Transforming the Future

2013
Annual Report
History

In 1995, a group of dedicated individuals decided to make a difference in healthcare in western North Carolina. They began to identify, explore, and implement opportunities to collaborate among the area’s hospitals and healthcare systems. WNC Health Network, a 501(c)3 corporation, includes 17 hospitals in western North Carolina. Other healthcare partners in western North Carolina, along with hospital members, are engaged to fulfill the organization’s mission, vision, and values. Collaboration started with quality improvement and cost savings. It has developed over time to include a regional health information exchange (WNC Data Link), cost savings and value through aggregation of Group Purchasing volume, sharing best practices, and a focus on population health. In 2013, the Group Purchasing program was moved into a subsidiary corporation called Capstone Health Alliance.

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 healthcare cost, facilitate the electronic communication of medical information among providers and promote wellness initiatives for the health of the population.

Values

- Patient Focus
- Collaboration
- Integrity
- Respect
- Innovation

Partners

- Community Care of North Carolina
- Mountain Area Health Education Center
- North Carolina Hospital Association
- Premier, Inc.
- Smoky Mountain Center
- University of North Carolina – Asheville
- Western Carolina Medical Society
- Western Carolina University
- Western NC Partnership for Public Health
Dear Colleagues,

It has been a year of transition for healthcare providers. The Affordable Care Act has hospital systems preparing for a 2% reimbursement reduction in 2014. Implementing cost saving approaches, while remaining focused on high quality patient care and services, is now more important than ever.

We had significant interest from new hospitals to reduce costs through our Group Purchasing program. As a result, we added eight new members in three additional states. The expansion of the Group Purchasing program led the WNC Health Network Board of Directors to create Capstone Health Alliance, effective October 17, 2013.

Capstone Health Alliance is a subsidiary organization of WNC Health Network operating the group purchasing activities. This separate group purchasing organization increases our opportunity for savings and value for our members while creating a strong foundation for growth.

WNC Health Network will focus exclusively on regional programs and initiatives in the 16 counties of western North Carolina. Current focus areas include: regional collaboration, sharing evidence based practices, quality improvement, population health, and health information exchange (WNC Data Link).

With many factors influencing healthcare, we use the collective impact framework to guide our collaborative efforts to address complex health issues. We feel fortunate to have strong partners who work together to optimize opportunities as healthcare reform advances. Our goal is to continue to support hospital providers while adjusting to changes due to healthcare reform. We look forward to working with all of our partners in the journey ahead.

Sincerely,

Ken Shull
Chairman

Janice Lato
President & CEO

♦ Achieved cost savings and value in Group Purchasing (now Capstone Health Alliance) of more than $27 million.
♦ Implemented retail pharmacy information in WNC Data Link for medication reconciliation.
♦ Served as the support organization for WNC Triple Aim and WNC Healthy Impact to guide the vision and strategy for the region.
♦ WNC Healthy Impact supported local development of community health improvement plans (CHIP) and technical assistance for hospitals with reporting changes for community benefits.
♦ launched a single regional message to reduce childhood obesity and received continued funding for the continuation of WNC Healthy Kids.
♦ Facilitated a Governance Forum for executives and board members of western North Carolina hospitals.
As critical as it is to WNC Health Network to keep providing measurable value and new opportunities for our members, it is equally important that we maintain a strong operational foundation and viable corporate structure. To ensure long-term growth and success, WNC Health Network Board of Directors decided to create a separate corporation for the Group Purchasing program.

On October 17, 2013, WNC Health Network proudly announced the formation of Capstone Health Alliance and revealed the new look to members and vendor partners at the 2013 Annual Forum on October 23rd and 24th. Capstone will help drive sustainable growth, deliver greater savings impact for healthcare providers and create a more involved governance structure. While the program name has changed, the benefits and value, staff, office location, contracts, and partnership with Premier will continue to be the same. Most importantly our focus on our members will continue to be the “capstone” of our organization.

Partnering with members to determine the best opportunities for collaboration and contract success, Capstone relies heavily on the effective use of workgroups and committees made up of highly-experienced members and Capstone staff. Capstone has also developed an impressive list of supplier partners who are challenged each year with identifying innovative ways to create additional value for members – regardless of size or location. These relationships are critical to Capstone’s success as the alliance works in concert with members and suppliers to improve the quality of healthcare and reduce costs.

Eight new Health Systems added to the Membership

- Chesapeake Regional Medical Center, VA
- Commonwealth Health Corporation, KY
- East Alabama Medical Center, AL
- Fairfield Memorial Hospital, SC
- Riverside Health System, VA
- Southeast Alabama Medical Center, AL
- Tanner Health System, GA
- Vanguard Health Services, TN
The 2013 Annual Forum: Highlighted the successes of this past year and introduced Capstone Health Alliance to over 70 members and more than 80 of our suppliers in attendance. Members shared best practices and challenges being faced with the changes in healthcare through workgroup sessions for Materials Management, Pharmacy, and Laboratory. Members also joined our supplier partners at the Vendor Show.

Resource Management: Focused on areas of physician preference, identifying savings opportunities eclipsing $20 million for categories such as Orthopedic Bone Cement, Cardiac Rhythm Management, and Spinal Implants. Our Value Analysis and Surgical Services workgroups continued to explore utilization opportunities and provide the integral benefit of networking among peers. In addition, a newly-developed Utilization Walkthrough Review offers the opportunity for an experienced neutral party to review and recommend supply chain opportunities in the operating room.

Information Technology (IT): Began developing an IT portfolio to assist members with cost reductions while maintaining the infrastructure necessary to treat patients efficiently and safely. Capstone is working with hospitals and health systems as they drive towards many electronic incentive programs to meet federal regulations and mandates.

Materials Management: Focused on major categories including General Urology, Freight Management, Office Supplies, and a supplier that uses advanced technology to conduct successful capital equipment Group Buys.

Pharmacy: Produced an impressive array of results through traditional contract aggregation as well as best practice initiatives. A primary driver of pharmacy savings is the membership support of one of the most effective distribution agreements in the industry. For the third consecutive year, a Premier consulting engagement continued to identify significant savings opportunities.

Laboratory: Participated in quarterly webinars as well as the annual meeting to review all the new laboratory agreements launched by Premier. Educational sessions were also an important part of the total value offered to the Laboratory workgroup members.

Food Services: Continued to work with US Foods on the Committed Manufacturer Agreement Standardization program for another successful year with savings of over $313,800. This program has generated more than $2,0 million in savings since 2006.

“Capstone Health Alliance has provided the support and guidance we have needed at Iredell to keep our costs down and our focus on excellent patient outcomes. Being part of the Network gives us the opportunity to collaborate with other hospitals in a collegial atmosphere, and has enabled us to improve our pharmacy services through their educational programs, on-line resources, personal assistance, and benchmarking capabilities. They make us a better hospital.”

Tad Adams, Pharm.D., CDE
Director of Pharmacy
Iredell Health System
WNC Data Link is a regional Health Information Exchange (HIE) providing a secure and efficient exchange of patient information among the 17 western North Carolina participating hospitals to improve patient care and avoid duplicate tests and procedures. WNC Data Link, established in 2006, was the first HIE in North Carolina and is a federated model linking providers using electronic health records from a variety of companies. There are more than 2 million patient records in the regional HIE.

Success Stories and Highlights

In April, WNC Data Link implemented a Retail Pharmacy module through SureScripts. This new feature made an immediate impact within the region making medication reconciliation much easier to perform. Having the ability to query a national network in a matter of seconds can be lifesaving. All participating pharmacies share prescribed and filled medications with the SureScripts network bringing that information to WNC Data Link.

WNC Data Link has been highly utilized this year. New modules, including SureScripts retail pharmacy, have created added value to the participants and subscribers of the system which is reflected in the record high usage statistics. WNC Data Link has added over 10 new subscribing organizations, totaling nearly 100 new users to the system. Also, WNC Data Link underwent an upgrade that allows the system to exchange Continuity of Care Documents (CCDs) with integrated ambulatory organizations.

“The retail pharmacy data helps in both resolving discrepancies between information sources and reducing medication errors that have the potential to cause patient harm. In a recent event, a patient was brought into the emergency department in an unresponsive state. Thanks to the almost instant access to the patient’s pharmacy information, the care team was able to contact prescribers for vital patient information.”

Rachel Hensley, CPhT
Emergency Department Pharmacy Technician
Mission Hospital
The Quality Program supports collaboration between western North Carolina hospital department directors and regional, as well as outside, experts. Regular meetings involve sharing of best practices and discussions on: improving patient safety, meeting state and federal regulations, and improving health outcomes. Emphasis for the workgroups has been on measures related to meeting quality standards in the Affordable Care Act. Implementing regional infrastructure to meet current as well as future requirements was central to our purpose. The workgroups convene to reach consensus on system, policy and environmental changes to benefit patient outcomes in our 16 county region.

Hospital Department Director Highlights

- **Mental Health**: Standardized and streamlined patient admissions; communicated issues to state leaders; worked with the merger of regional Managed Care Organizations (MCOs); increased use of Facility Based Crisis Units; and improved care and placement for Mental Health/Substance Abuse patients.

- **Emergency Department**: Improved Emergency Department throughput for Mental Health/Substance Abuse patients; standardized treatment for acute heart, stroke, and COPD patients; prevented return Emergency Department visits through linkage with primary care; specialized treatment for the geriatric patients; and improved transitions of care at discharge.

- **Pharmacy**: Developed strategies, solutions, and resources around drug shortage tracking and response.

- **Quality Improvement**: Reviewed guidelines for new federal reports and measures linked to hospital reimbursement; clarified CMS inpatient measures for Mental Health/Substance Abuse; and monitored hospital readmissions from all settings across the healthcare continuum.

- **Infection Prevention and Control**: Tracked infection rates in state and national databases; identified epidemiology of recent outbreaks; shared policies related to employee health and mandatory vaccinations; and introduced new methodology for environmental cleaning.

- **Chief Medical Officers/Chief of Staff**: Worked together to identify and resolve issues, shared best practices, and enhanced communication.

“The Network has brought an awareness through their collaboration between all the entities involved. The work has not only improved the care for our patients but has built a system of accountability that I have not seen in the years past. I feel we are all very fortunate to have this type of service.”

Dottie Cooper, RN, BSN, CNE
Emergency Department Director
McDowell Hospital
WNC Triple Aim

Triple Aim, developed by the Institute for Healthcare Improvement (IHI), is the simultaneous pursuit of three aims: 1) Improving the experience of care, 2) Improving the health of the population, and 3) Reducing per capita cost of healthcare. Utilizing the healthcare improvement model and collective impact, WNC Triple Aim continues learning together, tracking both outcomes and process measures, and aligning the work of new and existing efforts in the region. During the last year, over 200 individuals from more than 70 organizations comprised the WNC Triple Aim Teams and Council.

Highlights for WNC Triple Aim Teams

- **Transitions of Care**: Participated in a national collaborative to reduce hospital readmissions, and formed six local communities of diverse healthcare professionals along the continuum of care to impact readmission rates through use of evidence based practices such as INTERACT III.
- **Mental Health/Substance Abuse**: Identified gaps in prevention and early intervention services for Mental Health/Substance Abuse consumers, and focused on regional system wide education across sectors to reduce involuntary commitment and promote placement in appropriate setting for care.
- **Adult Obesity**: CTG, Region 2, developed a communication tool to articulate the work of community transformation through the population health improvement strategies of systems, policy, and environmental change.
- **Advance Care Planning (ACP)**: Focused on an increased awareness of end of life options, the team has trained facilitators resulting in an increased awareness of the need for ACP. Communication in the region is beginning to show an increase in completed forms resulting in end of life wishes being honored.
- **Fall Prevention**: McDowell Balance Network has been created to reduce the rate of fall related injuries in adults over the age of 65. This Network has helped create a continuum of effective, community based, fall prevention services while executing a successful EMS/ED pilot referral process.
- **Diabetes**: Produced public awareness messages for television broadcast throughout the region regarding the need for eye exams in diabetic patients as well as signs and symptoms of diabetes to improve early intervention.

“Through WNC Triple Aim we have worked to coordinate community partnerships to leverage resources and data to impact readmission rates throughout the region. Our efforts were accelerated due to the integral support of WNC Health Network.”

**Wendy Sause, MSW**  
Director of Patient Programs  
Community Care of Western North Carolina
WNC Healthy Impact is a partnership between hospitals, health departments, and key regional stakeholders to improve community health in western North Carolina. In this innovative regional effort, key health leaders and agencies are improving efficiency, standardization, and collaboration in the community health improvement process while helping meet local reporting requirements. We are working together locally and regionally to assess health needs, develop collaborative plans, take coordinated action, and evaluate progress and impact.

WNC Healthy Impact Regional Highlights

♦ Provided leadership and support for a regional structure and collaborative community health improvement process across a 16 county region.

♦ Identified regional health priorities and strategies based on community-level health assessment priorities, regional momentum, and existing assets.

♦ Provided guidance to local stakeholders on a collaborative action planning process.

♦ Created a Community Health Improvement Plan (CHIP) template for local use as a community-wide strategic plan for addressing priority health issues identified through the Community Health Assessment (CHA).

♦ Presented a webinar on the IRS reporting of community benefit requirements to hospital staff.

♦ Developed tools for communication, presentations, and templates, including Frequently Asked Questions.

♦ Created a hospital implementation strategy template and Schedule H sample text to help support facility-specific reporting.

“WNC Healthy Impact has created a model that promotes coordination and collaboration between hospitals and health departments to address health needs on both a local and regional basis. A key factor in our success has been the development of resources that will allow the partners to fulfill our mission of improved community health in western North Carolina.”

Craig James, MPH
CEO of Highlands-Cashiers Hospital
WNC Healthy Impact Steering Committee Member
WNC Healthy Kids

**WNC Healthy Kids** is a regional initiative collaborating to prevent and reduce childhood obesity in western North Carolina. The primary strategic goals are to: 1) Ensure a well-aligned, comprehensive, regional approach to accelerate the prevention and reduction of childhood obesity through partnership development, strategic communication, promotion of 5-2-1 Almost None, training, and technical assistance, and 2) Improve the access and use of regional childhood BMI data to facilitate data-based decision making and to improve and enhance planning, implementation, and monitoring of childhood healthy weight related programs and practice in the region.

### Highlights for WNC Healthy Kids

- Developed and launched the 5-2-1 Almost None website (www.521almostnone.com) to help disseminate this unifying, regional message and framework promoting healthy behaviors and organizational changes that support healthy weight.
- In partnership with the WNC Pediatric Care Collaborative, developed a new clinical tool combining health behavior assessment, motivational interviewing and 5-2-1 Almost None messaging. This tool has been integrated into the WNC Pediatric Care Collaborative’s recommended clinical workflow improvement process for childhood obesity prevention and treatment.
- More than 40 organizations across five sectors (healthcare, faith, early childhood, schools, and community organizations) are engaged with the 5-2-1 Almost None message. Six counties have identified and integrated 5-2-1 Almost None into their Community Health Improvement Plans.
- Collected BMI and demographic data from six pediatric practices in Buncombe, Henderson and Transylvania counties, representing 12,384 patients (>5% of the estimated public school population) ages 2-17 residing in six counties across western North Carolina.

“The work of WNC Healthy Kids is built on, and leverages, important relationships between sectors necessary to improve the health of children in our region. 5-2-1 Almost None provides a valuable framework for connecting efforts across a variety of clinical and community settings, combining our collective strengths to promote childhood healthy weight.”

David Gardner, D.A.
Executive Director
N.C. Center for Health & Wellness at UNC Asheville
Board of Directors

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WNC Health Network Staff

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Heather Gates, Director, WNC Programs
Erin Braasch, Director, WNC Healthy Kids
Carolyn Dorner, Quality Coordinator
Kristin Scott, Facilitator
Sonya McCall, Director of Finance
Ashley Davis, Administrative Assistant
Maggie LiPuma, Executive Assistant

Capstone Health Alliance Staff

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Robin Lincoln, Director
Stephen Bava, Contract Analyst
Hope Childers, Account Manager
Lisa Gantt, Account Manager
Casey Gilliland, Contract Analyst
Andrea Howell, Contract Coordinator
Kim Meadows, Program Specialist
Mark Yost, Resource Manager

Revenue Sources FY 2012-2013

- Membership Dues 29%
- Data Link Fees 28%
- Group Purchasing Fees 22%
- Grants 12%
- Program Fees 5%
- Investment Income 4%

Grant Funders

The Duke Endowment
(WNC Healthy Kids, WNC Triple Aim)

Macon County Health Department
(Community Health Assessment)

Buncombe County
(Smart Start)

Earth Fare
(WNC Healthy Kids)
Members

**Alabama**
East Alabama Medical Center
Southeast Alabama Medical Center

**Georgia**
Tanner Health System
— Higgins General Hospital
— Tanner Medical Center/Carrollton
— Tanner Medical Center/Villa Rica
— Willowbrooke at Tanner

**Kentucky**
Commonwealth Health Corporation
— Commonwealth Regional Specialty Hospital
— The Medical Center at Bowling Green
— The Medical Center at Franklin
— The Medical Center at Scottsville

**North Carolina**
Alamance Regional Medical Center
Appalachian Regional Healthcare System
— Blowing Rock Hospital
— Cannon Memorial Hospital
— Watauga Medical Center
Caldwell Memorial Hospital
Cape Fear Valley Health System
— Bladen County Hospital
— Cape Fear Valley Medical Center
— Highsmith-Rainey Specialty Hospital
— Hoke Hospital
*CarePartners Health Services
CaroMont Health / Gaston Memorial Hospital
Careret General Hospital
Catawba Valley Medical Center
*Cherokee Indian Hospital
*Charles George VA Medical Center
FirstHealth of the Carolinas
— Montgomery Memorial Hospital
— Moore Regional Hospital
— Moore Regional Hospital - Hoke Campus
— Richmond Memorial Hospital
Granville Medical Center
Halifax Regional Medical Center
*Highlands-Cashiers Hospital
Iredell Memorial Hospital
Lenoir Memorial Hospital
*Margaret R. Pardee Memorial Hospital
MedWest Health System
— *MedWest - Harris
— *MedWest - Haywood
— *MedWest - Swain
Mission Health System
— *Angel Medical Center
— Asheville Specialty Hospital
— *Blue Ridge Regional Hospital
— *McDowell Hospital
— Mission Children's Hospital
— *Mission Hospital
— *Transylvania Regional Hospital
*Murphy Medical Center
*Park Ridge Health
Randolph Hospital
— Central Piedmont Surgery Center
*Rutherford Regional Health System
Southeastern Health
*St. Luke's Hospital
Wayne Memorial Hospital
Wilson Medical Center

**Pennsylvania**
Vantage Health Group
— ACMH Hospital
— Corry Memorial Hospital
— Meadville Medical Center
— Millcreek Community Hospital
— Titusville Area Hospital

**South Carolina**
Barnwell County Hospital
Conway Medical Center
Fairfield Memorial Hospital
Lexington Medical Center
McLeod Health
— McLeod Darlington Hospital
— McLeod Dillon Hospital
— McLeod Loris Hospital
— McLeod Loris/Seacoast Hospital
— McLeod Regional Medical Center
Oconee Medical Center
Self Regional Healthcare
Spartanburg Regional Healthcare System

**Tennessee**
Blount Memorial Hospital
Cumberland Medical Center
Laughlin Memorial Hospital
Mountain States Health Alliance
— Franklin Woods Community Hospital
— Indian Path Medical Center
— Johnson City Medical Center
— Johnson County Community Hospital
— Niswonger Children's Hospital
— Quillen Rehabilitation Center
— Sycamore Shoals Hospital
— Unicoi County Memorial Hospital
— Woodridge Hospital
The University of Tennessee Medical Center

**Virginia**
Buchanan General Hospital
Carilion Clinic
— Bedford Memorial Hospital
— Carilion Franklin Memorial Hospital
— Carilion Giles Community Hospital
— Carilion New River Valley Medical Center
— Carilion Roanoke Community Hospital
— Carilion Roanoke Memorial Hospital
— Carilion Stonewall Jackson Hospital
— Carilion Tazewell Community Hospital
Chesapeake Regional Medical Center
— Surgery Center of Chesapeake Community Memorial Healthcenter
Mountain States Health Alliance
— Dickenson Community Hospital
— Johnston Memorial Hospital
— Norton Community Hospital
— Russell County Medical Center
— Smyth County Community Hospital
Riverside Health System
— Riverside Doctors Hospital
— Riverside Regional Medical Center
— Riverside Shore Memorial Hospital
— Riverside Tappahannock Hospital
— Riverside Walter Reed Hospital

* Denotes Founding Members