

Industry insights

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A note from Carl Armato, president and CEO for Novant Health

Government reform, new technology and increased demands for access, quality and affordable care are causing the healthcare industry to advance rapidly.

Our communities have the expectation that we will provide quality care that is easy to access, convenient, safe and uses the latest technology — while still being affordable.

We, at Novant Health, are dedicated to our patients. First, to the remarkable patient experience and, now, to making healthcare remarkable. We are reinventing the healthcare experience to be simpler, more convenient and more affordable, so that patients can focus on getting better and staying healthy. This isn't easy, but it's the right thing to do!

For years Novant Health has recognized the need for change. We felt the need to transform our entire organization in order to position ourselves for the future of healthcare — and, frankly, encourage our patients, consumers and team members to take more control of their health. We reevaluated everything about Novant Health: the way we do business, how we staff our facilities, how we interact with our patients, and how we measure our performance.

Our changes have come with plenty of challenges, and we expect more in the future. Our transformation has forced everyone in our organization to change the way they think about their work. It's forced us to take a hard look at ourselves, our business operation, our models of care and our investments.

While we have positioned ourselves in front of many of the challenges, the future remains unclear.

It's easy to see that healthcare will remain on everyone's minds for the foreseeable future — from patients to physicians to our community leaders to Novant Health's team members — lots of questions and concerns remain.

In this issue of Industry insights, Novant Health leaders provide their view of the most significant challenges facing us today.

Compromising on healthcare policies by Pete Brunstetter, chief legal officer for Novant Health

As a former member of the North Carolina Senate, I learned that governing requires compromise. Compromise includes listening to those who disagree and the willingness to work through difficult issues to find common ground. In the absence of compromise, short-term political wins may be found, but policies are often developed that leave behind the very people they were meant to help. The most recent debates in Congress regarding healthcare reform highlight this point.

After months of debate on several different bills, the U.S. Senate declared an impasse in late September on efforts to repeal and replace the Affordable Care Act (ACA). The process to bring these bills forward was filled with political gamesmanship that often overshadowed the far-reaching impact these proposals would have on the American people, including patients at Novant Health.

For example, most of the proposals considered would have changed the Medicaid system in a way that would have left states with significantly fewer dollars to fund their already cash-strapped Medicaid programs. While there is undoubtedly a need to reform our country's Medicaid program to make it more cost effective, these proposals, according to the American Hospital Association, would have left millions of people without health insurance coverage over the next decade.

While a handful of senators balked at such widespread coverage losses and ultimately did not support the bills, the fact remains that a lack of willingness to compromise on both sides of the aisle continues to prevent needed changes. The marketplaces created under the ACA remain unstable as insurers face uncertainty on, for instance, whether they will again receive the cost-sharing reductions (CSR) from the federal government that help make plans on the health insurance exchange affordable to many. While there are currently some bipartisan efforts in Congress to address stabilization of the exchange marketplaces, it remains unclear if these efforts have the support needed to pass and, therefore, to bring certainty to a very uncertain healthcare landscape.

Inaction and uncertainty themselves have already had an effect on healthcare. Individuals who are uncertain about coverage, or faced with rising premiums and deductibles, appear to have delayed elective procedures. Declining hospital volumes across the country reflect this uncertainty.

While those of us in the healthcare community continue to push those in Congress to work together to find a sustainable path forward, our day-to-day reality remains. Every day, our hospitals care for the people who need – and expect – us to care for them. In fact, Congress itself expects us to care for them, as evidenced by the myriad of laws and regulations that healthcare providers must comply with. We are open 24 hours a day, seven days a week, and we treat any and all who walk through our doors, regardless of the severity of their illness or their ability to pay for treatment.

In the meantime, while the debate continues, Novant Health will remain committed to finding common ground, partnering with organizations across our footprint, because we know that these partnerships will lead to the best outcomes for our patients. It is my hope that recent and ongoing efforts to reform healthcare lead lawmakers to where we as health systems have been: keeping patients at the center of decisions.

Building a community of wellness by Amy Vance, RN, senior vice president of population health and value based care for Novant Health

In 1948, the Constitution of World Health Organization defined health as: "A state of complete mental, physical and social well-being and not merely the absence of disease or infirmity."

This definition remains intact today. For 70 years, it has not been amended or changed – even as healthcare has transformed tremendously. In those seven decades, crucial vaccinations have saved lives, smallpox has been eradicated, and every major human organ has been successfully transplanted. Not only have we mapped the human genome, but we're personalizing therapies based on genetic makeup in the fight against cancer. It's truly incredible how far we've come.

However, two sides of a coin exist. Today, we live longer, but more people live in poor health. Lifestyle diseases have climbed to an epidemic status, and the cost of healthcare, along with the state of healthcare insurance, spirals out of control.

In fact, the United States leads the world in healthcare spending – significantly – yet it ranks 37 out of 191 countries in average life expectancy. That's a problem. If we continue this path, by 2020 our estimated healthcare costs in America will be \$4.2 trillion dollars – and of that, \$1 trillion will be solely devoted to treating the costs of obesity.

Last year, the state of Tennessee estimated its annual excess health costs of obesity totaled \$2.29 billion – more than 6 percent of its entire state budget for obesity issues alone. The epidemic affects other industries as well. The U.S. airlines purchased 350 million more gallons of jet fuel to accommodate the increase in heavier passengers. Even the cost of dying rises for those tipping the scales – a funeral can cost up to \$3,000 more than normal.

We know obesity and health habits are problems. We know we're making poor choices. We know those choices lead to disease and chronic health problems, and we recognize a need for change. But how do we bridge the gap between knowledge and action? We see the big picture and we change the standards.

As a nurse, I believe the healthcare industry is perfectly positioned as trusted standard bearers. We can be a force for good by taking the next move in this battle for health. And the most powerful teaching method in existence is that of leading by example.

The American Nurses Association (ANA) declared 2017 as the Year of the Healthy Nurse. The ANA defines a healthy nurse as someone who focuses on creating and maintaining a balance and synergy of physical, intellectual, emotional, social, spiritual and professional well-being.

An ANA survey of 10,000 nurses revealed an average BMI of 27.6 (between 25 and 29.9 is considered overweight). Twenty-five percent of surveyed nurses were diagnosed with hypertension by a healthcare provider. The study also revealed our struggle with eating nutritiously and our lack of exercise. Only half of nurses surveyed met the recommended amount of aerobic and muscle-strengthening exercises.

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It doesn't have to be this way. It's all about choices and priorities. One hospital employee I know does tai chi on campus every day during his lunch break. Others take advantage of membership discounts at the local gym. Personally, I run every day and participate in marathons. As for nutrition, packing healthy foods and snacks for work is often the difference between choosing foods that fuel versus foods that fatten. At Novant Health, we offer financial incentives for taking care of yourself, on-site gyms, healthy food options in our cafeterias and so much more.

Jim Rohn, author and personal development speaker, said, "Your life does not get better by chance. It gets better by change."

I know that as we make choices to be informed and live well, we will be strengthened – individually and collectively.

We are the authors of our destiny and the captains of our soul. We make the choices that add up to form our lifetime. That's really what goals are – they're our choices. If the unexpected, undesirable and unimaginable happen, we want to go through them with the strength, grace and courage of our best selves. We want to go all in. As we do so, others will surely follow.

Fostering physician and nurse resiliency by Tom Jenike, MD, chief human experience officer for Novant Health

When I chose to pursue a career in medicine, I made the decision for all the right reasons – to help those who are sick get better, and to ensure that those who are well stay well. However, the responsibilities of practicing medicine began to weigh on me, and ten years into my career, I began to feel overwhelmed.

Physicians do so much more than help patients navigate the world of health, illness, and disease. The job also comes with supporting many hospital initiatives and committees, as well as having a line of sight into the care of thousands of people. Struggling to manage all of these commitments, my formerly predominant emotions of joy and fulfillment were replaced by angst and frustration. In short, I was burning out.

Many physicians have been - and in some cases may be - in the same situation that I found myself in.

Physician and nurse burnout is a significant and growing problem in the United States that poses a threat to the quality of care we provide to patients. It is an issue that every health system must recognize and begin to address.

A study published in the journal *Mayo Clinic Proceedings* in December 2015 showed that nearly 55 percent of physicians surveyed experienced at least one symptom of burnout on the Maslach Burnout Inventory. With about 925,000 active physicians and 4 million active nurses in the U.S. today, it is easy to see how large of a problem burnout is in the provider community.

Novant Health has decided to proactively address this issue, in part because of my own passion for, and personal experience with, burnout. With the help of my colleagues and the support of our chief executives, we developed a comprehensive program focused on provider wellness, resiliency and leadership. This program has shown to significantly enhance our participants' ability to reconnect with their core purpose, and challenges them to be

Fostering physician and nurse resiliency continued

as committed to their own lives and wellness, as they are to their patients' lives. Among the many results the program produces, is a sense of support and community amongst the participants, enhancing resiliency. The program's conversation takes an authentic look at the external forces in healthcare today, which predispose clinicians to fatigue and disengage. At the same time, it enforces behaviors and patterns that enhance not only the experience the caregiver is having of his or her professional and personal life, but the experience other team members and patients have of the participants as well.

We are not alone in the fight against provider burnout. The American Hospital Association (AHA) recognizes how important this issue is and we are partnering with the AHA on bringing solutions to systems across the U.S.

In May, the AHA sponsored a number of participants at a Novant Health-led resiliency training program, which included 16 physicians from multiple healthcare systems from across the country. This was the first time we hosted other hospital systems that are interested in learning how our program works and what steps they should take to address burnout among their doctors and nurses.

As hospital systems across the country overhaul their operations to meet the demands of a new healthcare landscape, physician burnout is an issue that cannot be ignored. With one of the largest medical groups in the United States, Novant Health is making strides to reduce the implications associated with physician burnout and establish a higher quality of care for patients. I encourage other healthcare systems to do the same.

Securing patient data by A.J. Patefield, MD, chief medical information officer for Novant Health

Turn on any news channel and you're bound to hear details of the recent Equifax data breach. The company's website was hacked, potentially revealing the personal information for 143 million American consumers' personal information.

I also recently learned about a surgery center in Fort Myers, Florida, that experienced a data breach of about 34,000 patient records. <u>St. Mark's Surgical Center</u> was hit by a ransomware attack. The hijacked servers contained patient names, dates of birth, Social Security numbers and medical information.

St. Mark's Surgical Center alerted the Department of Health and Human Services' Office of Civil Rights, informed the patients that could have been impacted and incorporated additional security improvements, including upgrading all of its systems with the latest software and firewall.

Protecting our patient information is one of the most important things we do at Novant Health. We take cybersecurity very seriously and invest heavily in our security team and technology. As a result of these efforts, Novant Health's patient data have yet to be unlawfully accessed as a result of a cyberattack. However, privacy and security are two areas that remain top of mind for many of our executives. The phrase – "it's not if but when" – has been used during many conversations about our cybersecurity efforts.

Healthcare is ranked second in cyber-breaches, up 22 percent in 2016 over 2015, according to a <u>2017 Internet Security Threat Report</u> by Symantec, a cybersecurity company. The reasons why a person's medical information is so valuable on the black market is because it provides financial information, personal information, medical history and family contacts – basically, enough information to build a full identity. This could result in identity

Securing patient data continued

theft, which could be used to obtain prescription medications illegally and the ability to commit insurance fraud. It could also contribute to patient safety concerns as one medical record would have information about two different patients. Imagine what would happen if the blood type of one individual was drastically different from the other and the wrong patient received the wrong blood type during an infusion. It could result in significant health complications.

In addition to the investments we continually make in our cybersecurity technology, Novant Health recognizes the importance of creating unique patient identifiers that are tied directly to a patient's electronic medical record. We use biometric technology (iris scans) and photos of each patient to identify and protect them and their information. It is a great way to clamp down on patient identity theft and minimize medical fraud.

<u>Healthcare IT News</u> recently published an article about cybersecurity and medical identity theft. The reporter discusses the importance of protecting patients' electronic medical record, including factors related to patient safety.

Our No. 1 priority at Novant Health is patient safety, which is why it is our responsibility to implement cybersecurity best practices, provide ongoing training to our team members, and use top of the line equipment and software to protect our patients' medical information.

We will remain relentless in our cybersecurity efforts to ensure our patients' data are secure, and their safety is maintained!

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