Partner: Ashe Memorial Hospital

Ashe Memorial Hospital, a 25-bed critical access hospital, has served the local community of Jefferson, North Carolina, since opening its doors in 1941. It is the only healthcare provider in Ashe County, and almost 95 percent of patient admissions are county residents. Keeping care close to home is extremely important to the local community.

Situation: Make changes or face closing

Like many small hospitals, Ashe Memorial was spending more money on operations than it was generating. Expenses had far outpaced revenue for many years, plus Ashe Memorial was losing ground every year when it came to market share. In the spring of 2013, the situation was so bad that Ashe Memorial faced closing in 12 to 15 months.

In an effort to save the county’s only hospital, Ashe Memorial made the bold decision to search for a new management partner with experienced leaders to help stabilize the hospital and assist them with a plan for future success.

Solution: Get back on track with partnership

Ashe Memorial considered three potential partners before signing a management agreement with Novant Health. Novant Health immediately worked with the team to implement a plan that would put the organization on track financially while improving and expanding the services available for the community. The plan included strategic cost reductions without layoffs and the recruiting of a hospital CEO, physicians and specialists to relocate to the Blue Ridge Mountains.

In the first year of the management agreement, and for the first time in three years, Ashe Memorial experienced a positive operating margin and significant improvement in its balance sheet. While the leadership team’s first objective was to take a close look at operations, this was also a prime opportunity for Ashe Memorial to improve the quality of its services and add new physicians to the community to allow more patients to stay close to home for care.

“We partnered with Novant Health because of its commitment to establishing the remarkable patient experience in Ashe County. Our partnership continues to improve operations and expand our physician services locally.”

Jim Gambill, past board chair
Ashe Memorial Hospital
Results: Meeting Ashe Memorial Hospital’s needs

Ashe Memorial partnered with Novant Health in August 2013 and has reported more than $2.6 million in operational improvements. Partnership highlights include:

**Corporate benefits**
- **Recruitment:** Hired experienced physicians, including an anesthesiologist, hospitalists, an otolaryngologist and a cardiologist, and arranged for orthopedic coverage.
- **Assessment recommendations:** Provided dedicated space for behavioral health services to improve the experience for those patients, implemented up-front collections in the emergency room (ER) and restructured the heart, wellness and fitness center.
- **Revised policies:** Integrated the pharmacy department into the care continuum, revised policies and followed best practices.
- **Telemedicine:** Set up video to have online connections to Novant Health, allowing the ER to consult with both neurology and psychiatry departments when needed.
- **Website:** Redesigned its website, providing more relevant information and making it easier to navigate.

**Total operational improvements**
- >$2.6 million

**Adding specialties expands care**

To counter its eroding market share, Ashe Memorial recruited several specialists to add to its provider base. The move kept specialized care closer to home for more conditions.

"Novant Health has worked with us 100 percent of the time — whatever we’ve needed. And that’s made a huge difference. Although we had management before, we didn’t have that type of commitment."

Tom Efford, board chairman
Ashe Memorial Hospital

A hospitalist program was implemented and, in its first quarter, Ashe Memorial reported an increase in admissions of 11.8 percent. Other specialists added included an anesthesiologist, cardiologist, otolaryngologist and coverage for orthopedics.

**Fine-tuning pharmacy services policies**

As Ashe Memorial recruited a new pharmacy director, it realized the department needed changes, especially since pharmacy is increasingly becoming a key component of the integrated healthcare team.

After an assessment, the new director worked with Novant Health to develop new policies and procedures to better manage an in-house pharmacy, including establishing an after-hours coverage program that provided faster and more efficient patient care.

The director had direct access to his peer at Novant Health, allowing him to get quick answers to his questions from a trusted advisor who understood what he was facing. His Novant Health colleague was also able to advise him how to better manage Medicare’s 340B drug pricing program, which allows organizations to expand the care they provide to the most vulnerable patient populations.

**About Novant Health**

The mission at Novant Health is simple — to improve the health of communities, one patient at a time.

As a four-state integrated network of physician clinics, outpatient centers and hospitals, we deliver a seamless and convenient healthcare experience. In fact, we are ranked as one of the nation’s top 20 integrated delivery networks by IMS Health. The Novant Health network consists of more than 1,200 physicians and 25,000 employees who make healthcare remarkable at nearly 500 locations, including 13 medical centers and hundreds of outpatient facilities and physician clinics.

To learn more about partnerships with Novant Health, visit our website at NovantHealthsharedservices.org or call 704-384-6370.