

Stroudwater Team: Jeff Sommer, Lindsay Corcoran, Clare Kelley

Engagement: Strategic Options Assessment and Performance Improvement; Selection of Preferred Affiliation Partner; Signing of non-binding Letter of Intent with University of Vermont Health Network

Established in 1925, **Porter Medical Center (PMC)** is a 25-bed Critical Access Hospital in Middlebury, VT, which includes a 105-bed skilled nursing facility. Porter Medical Center engaged Stroudwater in 2015 to assist the hospital in its evaluation of strategic options, including facilitation of a strategic planning retreat and subsequent implementation of operational improvement initiatives.

ENGAGEMENT DETAIL & PURPOSE

As an objective and agnostic party in discussions regarding affiliation versus continued independence, Stroudwater presented hospital leadership and the board with a deeply researched menu of options, all while keeping PMC's dynamic and unique circumstances top of mind.

Stroudwater worked with PMC's board, leadership and stakeholders to quantify the performance "gap" facing PMC and to develop performance improvement initiatives; after further refinement, the hospital began implementing initiatives they would need to succeed either independently or with a partner.

In March 2016, after extensive due diligence and outreach to PMC stakeholders at multiple levels, Stroudwater and the PMC Board invited select potential partners to submit proposals. The affiliation with the University of Vermont Health Network was approved unanimously and became effective in April 2017.

A positive harbinger of their future agreement, Porter and the UVM Health Network (UVMHN) agreed early that maintaining clinical services was essential, as was securing closer clinical integration with the academic medical center while also bringing more specialized medical care to the local community. Other vitally important elements of the affiliation included a common electronic medical record system, enhanced access to clinical, quality and financial expertise, and a capital pledge for construction of a new medical office building.

BOARD CHAIR PERSPECTIVE

Then Board Chair Maureen McLaughlin describes PMC's lengthy process of exploring strategic options as "fits and starts." McLaughlin, a CPA and the hospital's board chair from 2015 to 2018, recalls that leadership tumult, physician concerns, and deep passion about preserving core services focused the process along the way to its ultimate success.

The turning point came after a challenging stretch of unrest and anxiety about PMC's future economic vitality, when it became clear that regardless of internal challenges, the underlying financial difficulties at the hospital had to be addressed; in 2014, PMC was considered 'fragile' by the Green Mountain Care Board. "Once we all saw the big picture clearly," said McLaughlin, "we realized we could not steer [the hospital] alone any longer." She credits Stroudwater for presenting all the facts—the good, the bad and the ugly—in a constructive way to spur the board and hospital leadership's realization that the case for partnership was undeniable. Once all agreed, according to McLaughlin, "the Porter way" kicked into overdrive—what she describes as a high-touch communications mode that involved inclusive, lengthy and transparent outreach to multiple stakeholders.

This approach, coupled with Stroudwater's dedication to education and effective outreach, helped turn the tide at the physician level. Earning the physicians' support was a critical milestone in the journey. In one notable instance, a physician who had been resistant had, in McLaughlin's words, an "epiphany." After digesting all the variables in play, notably the financial challenges and the benefits affiliation provided, the physician became an advocate; this positive voice provided strong momentum in getting the physicians aligned.

In the thick of the search for a partner, another physician leader emerged to see the affiliation through to completion: PMC's Chief Medical Officer, Dr. Fred Kniffin, who first served as interim CEO and was named CEO in the spring of 2016. McLaughlin credits Kniffin for his steadfast commitment to keeping all stakeholders informed throughout the affiliation negotiations, including giving dozens of community presentations.

POSTSCRIPT

In the nearly three years since the affiliation with UVMHN was completed, current Board Chair Sivan Cotel says there have been no unpleasant surprises. "The post-affiliation process has gone as well as possible. Work remains to be done but the affiliation has made us stronger," notes Cotel.

The affiliation has proved fruitful on several fronts:

- PMC has completed Phase I of its conversion to EPIC, part of a \$151.7 million, six-year effort across several UVM Health Network sites, including Porter.
- PMC ExpressCare, a walk-in care clinic, opened immediately prior to the affiliation's close and has been a resounding success, creating cost-effective and convenient access to urgent care for the community.
- Physician turnover post-affiliation has been greatly reduced. While PMC and the community have always been able to attract providers, being part of UVMHN has been a plus.
- PMC and UVMHN have created a unified medical group that will provide a stable and durable platform for clinical integration efforts going forward.
- Integrating advanced practice professionals into the new unified medical group is a priority initiative for PMC.
- Resources have greatly increased through shared services such as legal and group purchasing. Board Chair Cotel is very appreciative of PMC's access to needed legal, planning, compliance, IT and communications resources post-affiliation. "Access to specialized expertise has been a major benefit of the affiliation."
- The PMC Board spent considerable time on governance post-affiliation. As a result, more structure and depth have been created around planning efforts and governance.
- A two-year commitment of \$150,000 was received from the Porter Auxiliary, which capped a fundraising campaign that attracted more than \$320,000 in total community donations in support of a special renovation project at Helen Porter Rehabilitation and Nursing.
- Palliative services, which were cut during a time of mounting losses, have been restored and cardiac rehab established post-affiliation.
- The affiliation has provided expertise and guidance around facility planning of the future hospital, including a planned medical office building.

McLaughlin and Cotel believe that Porter is well-positioned to support the community's dynamic healthcare needs for the long haul. One of the greatest benefits of affiliation is that it has allowed Porter to increase focus on strategic planning and the big picture, now that the day-to-day financial struggle has lessened. McLaughlin also notes that the supportive dialogue between Porter and the network has helped UVMHN learn more about how community care is delivered.

Cotel appreciates the value that PMC and Stroudwater created through the affiliation process. "By examining affiliation options and continued independence side-by-side, the process allowed the Board to diligently compare PMC's options while prospective partners had to compete to become our partner. The result was positive for PMC and the community."

McLaughlin concurs. "The process was critical. Stroudwater customized their approach to address our needs. The result was buy-in and consensus on our future direction." She is thankful to Stroudwater consultants for their guidance, patience, understanding of rural critical access hospitals, and respect for how valuable an asset a hospital is in its community. "They listened, they were responsive and they knew the players," said McLaughlin. Even the most well-structured affiliation process is fluid and demanding. Looking back on an extremely active three years from 2015-2018, McLaughlin is grateful to the entire PMC community for dedicating the energy and time the affiliation required.

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MAUREEN MCLAUGHLIN
BOARD CHAIR, PORTER MEDICAL CENTER



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