

Late Files 1 and 5

Greater Waterbury Health Network, Inc.

Prospect Medical Holdings, Inc.

OHCA Docket Number 15-31217-486

Attorney General Docket Number 15-486-02

May 24, 2016

**Late File 1 - Report Re: How PMH Will Finance All
Transactions - ECHN's, GWHN's and CKHS' (list total
cost, total cash needed at closing, funding source and dollar
amounts available to cover the cost and cash needed at
closing)**

5/10/2016

Prospect Medical Holdings
Late File Submission: Inquiry as to funding sources for acquisitions

<u>Sources</u>		<u>Uses</u>
Financing (June 2016)	\$ 155,032	Projected Cash at Close
Cash from Existing Operations	28,000	Crozer Keystone Health System
Cash from Existing Operations	-	Eastern Connecticut Health Network
		Greater Waterbury Hospital Network
	<u>\$ 183,032</u>	<u>\$ 183,032</u>

Footnote

Prospect Medical Holdings projected cash at close 7/31/16 + 80,000,000
Full Revolver Availability (balance to be paid with June '16 financing) 60,000,000

Late File 5 - Updated PMH Quality Organizational Chart

PMH Corporate Performance Improvement, Quality and Patient Safety Program Proposal (Draft)

Introduction

Philosophy: To ensure that our patients receive the right care, at the right time, in the right setting, with efficiency and compassion.

Mission: Above all, we are committed to quality in all aspects of healthcare delivery, including:

- Striving for the best possible patient outcomes
- Maintaining the highest standards of patient safety
- Acting with integrity at all times
- Promoting open communication
- Collaborating to better serve the healthcare needs of our communities

Purpose: The PMH Quality and Patient Safety Program will focus on continuous enhancement of quality and safety for all we serve. Every employee plays a crucial role in ensuring patient, visitor and employee safety. We will work to reconnect quality and patient safety to clinical care thereby promoting high quality, safe, effective and efficient care. Additionally, the program will strive to build a just culture of safety by implementing strategies to reduce medical errors. Reducing risk and ensuring safety requires increased attention to systems that prevent and mitigate errors. The corporate quality and patient safety team will work with hospital to provide appropriate solutions to ensure best practices, resulting in quality patient care and service.

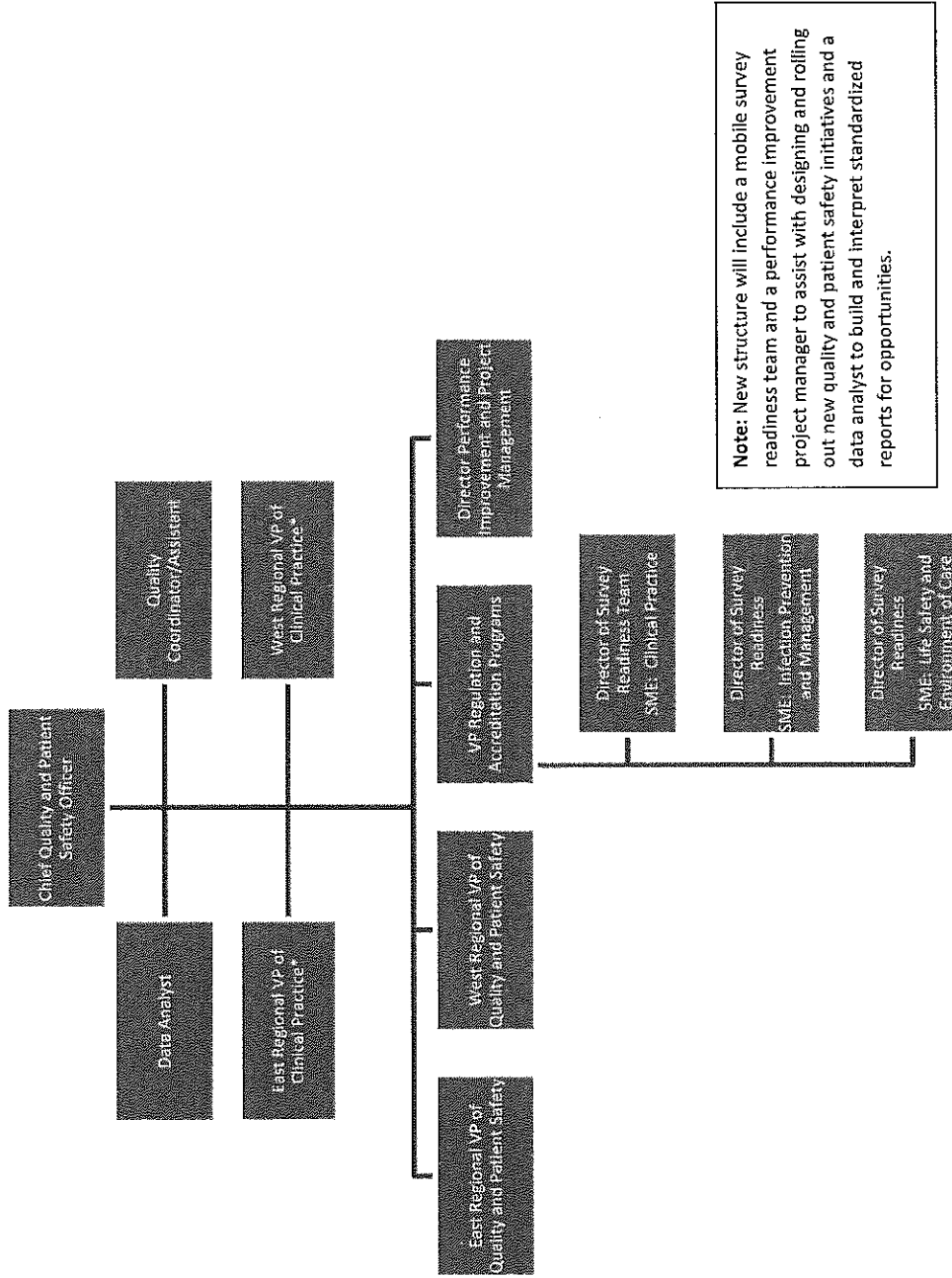
Goal: Build corporate and regional structures and processes necessary to become a high reliability organization promoting patient-focused, high quality, safe, compassionate, efficient, and effective care.

Model: We will achieve our mission and purpose through building and sustaining a robust quality and patient safety program at all levels of the organization. The key elements of this program will include: innovation, service, education, transparency, and patient partnerships. We will be using the Donabedian Quality of Care Model as our framework for building the program. Our initial focus will be on creating the corporate structure to enhance our ability to build processes and achieve outcomes.



PMH Corporate Performance Improvement,
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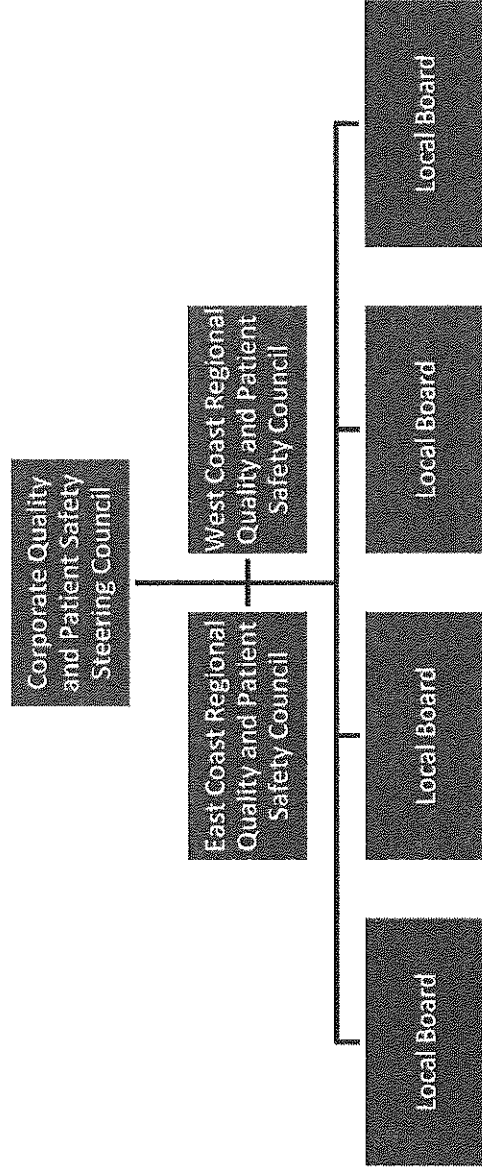
Corporate and Regional Quality Performance Improvement and Patient Safety Structure



Note: New structure will include a mobile survey readiness team and a performance improvement project manager to assist with designing and rolling out new quality and patient safety initiatives and a data analyst to build and interpret standardized reports for opportunities.

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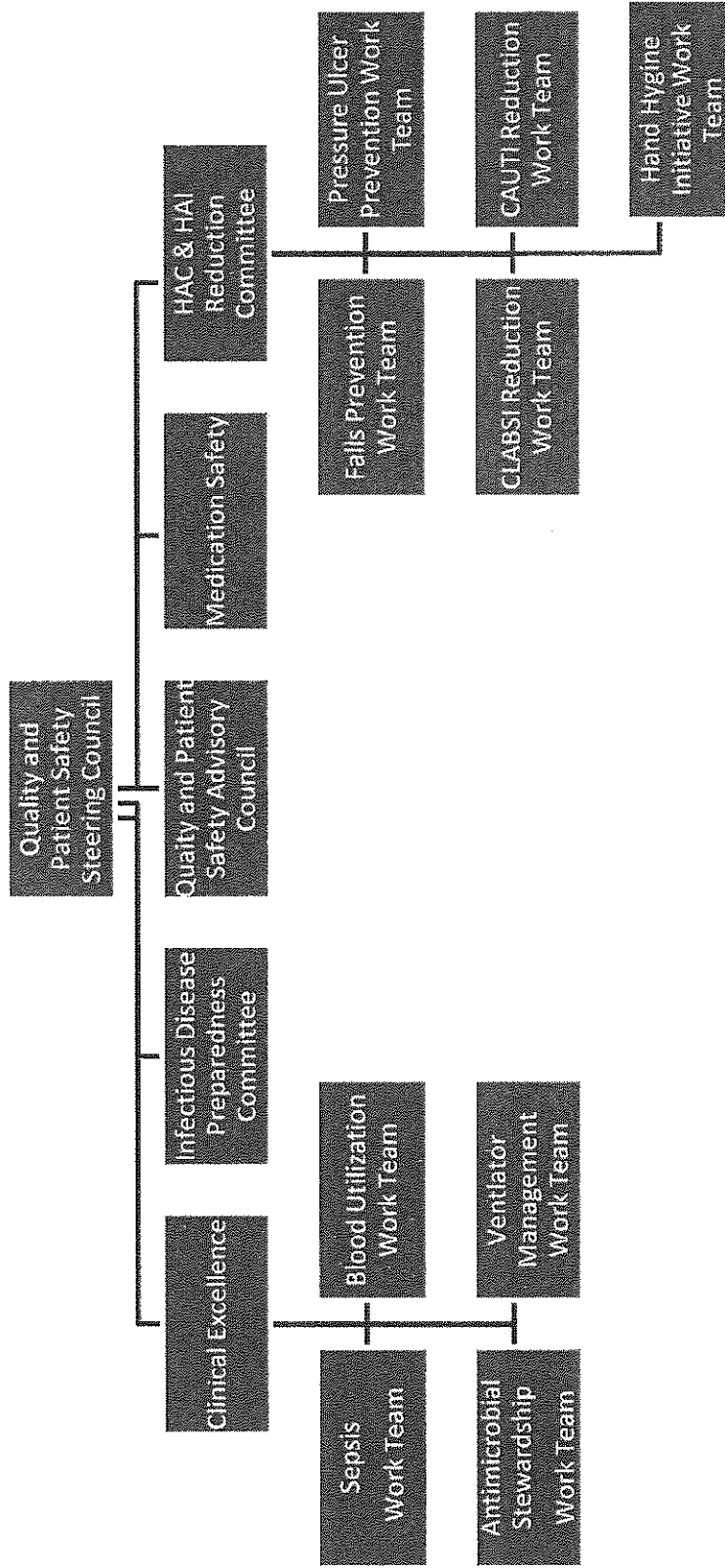
Quality and Patient Safety Communication and Reporting Structure



Note: Local Board will report up through the appropriate Regional Council to the Corporate Council with final reporting to the Corporate Board of Directors.

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Corporate Quality and Patient Safety Steering Council



Note: Suggestions for potential committees and work groups under committees. These may change based on the finalized Quality and Patient Safety agenda and strategic plan. Committees and work groups may be added, deleted or changed based on organizational needs and priorities.

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Corporate Quality and Patient Safety Steering Council Quality and Patient Safety Steering Council Roles and Responsibilities

- Receive reports from and analyze the activities of the Regional Councils
- Assists with the development of the Corporate Quality and Patient Safety agenda and strategy, incorporating regional and local input
- Provides oversight for execution of the Quality and Patient Safety agenda and strategic plan across the Company
- Prioritizes Quality and Patient Safety activities
- Assist with identification of metrics to be monitored on corporate dashboards.
- Receives and approves reports and activities from chartered committees and work teams for implementation across the company
- Engages in identifying ongoing quality and patient safety performance improvement opportunities
- Ensures follow-up on regional initiative and programs.
- Motivates and strategizes for hospital-based change
- Provides organizational knowledge and a systems approach to quality and patient safety.
- Assist with barrier removal to achieve quality and patient safety strategies.

Facilitator: PMH Chief Quality and Patient Safety Officer

Suggested Members: Appropriate Corporate Senior Leadership, chairperson from each Regional Council, Pharmacy Director, Quality Director, Risk Management Director, Legal, CNO, CEO, COO, CMO or Chief of Staff, Infection Control Practitioner, Medical Staff Director, IT&S Director, Supply Chain, others.

Regional Quality and Patient Safety Steering Council Quality and Patient Safety Steering Council Roles and Responsibilities

- Receive reports from and analyze the activities of the Local Boards/Quality and Patient Safety Committees
- Engages in identifying ongoing quality and patient safety performance improvement opportunities at the regional level
- Provides recommendations for the Corporate Quality and Patient Safety agenda and strategy, incorporating local input
- Provides recommendations to the Corporate Council concerning prioritization of quality and patient safety activities based

PMH Corporate Performance Improvement,
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- on regional and local needs and opportunities
- Assist with identification of metrics to be monitored on corporate dashboards.
- Provides oversight for execution of the Quality and Patient Safety agenda and strategic plan across the region
- Ensures follow-up on regional initiatives and programs
- Motivates and strategizes for hospital-based change
- Provides organizational knowledge and a systems approach to quality and patient safety
- Assist with barrier removal to achieve quality and patient safety strategies

Regional Steering Council Facilitator: Regional VP of Quality

Suggested Members: Member of Local Board/Quality and Patient Safety Committees, Pharmacy Director, Quality Director, Risk Management Director, Legal, CNO, CEO, COO, CMO or Chief of Staff, Infection Control Practitioner, IT&S Director, Supply Chain,

Ad Hoc Members: Radiology, Lab, Medical Staff, others as appropriate to subject matter

Committees: Responsible for building the infrastructure and provide oversight for key quality and patient safety activities. Potential Committees may include Medication Safety, Clinical Safety Improvement, Infectious Disease Preparedness, Regulation and Accreditation, Clinical Excellence, others as needed.

Rapid Action Work Groups: Completes rapid work for quick process and outcome improvement as needed. Examples include Core Measure improvement, HAC prevention, HAI prevention, Clinical Excellence etc. The team is responsible for creating and initiating performance improvement programs to include project plan, key elements, tool kits etc. Teams have a limited life depending upon the work product and outcomes.

Process

High Reliability Organization: A high reliability organization is an organization able to continually manages their environment thoughtfully and assume a constant state of vigilance resulting in the fewest possible number of errors, despite operating in a high

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stress, high-risk environment. Adapting and applying the lessons of this science to health care offer the promise of enabling hospitals to reach levels of quality and safety that are comparable to those of the best high-reliability organizations. These changes will be achieved through:

- Leadership's commitment to achieving zero patient harm
- A fully functional just culture of safety throughout the organization,
- Widespread deployment of highly effective process improvement tools (Chassin and Loeb, 2013).

PMH is in the process of adopting high reliability behaviors and strategies to ensure a reduction in overall medical errors for our patients. High reliability organizations are built on a foundation of a just culture of safety. A key component of building this foundation is a robust incident reporting system to better understand trends, opportunities and strengths. We encourage that every unsafe condition, near miss/great save or harm event be reported and analyzed to identify opportunity for improvement to prevent future harm. We commit to maintaining transparency through sharing best practices and lessons learned across all of our hospitals. We further commit to build and share evidence-based, best practice, and performance improvement processes and tools kits to assist with supporting our quality and patient safety high reliability organization initiatives.

Strategies:

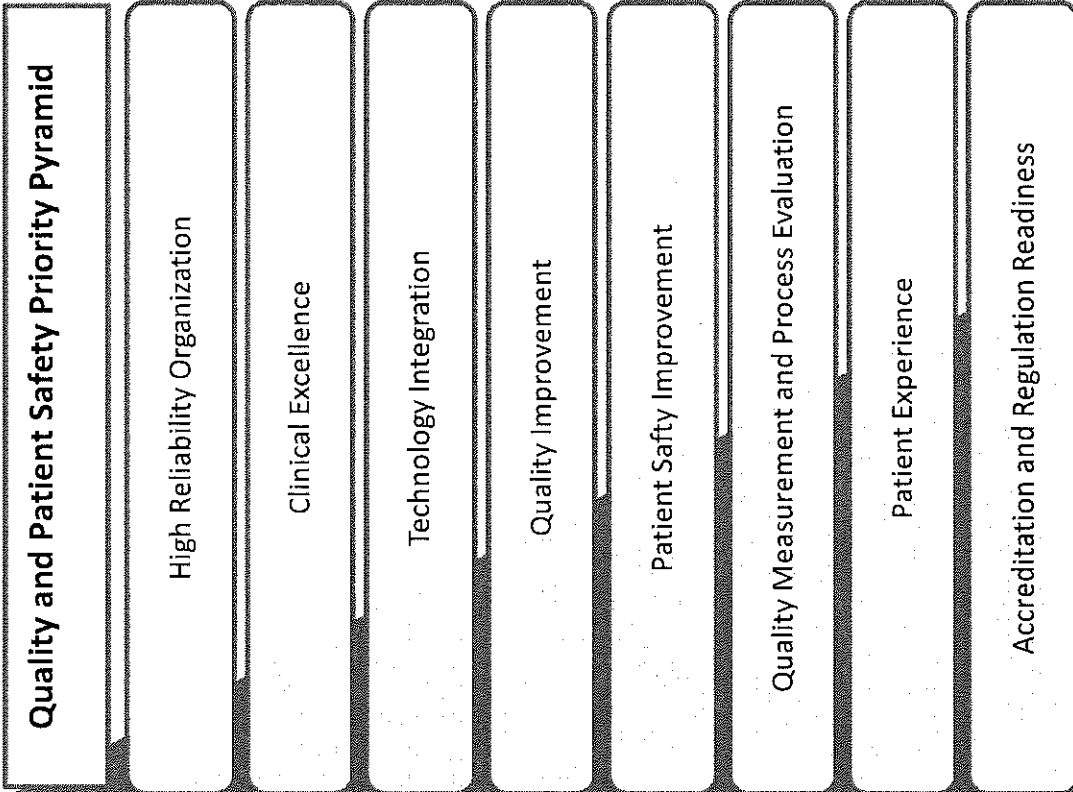
- **Accreditation and Regulation Readiness** – Implement an accreditation and regulation survey readiness team to ensure all hospitals are continually in compliance with the highest level of quality care and patient safety standards as defined by CMS, TJC, DNV, NCQA, and applicable State and local statutes and regulations. Provide subject matter expertise and tools to support the facilities in ongoing survey readiness.
- **Patient Experience** – Create and implement a patient experience program to ensure that each patient is treated with respect, compassion, consideration and is an integral partner in his or her plan of care.
- **Quality Measurement and Process Evaluation** – Build a standardized corporate quality and patient safety dashboard with national benchmarks. Institute monthly Quality and Patient Safety calls to review metrics, analysis and action plans to ensure ongoing improvement.

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- **Patient Safety Improvement** – Create and implement a plan to move all hospitals towards a just culture of safety and accountability. Ensure quality and safe delivery of healthcare by defining and promoting consistent processes for identifying situations that may put patients or others at risk and acting to prevent or control those risks i.e. thorough and credible analysis of incidents of harm, near misses/great catches; FMEAs; ongoing learning through transparency, and implementation of patient safety tools such as **Quality Improvement** - Maximize pay-for-performance for quality performance and outcomes metrics including VBP, readmission reduction program, HAC/HAI reduction program, Medicare spending per beneficiary (MSPB), Meaningful Use etc.
- **Technology Integration** – Maximize available patient safety technologies including CPOE, health information technology, clinical decision support, bar coding and other technologies to enhance the quality and patient safety.
- **Clinical Excellence** – Improve mortality, complications, and length of stay through implementation of clinical excellence initiatives such as sepsis, stroke and STEMI management; effective blood utilization; ventilator management; and antibiotic stewardship.
- **High Reliability Organization** – Implement proven high reliability techniques and nationally recognized best practices to prevent harm and promote quality of care such as Red Rules (limited), SBAR (Situation, Background, Assessment and Recommendation), and STAR (Stop, Think, Act and Review).

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Note: Not all hospitals in the Company will be at the same place in the pyramid. A gap analysis will be completed at each facility to determine progress along the priority pyramid. High performing quality programs may be functioning at a higher level on the priority pyramid than others. Best practices and performances will be shared across the company.



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Outcomes

Corporate Quality and Patient Safety Dashboard

Quality, clinical and patient safety performance and outcomes will be measured via the newly created corporate Quality and Patient Safety Dashboard. Dashboards will be shared across the company for the purpose of benchmarking and learning from other.

Hospital Quality and Patient Safety Call

Outliers will be addressed during the regularly scheduled hospital quality and patient safety calls. Best practices will be identified and shared with other hospitals in the company during these calls. The hospital will implement performance improvement activities to address the root cause and followed-up will occur during the next call. Once well established, the hospital call will occur at the regional level with a summary report forwarded to the corporate CQO.

References

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