

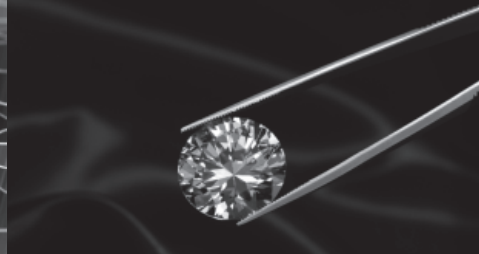
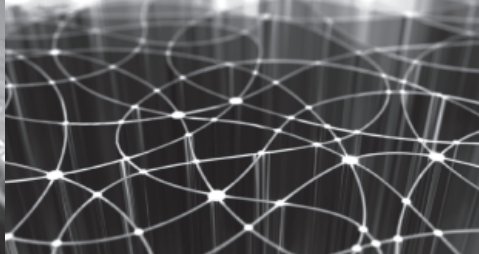


DELIVERING VALUE THROUGH INNOVATION

2 ANNUAL REPORT **010**

— WNC —
HEALTH
— NETWORK —

Providers Working Together



How it all started

In 1995, a group of dedicated individuals decided to make a difference in health care in western North Carolina. They began to identify, explore, and implement opportunities to save money and collaborate among the area's hospitals and health care systems. WNC Health Network initially included 16 hospitals in Western North Carolina. Today, more than 50 hospitals and systems serving 70 sites collaborate within the Network. These hospitals are located throughout the Carolinas, southern Virginia, and eastern Tennessee.

Mission

The WNC Health Network will support its members in delivering health services that are cost-effective, high quality, and safe for the residents of the communities it serves.

Vision

The WNC Health Network will support quality improvement and patient safety, reduce health care costs, facilitate the electronic communication of medical information among providers, and promote wellness initiatives for the health of the population.

Values

Collaboration | Integrity | Respect | Innovation | Patient Focus

Dear Colleagues,

As healthcare reform becomes a reality to reduce healthcare cost, we are challenged to maintain focus on our patients to achieve quality outcomes and a patient experience that demonstrates personal attention and safety every time.

Looking ahead to 2011, our goals will prepare us for the financial changes ahead. Group Purchasing is expanding to add other providers such as home care organizations, physician practices, health departments, and hospices. WNC Data Link is adding the ambulatory EMR so additional patient information is available for practitioners. In quality, sharing of best practices and emphasis on population health continues. WNC Healthy Kids is focusing on further spreading ways for children to eat better and exercise more.

Although the year ahead is challenging, the WNC Health Network plays an important role in supporting hospitals and other providers in the community to keep costs low and maintain quality services for patients. Our ultimate goal is a patient population that is engaged and educated about healthy lifestyles, and one that receives appropriate hospital and ambulatory care services when necessary.

We thank our members for their dedicated efforts and excellent partnership with one another.

Best regards,



A handwritten signature in black ink that reads "Ken Shull".

Ken Shull
President



A handwritten signature in black ink that reads "Janice Lato".

Janice Lato
President & CEO

This annual report summarizes some of the highlights during 2010:

- Group Purchasing cost savings of more than \$14.6 million for its members.
- Increased utilization of WNC Data Link for continuity of care and to avoid duplicate tests and procedures.
- Quality improvement in stroke protocol implementation in Emergency Departments.
- Engagement of schools in making changes to reduce childhood obesity through the WNC Healthy Kids project. Best practices are available online through a website maintained by Mountain Area Health Education Center.



Group Purchasing

Demographics at close of 2010

Membership:

50 hospitals/health systems representing 70 sites

Bed Size:

13,000+ licensed beds

GPO data:

Premier volume of \$1.6 billion, including distribution

Opportunities:

more than 325 contracts

Delivering Value through Group Purchasing

The WNC Health Network Group Purchasing program adds value by managing volume aggregation to achieve the best possible pricing, best practices, and resource management to reduce the cost of healthcare delivery. They collaborate through work groups which include Materials Management, Pharmacy, Laboratory, Food Services, Chief Financial Officers, Business Office, and Human Resources.

In 2010, Group Purchasing exceeded \$14.6 million in cost savings for its members—the largest savings in our ten-year history. More than 160 contracts and savings opportunities were added or renewed, generating a return on investment of more than 20:1.

WNC Health Network is an independent regional network that works closely with Premier Purchasing Partners as its primary GPO.

Some examples of value-added projects include:

Materials Management biological mesh initiative compared five manufacturers with \$3.6 million in current spend. The selection of a dual source award offers potential savings of close to \$1 million for members.

“The Network really opened our eyes. They brought in a representative who educated us about different types of mesh. Because WNC Health Network facilitated this educational process, I can now discuss the product in meetings with physicians so all understand each other. Our savings will be very large; in just one group of mesh we’ll reduce costs by 54%.”

Michael W. Rawls
System Director Materials Management
Appalachian Regional Healthcare System

Group Purchasing facilitated the Pharmacy work group as they conducted benchmarking and contracting for IVIG and Albumin. Potential savings in this area may reach \$1.1 million.

A thorough review of Premier’s laboratory portfolio this year identified network enhanced opportunities in 38 of 51 contracts.

“WNC Health Network gives a single independent hospital buying power we don’t have on our own. They look at the entire spectrum of lab needs from top to bottom to identify savings—they are excellent negotiators. At our meetings we share our likes and concerns about vendors, we receive continuing education, do some networking, and have a real relationship we couldn’t have otherwise.”

Karla Ketwitz
Laboratory Director
Margaret R. Pardee Memorial Hospital

Group Purchasing facilitated the US Foods Committed Manufacturer Agreement Standardization program, resulting in savings of more than \$250,000 for members in 2010.

WNC Health Network’s Third Annual Forum, held in Winston-Salem, NC, included more than 70 members from the Materials Management, Pharmacy, Lab, and Food Service work groups. The event included a vendor fair with 73 companies, educational sessions, work group committee meetings, and productive networking.

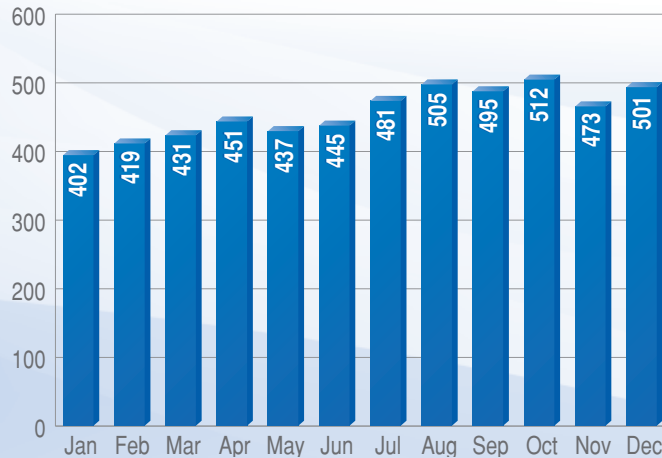
Delivering Value through Data Link

WNC Data Link is a regional health information exchange (HIE) serving Western North Carolina hospitals. This HIE assures that patient information is exchanged securely and efficiently among the 16 member hospitals, improving patient care and avoiding duplicate tests and procedures.

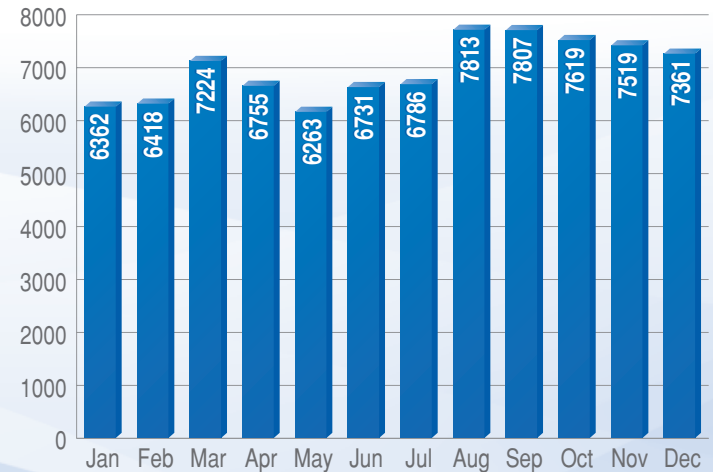
2010 activities include:

An increased number of unique users and an increased amount of use measured by log-ins from members throughout the year.

Data Link Unique Users
(All WNC Hospitals)



Data Link Log-ins



Connecting to a NHIN gateway, a public domain software and standards solution that supports health information exchange locally and nationally. Data Link is the first and only NHIN gateway in NC. The NHIN gateway connection is allowing the Charles George VA Medical Center in Asheville to exchange clinical patient information electronically with all other Data Link member hospitals in WNC.

Planning with ambulatory electronic medical record (EMR) vendors to support physician office EMR integration.

Hosting an electronic health record vendor fair for members in collaboration with BCMS, MAHEC regional extension center, and Crescent PPO to promote adopting EMRs in physician practices.

Planning and launching a Data Link Advisory Board with diverse membership to guide Data Link plans and policies.

“The real value in Data Link comes from those patients that present to the ED that were recently seen in another regional ED or hospitalized at another facility.”

We routinely care for patients that have been to another regional facility, had appropriate and complete evaluations for a problem, but have not recovered, did not have a diagnosis found, or have had a subsequent complication. The ability to immediately access results of radiology studies, labs, and even discharge summaries often eliminates the need to repeat these tests again at our facility. This saves the patient time, money, and in the case of radiology studies can significantly reduce unnecessary exposure to radiation.”

Jason Hunt MD
Medical Director
Emergency Medicine
Mission Hospital

Delivering Value through Improved Quality and Patient Safety

Enhancing quality and patient safety to improve outcomes are two critical health care concerns that receive frequent scrutiny. WNC Health Network facilitated several projects this year. Two major focus areas included developing a standard stroke protocol and working with mental health providers to improve patient placements.

ED Stroke Protocol

The Network worked closely with Emergency Department Directors and staff to implement a region-wide stroke protocol. Value-added actions included coordination among area emergency departments, and assistance to establish quality measures and goals for success.

The protocol creates a standard document tool included in a stroke “box” that contains all the information, drugs, and equipment needed to provide fast, efficient action for stroke patients. The box works equally well when needed on inpatient floors of the hospital.

“I received a female patient transfer from a community hospital late one night, and the ED staff had followed the protocol; everything I needed was there. The result was better patient care, rapid assessment evaluation, and appropriate treatment. This stroke patient had a better outcome thanks to this standard protocol.”

Robin Jones
BSN, CNRN, Stroke Program Coordinator
Mission Hospital

Mental Health Task Force Collaboration

To help reduce pressure for beds in WNC’s Broughton Mental Health Hospital and the entire mental health system, WNC Health Network facilitated communication among members to make the most efficient use of available three-way contract beds. The Network is also helping develop an assessment tool to quantify “level of violence,” a tool that will standardize mental health patient transfers among member hospitals.



Delivering Value through WNC Healthy Kids

“WNC Healthy Kids works with schools mostly to make sure we don’t duplicate services and also to leverage activities among us all. It’s a great collaboration. They add value in that they bring a focus to the schools to make sure they assess kids’ fitness levels. It makes schools more aware.”

Susan Tumbleston
(WNC Healthy Kids Advisory Board member)
Executive Director—Be Active Appalachian Partnership
Appalachian State University Institute for Health and Human Services

Thanks to funding from the Duke Endowment, WNC Healthy Kids implemented several projects in its first year. This childhood obesity prevention project includes western North Carolina partners from 16 counties who collaborate to eliminate redundancies and share best practices. Participants range from public health educators to community groups, schools, and clinicians.

Sharing each county’s obesity prevention activities and best practices are two ways WNC Healthy Kids collaborated with their partners. Projects included developing a website, www.wnchealthykids.net and hosting a conference last October. Called “Communities Working Together,” the conference included nearly 200 participants from all 16 WNC counties.

Collecting Body Mass Index (BMI) information is critical to reducing obesity in children, so WNC Healthy Kids helped implement Fitness Gram in public schools, which includes BMI and other indicators.

WNC Healthy Kids staff also secured a grant from the Community Foundation of WNC to send five local practitioners to the Obesity Prevention Institute in Chapel Hill, NC.

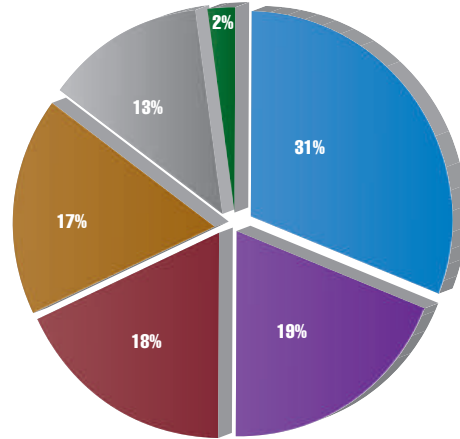
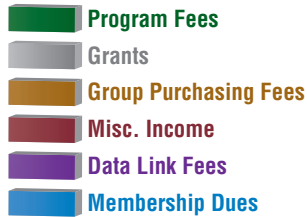


“I attended the Obesity Prevention conference on a scholarship provided by WNC Healthy Kids—I could not have gone otherwise. It was awesome; I gained a nationwide perspective on obesity prevention.”

WNC Healthy Kids is a leader in connecting all of us interested in reducing childhood obesity in WNC. They are always offering training and providing evidence-based best practices.”

Jessica Nolan
4H EFNEP (Expanded Food & Nutrition Education Program)
Program Assistant
NC Cooperative Extension Service

2010 Sources of Revenue



Current WNC Health Network Staff

Janice Lato
President & CEO

Mark Landau
Vice President, Group Purchasing

Tim Bugg
Vice President, Member Services

Kim Meadows
Group Purchasing Specialist

Robin Lincoln
Director, Group Purchasing

Dedra Channell
Group Purchasing Analyst

Jackie Hege
Group Purchasing Analyst

Hope Childers
Account Manager-East

John Graeter
WNC Healthy Kids Director

Sally Stein
WNC Healthy Kids Coordinator

John Hanks
Vice President, Data Link Services

Carolyn Dorner
Quality Coordinator

Erin Moreau
Office Manager

Michelle Garzone
Administrative Assistant

2010 Board of Directors

Robert J. Bednarek, CEO, Transylvania Regional Hospital

David M. Bixler, CEO, Rutherford Hospital

James Bruckner, Director, Macon County Health Department/WNC Health Departments' Representative

Tracy T. Buchanan, CEO, CarePartners Health Services (Treasurer)

James A. Bunch, CEO, Park Ridge Health (Secretary)

Casey M. Cooper, CEO, Cherokee Indian Hospital

Edward J. Hannon, CEO, The McDowell Hospital

N. Kristopher Hoce, CEO, Margaret R. Pardee Memorial Hospital (Vice President)

Keith S. Holtsclaw, CEO, Blue Ridge Regional Hospital

Timothy S. Hubbs, CEO, Angel Medical Center

Craig B. James, CEO, Highlands-Cashiers Hospital

Ronald A. Paulus, MD, CEO, Mission Hospital

J. Michael Poore, CEO, MedWest Health System

Kenneth A. Shull, CEO, St. Luke's Hospital (President)

J. Michael Stevenson, CEO, Murphy Medical Center

Members include:

Alamance Regional Medical Center

[Angel Medical Center](#)

Appalachian Regional Healthcare System

Blowing Rock Hospital

Charles A. Cannon Memorial Hospital

Watauga Medical Center

Asheville Specialty Hospital

[Blue Ridge Regional Hospital](#)

Buchanan General Hospital

Caldwell Memorial Hospital

Cape Fear Valley Health System

Cape Fear Valley

Highsmith Rainey Hospital

Bladen County Hospital

[CarePartners Health Services](#)

CaroMont Health System

Carteret General Hospital

Catawba Valley Medical Center

[Cherokee Indian Hospital](#)

Community Memorial Healthcenter

Conway Medical Center

FirstHealth of the Carolinas

Montgomery Memorial Hospital

Moore Regional Hospital

Richmond Memorial Hospital

Granville Medical Center

Halifax Regional Medical Center

[Highlands-Cashiers Hospital](#)

Iredell Memorial Hospital

Laurens County Hospital

Lenoir Memorial Hospital

Lexington Medical Center

Loris Community Hospital

[Margaret R Pardee Memorial Hospital](#)

Maria Parham Medical Center

McLeod Regional Medical Center

MedWest Health

Harris Regional Hospital

Haywood Regional Medical Center

Swain County Hospital

[Mission Hospital](#)

[Murphy Medical Center](#)

Oconee Medical Center

[Park Ridge Health](#)

Randolph Hospital

[Rutherford Hospital](#)

Self Regional Healthcare

Southeastern Regional Medical Center

Spartanburg Regional Healthcare System

[St. Luke's Hospital](#)

Synergy Health Group

Blount Memorial Hospital

Cumberland Medical Center

Laughlin Memorial Hospital

Morristown-Hamblen Healthcare System

The University of Tennessee Medical Center

Unicoi County Memorial Hospital

MSHA-Mountain States Health Alliance (also part of Synergy)

Dickenson Community Hospital

Indian Path Medical Center

Franklin Woods Community Hospital

Johnson City Medical Center

Johnson County Community Hospital

Johnston Memorial Hospital

Niswonger Children's Hospital

Norton Community Hospital

Quillen Rehabilitation Center

Russell County Medical Center

Smyth County Community Hospital

Sycamore Shoals Hospital

Woodridge Hospital

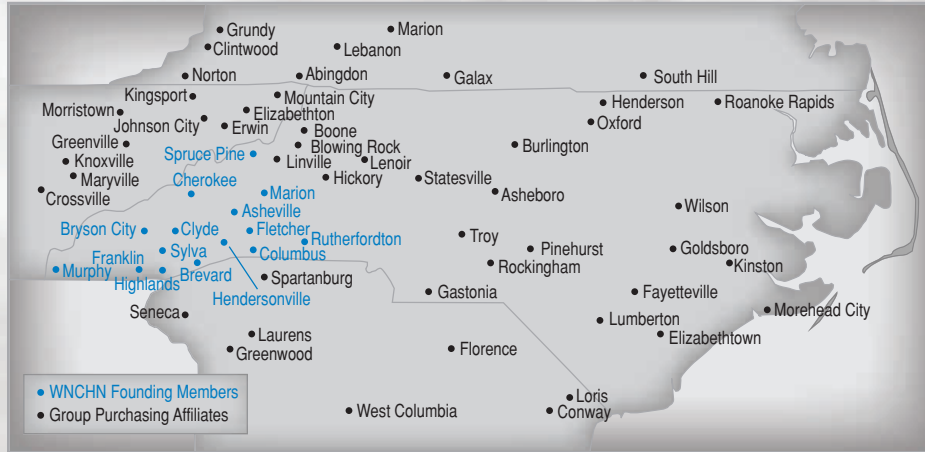
[The McDowell Hospital](#)

[Transylvania Regional Hospital](#)

Twin-County Regional Healthcare

Wayne Memorial Hospital

Wilson Medical Center



WNC
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 Providers Working Together

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