational solutions.

Overview

Philadelphia-based Jefferson Health has facilities located throughout the Delaware Valley and Southern New Jersey.

Approximately 100 GE Healthcare staff are actively engaging with personnel from the health system's 14 hospitals as part of an innovative shared-risk relationship that was created to generate cost savings, as well as improve patient care and efficiencies. The GE Healthcare staff have joined the Jefferson Health team, participating in meetings and other activities just as Jefferson Health employees do.

Innovation is a primary focus area for Jefferson Health and Thomas Jefferson University President and CEO Stephen K. Klasko, M.D. The relationship with GE Healthcare is consistent with Klasko's vision of Jefferson Health being a health network with a start-up mentality and ensuring that care providers, nurses, ancillary staff, and other stakeholders are engaged in the process.

By embedding GE Healthcare staff at its sites, Jefferson Health seeks to improve care integration and reduce the number of repetitive forms and requests patients must complete. This includes fewer stops at different offices, fewer duplicative tests, and shorter waits, thus reducing their overall cost of care. Meanwhile, physicians, nurses, and other caregivers can spend less time on administration and more time caring for patients.

During the course of the relationship, Jefferson Health and GE Healthcare staff will work side-by-side in areas across the health system's 14 hospitals to acquire a deep understanding of operations and processes. The teams will focus on strategic growth, operations, integration, and performance improvement opportunities, while leveraging technology to deliver best-in class, seamless care that is convenient and affordable for the patient. Through a shared-risk model that aligns the economic interests of Jefferson Health with GE Healthcare, both organizations have agreed to critical milestones that must be achieved throughout the eight-year relationship. A portion of GE Healthcare's fees is contingent upon the level of success both organizations have in reaching certain integration goals.

Impact

The goal of the Jefferson Health – GE Healthcare partnership is to achieve \$1 billion in financial improvement, through a combination of growth and cost savings, within five years. While the efforts have been active for only six months, the organization is on target to meet its goals over the long term, according to Kate Kinslow, executive vice president and chief integration officer of Jefferson Health and CEO of Jefferson Health – Northeast.

"This isn't just a program," Kinslow says. "It's a relational engagement."

The GE Healthcare relationship also provides Jefferson Health the opportunity to work with some of the company's state-of-the-art equipment when replacement of current equipment becomes necessary. While Jefferson Health is not required to use GE Healthcare, they will be offered best pricing on replacement equipment because of this relationship. Eventually, this will lead to reduced variation in equipment between sites, which will help with Jefferson Health's goal to better integrate its facilities.

Lessons Learned

In any venture of this magnitude, you can't underestimate culture, Kinslow says.

"How people accept a new way of doing things is so very important," she explains. "As you're looking at the development of a new organizational culture, you also need to preserve the individual cultures that already exist. Each facility has its own culture—we have 14 different hospitals, and the staff at each one has pride in who they are as an organization. We cherish that and reward it. We may have 14 hospitals and two universities, but we are one Jefferson."

The way to do that, she says, is to think globally but act locally by ensuring that people still feel ownership while creating a new framework. The key is to communicate as much as possible with key stakeholders, and listen to them as well.

"When we have such a large organization and so many different sites and practices, it's almost impossible to over-communicate," Kinslow says.

Additionally, she recommends being realistic and flexible with goals and plans. External changes, such as legislation or payer contracts, can affect plans, so the organization must be able to pivot when necessary, while still providing high-quality care and meeting community needs.

Future Goals

This year's plans have been designed to lay the foundation for both short- and long-term success; they include developing the management structure, identifying key performance indicators, ensuring consistency of data analytics across the Jefferson Health system, creating a playbook for integration, and more. After those building blocks are in place, the organization will move on to growth. In years two to five, the focus will be on growth, engagement of all stakeholders, and continuing to innovate in the health care space.

The overall plan is to put people first—supporting community hospitals and making sure they are able to provide the highest levels of care while serving patients near their homes, as well as continuing to foster Jefferson Health's academic mission. Through this relationship with GE Healthcare, Jefferson Health leaders believe that they will drive down the cost curve for their patients and related organizations.



In July 2017, Stephen K. Klasko, MD, MBA, president and CEO of Thomas Jefferson University and Jefferson Health, (left), and John L. Flannery, chairman and CEO, GE, (right), announced an eight-year, shared-risk relationship that will transform health care delivery in the Philadelphia region.

Contact: Kate Kinslow, Executive Vice President and Chief Integration Officer, Jefferson Health
CEO, Jefferson Health – Northeast

Email: kathleen.kinslow@jefferson.edu