

MUNICIPAL CORPORATIONS COMMITTEE

DATE: February 26, 2008

CALLED TO ORDER: 5:36 p.m.

ADJOURNED: 6:21 p.m.

ATTENDANCE

ATTENDING MEMBERS

Michael McQuillen, Chairman
Ed Coleman
Dane Mahern
Barbara Malone

ABSENT MEMBERS

Robert Lutz
Jackie Nytes
Cherrish Pryor

AGENDA

PROPOSAL NO. 61, 2008 - appoints Richard E. Brown to the Beech Grove Public Library Board
"Do Pass" Vote: 4-0

HEALTH AND HOSPITAL CORPORATION PRESENTATION – Matt Gutwein, Executive Director of Health and Hospital Corporation, and Dr. Lisa Harris, Chief Executive Officer of Wishard Health Services (*A tour of the hospital followed the presentation.*)

MUNICIPAL CORPORATIONS COMMITTEE

The Municipal Corporations Committee of the City-County Council met on Tuesday, February 26, 2008 at Wishard Hospital, 1001 West 10th Street, Room T-2008. Chairman Michael McQuillen called the meeting to order at 5:36 p.m. with the following members present: Ed Coleman, Dane Mahern and Barbara Malone. Robert Lutz, Jackie Nytes and Cherrish Pryor were absent.

Chairman McQuillen asked each member of the committee to introduce themselves and indicate the area of the county they represent. Councillors Coleman and Malone identified themselves as At-Large Councillors, serving the entire county. Councillor Mahern said that he serves District 19, which is located on the near southwest side of downtown. Chairman McQuillen said that he serves District 12 in northeast Marion County.

PROPOSAL NO. 61, 2008 - appoints Richard E. Brown to the Beech Grove Public Library Board

Chairman McQuillen stated that Mr. Brown has been delayed slightly, and he asked for consent to proceed with the presentation and hear Proposal No. 61, 2008 when Mr. Brown arrives. Consent was given.

HEALTH AND HOSPITAL CORPORATION PRESENTATION – Matt Gutwein, Executive Director of Health and Hospital Corporation, and Dr. Lisa Harris, Chief Executive Officer of Wishard Health Services

Matt Gutwein, Executive Director of Health and Hospital Corporation, thanked the committee for holding their meeting at Wishard and said that staff is honored to have them here and hopes they will see that Wishard is a special place. He introduced Dr. Virginia Caine, Executive Director of the Marion County Health Department, and indicated several awards she and her department have won. Mr. Gutwein introduced Dr. Lisa Harris, Chief Executive Officer and Medical Director of Wishard Health Services and Associate Dean for the Indiana University School of Medicine, and Dan Sellers, Treasurer and Chief Financial Officer for the Health and Hospital Corporation. He said that over the past five years, Health and Hospital has either lowered or frozen the taxes they collect. He said that they have experienced greater than a \$100 million economic turnaround, while still expanding services. The corporation has focused on productivity and efficiencies, sought alternative revenue sources, and unleashed the creativity of their staff to help find better ways to do business. He said that the mission of the corporation is two-fold: 1) to provide preventative health initiatives so that citizens do not get sick, and 2) to provide health care for citizens who do get sick, particularly the indigent and under-insured. Mr. Gutwein said that the number of uninsured in Indianapolis is growing at twice the rate of the national average.

Mr. Gutwein stated that with regard to the corporations first mission, new obligations have surfaced because of federal or local needs. He said that they have developed programs to address bio-terrorism, emergency preparedness, anthrax, communicable diseases, food-based diseases, West Nile virus, the obesity epidemic, and weed and trash initiatives. He said that they help to provide flu vaccinations, WIC (Women, Infant and Children) services, birth and death certificates, home health nurses, healthy start programs, HIV outreach, food inspections, dental procedures, and health fairs. He said that while Health Department operations are funded by tax dollars, 75% of Health Department workers' salaries are funded by grants. He said that Wishard Health Services is the second largest safety-net hospital in the country. They have the largest emergency room operation, burn unit and ambulance service in the State of Indiana and are the largest provider of indigent care in the state. He said that they offer mental health services through Midtown Mental Health and have the only medical detention unit in the state. He said that the volume of citizens helped continues to grow, and Wishard has added 65 new beds. He said that last week they had a record number of emergency room visits in one day, with 406 patients. He said that two weeks ago, every hospital bed in Indianapolis was full because of the flu epidemic, and it is important to note that the number of those needing care is not decreasing, but increasing. He said that Wishard does not just provide a high volume of care, but also high quality care. Wishard meets or exceeds all state, local and national standards and benchmarks and has received numerous awards. The expected mortality rate in Indianapolis is lower than the national rate, and the long and wonderful partnership with Indiana University and their faculty doctors helps to insure that care is of the utmost quality.

Mr. Gutwein showed a brief powerpoint with graphs depicting Health and Hospital's financial situation over the past several years (attached as Exhibit A). He said that in 2002, the corporation experienced a \$77 million deficit, but has succeeded in turning that deficit around. Although the last couple of years on the graph show the surplus going down, this is not a bad trend. It simply means that they try to put every dollar back into more health care. He said that property tax levies received by Health and Hospital have either decreased or stayed the same, and they have increased net patient revenue. They have increased admissions and the number of beds and have also increased productivity, to do more with less. Mr. Gutwein stated that productivity shown on the graph indicates 86%, but in the last quarter of 2007, they are actually above the 90th percentile for productivity. He said that the corporation has collaborated with many partners to increase productivity, while still providing quality care. He said that they purchase many services from Clarian Health, who has been an excellent partner. They recently did an economic impact study to determine what Wishard Health Services means to the community, and found that Wishard generates approximately \$2 billion annually in economic activity, including wages of workers. He said that this translates into approximately a 20 to 1 return on investment, generating approximately 13,736 jobs and \$135 million in tax revenue.

Mr. Gutwein stated that even with all these successes, there are still six challenges facing Health and Hospital:

- The community continues to have a higher demand for their services.
- Approximately 85% of their funding comes from the federal government (mainly Medicaid), and that funding is likely to decrease or remain flat.
- Basic health care goods and personnel costs continue to rise.
- Wishard Health Services is full to capacity. (80% occupied is considered full on national standards, and Wishard is, on average, 98% occupied.)
- The Wishard facility has significant capital needs, in the range of \$740 million.
- Public health issues continue to increase.

Mr. Gutwein stated that in January, at the Celebration of Diversity Luncheon given by Mayor Greg Ballard, Wishard Health Services received the Sam Jones Best of the Best Award. He played a short video outlining why Wishard was chosen for this award.

Chairman McQuillen thanked Mr. Gutwein for his presentation and congratulated staff on the Sam Jones Award. He asked how Wishard was able to achieve such an incredible turnaround from a \$77 million deficit to working in the black. Mr. Sellers stated that there was not one specific measure that allowed for the turnaround, but it was the entirety of the organization working together to make small efficiencies and evaluating every aspect of service and care to increase productivity and provide the same or better care at decreased costs. He said that new revenues were made available and initiatives were communicated from leadership all the way to entry level, so that every member of the organization knew how best to focus on doing things better and more efficiently. Mr. Gutwein added that the two largest things they did was increase revenues (mostly by revamping the revenue cycle and collecting more money) and decreasing expenses (most notably through natural attrition in employment, increasing productivity with fewer staff, and significant reductions in pharmaceuticals). Dr. Harris stated that they also improved processes and turnaround times, investing resources to deliver more care. She said that one example was that, during the refurbishing of the operating rooms, they actually increased the volume of surgeries by working together, even with two of the eight operating rooms down during that time.

Chairman McQuillen asked if Dr. Caine had anything to add to the presentation. Dr. Caine stated that the relationship between the Marion County Health Department and Wishard is very unique, and their preventative measures are linked with so many Wishard services, such as programs for new moms, tuberculosis vaccinations and WIC. She said that there is an enormous amount of training that is focused on customer service and results.

Councillor Malone asked if some of Wishard's funding is through charitable contributions. Mr. Gutwein stated that the Wishard Memorial Foundation used to be more of a grants management entity, but they raised \$5.6 million in community

philanthropic dollars for their new burn unit, and continue to receive approximately \$2 million a year in philanthropy.

Chairman McQuillen thanked the Health and Hospital Corporation and Wishard Health Services staff for sharing their successes and continued challenges.

PROPOSAL NO. 61, 2008 - appoints Richard E. Brown to the Beech Grove Public Library Board

Councillor Mahern asked what prompted Mr. Brown's interest in serving on this board. Mr. Brown said that he did not seek out the appointment, but was approached by Councillor Susie Day. He said that he has lived in Beech Grove his entire life and has used the library's services there since childhood, and any way he can be of service to his community, he is happy to do so. Councillor Mahern said that it is good to see the younger generation stepping up to serve in their community and becoming involved in the process.

Councillor Coleman stated that he served briefly with Mr. Brown in the military and knows him to be a man of wonderful character and moral integrity. He stated that he will be a great addition to this board.

Councillor Coleman moved, seconded by Councillor Malone, to send Proposal No. 61, 2008 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 4-0.

Chairman McQuillen stated that the next Committee meeting will be held at IndyGo headquarters at 5:30 p.m. on March 18, 2008, in order to further acquaint committee members with the various municipal corporations.

There being no further business, and upon motion duly made, the meeting was adjourned at 6:21 p.m.

[Clerk's Note: Members of the Committee were given a tour of the hospital following the adjournment of the meeting.]

Respectfully Submitted,

Michael McQuillen, Chairman

MM/ag