

Lakeland Regional Medical Center

2010 Report to the Community

Our Vision

Lakeland Regional Medical Center...
creating the best health care experiences

Our Core Purpose/Mission

Improving lives by delivering
exceptional health care



In my first two months as President and CEO of Lakeland Regional Medical Center, I have had the opportunity to meet the board members and many of the physicians and staff who have built and sustained this organization over the years. It has been rewarding to experience the sense of community and shared commitment to quality patient care that thrives in this hospital. The greater Lakeland area is fortunate to be served by such a successful, progressive hospital, and I am proud to have been asked to lead the next steps of its journey. This annual report is a reflection of achievements for the fiscal year 2010, which ended September 30, and it is my privilege to share that report with you.

Lakeland Regional Medical Center is committed to improving lives by delivering exceptional healthcare. Our community can be proud of the level of service and quality of care available at their hospital, which is the fourth largest in Florida.

Responsibility for upholding our community commitment rests with a Board of Directors, composed of community leaders who devote countless hours to the governance of this hospital. They represent the community, without compensation, with the charge of ensuring the fulfillment of Lakeland Regional Medical Center's vision and mission.

Lakeland Regional Medical Center's mission drives the development of our annual goals, objectives, budget, and staff performance measures. At this time, we would like to present an overview of the hospital's performance for fiscal year 2010.

We are committed to providing our community the best patient experience. One way to do that is to serve patients and families consistent with their individual physical, emotional, spiritual, environmental and socio-cultural preferences. Some of the service and technological improvements we made in 2010 included:

- The implementation of an electronic health record system in the Emergency Department and perioperative services areas. The system includes electronic triage and patient tracking boards in the emergency department. Housewide implementation of an electronic health record is slated for 2012.
- The start of pediatric services at Lakeland Regional Rehabilitation and Sports Medicine Clinic



on Harden Boulevard. The clinic provides physical, occupational, speech, and aquatic therapy on an outpatient basis.

- The upgrade of our daVinci robotic surgical system to two of the newest model robot, the daVinci SI.
- The upgrade of a radiation therapy unit at LRCC to include stereotactic radiosurgery capabilities.
- Increasing utilization of the intensive palliative care unit, resulting in a reduction in ICU lengths of stay.
- Opening new critical care, pediatric care, and triage





areas in the Emergency Department.

- Opening the M2 outpatient surgery unit, preadmission testing area, and surgery waiting area to enhance patient flow and experiences with these services.
- Initiation of the Lakeland Regional Cancer Center expansion project.
- Acquiring Positron Emission Mammography (PEM) technology through our affiliation with Radiology and Imaging Specialists at the Women's Imaging Center. This is the only PEM unit in Central Florida.



- Initiation of a Survivorship Care at LRCC, a new program of care that follows primary care by assessing patients' needs based on five categories: physical, emotional, psychosocial, sexual and spiritual. After the assessment is analyzed, the survivor is presented a plan of care to address on-going needs.
- Implementation of a tobacco-free campus policy.

As we continually strive to improve quality of care and patient safety, we achieved several significant recognitions, including:

- Reaccreditation by the Joint Commission
- National recognition as one of the leaders in the Surviving Sepsis campaign because of outstanding clinical outcomes
- Received the 2009 Outstanding Achievement Award from the Commission on Cancer of the American College of Surgeons
- Received the 2009 Jean Byers Award for Excellence in Cancer Data Registration
- Achieved Cycle III accreditation with Percutaneous Coronary Interventions (PCI) from the Society of Chest Pain Centers
- Achievement of the 2009 Gold Performance Award from ACTION Registry – Get with the Guidelines for Cardiovascular Performance.
- Achievement of the National Get With the Guidelines Silver Award for Stroke performance by the American Stroke Association.
- Repeated achievement of a 3-Star Rating, by The Society of Thoracic Surgeons, for our cardiovascular surgery program. This is the Society's highest possible distinction and places LRMC among the top 12% of programs in the nation.
- Recognition as a Center of Distinction by Diversified Clinical Services for our Wound Care Center. LRMC became one of only 14 of the nearly 285 eligible hospitals throughout the country to achieve this honor.
- Repeated recognition from the Department of Health and Human Services for organ donation rates. This is a testament to the sensitivity of our trauma, surgery, and intensive care staffs in working with cases appropriate for organ donation.



To create the best experience for our patients, we also strive to be the best place to work, providing employees a culture of engagement and accountability for practicing our values and achieving results. As the fifth largest employer in Polk County with 4,611 employees

(3,900 full-time equivalents), we recognize the significant role LRMC plays as part of the community workforce. Having been continually recognized by Polk Works Workforce 2020 as one of Polk County's Best Places to Work, LRMC now holds the agency's title of "Employer of Distinction" award winner.



We also continue to place a high priority on the educational development of our staff as a key to delivering quality care, and we invest resources in our community to foster development initiatives. Our Vice President of Human Resources serves on the Polk Works Board and chairs the Polk State College Corporate College Advisory Board. We continue to support partnerships with Polk State College and Florida Southern College. We are proud of the following accomplishments and recognitions among our staff:

- Robin Stewart, RN, PhD, OCN, CCRC, Manager of Clinical Research at LRCC, was named the Oncology Nursing Certification Corporation's 2010 OCN® of the Year;
- Mimi Jenko, RN, Clinical Nurse Specialist, in Palliative Care, received the Polk County Clinical/Hospital Nurse of the Year Award;
- Jan Bauer, RN, in LRCC's Cancer Clinical Trials Research department, received the Polk County Clinical/Non-Hospital Nurse of the Year Award;
- Tina Weakland, RN, BS, breast cancer nurse navigator for Lakeland Regional Cancer Center (LRCC), became one of only 400 Certified Breast Care Nurses (CBCN®) in the nation;
- The Medical Cardiology Unit was named "Best in Adaptability" by Advance for Nurses magazine
- Members of our leadership team have participated in local, state, and national presentations and leadership roles for a variety of organizations.

Our commitment to being the best place to work extends to physicians as well. The Lakeland area is fortunate to have a diverse and well-respected physician community, with 523 physicians, dentists, and podiatrists currently serving on LRMC's medical staff. Ninety percent are board-certified.

We have worked closely with the physician community to assist in the recruitment of new physicians of various specialties to address physician shortages. We now employ two neurosurgeons, five orthopedic surgeons, and six trauma surgeons to fill these critical shortage areas in our community. Lakeland Regional Cancer Center added a fifth urologic oncologist, who is one of the few female urologic oncologists in the country. The number of surgeons performing robotic surgery has increased to fourteen.

As one of our area's largest employers and economic drivers, we also maintain a commitment to community stewardship, ensuring financial viability, while demonstrating social accountability:

- Community education programs were offered on a variety of health topics, including major forums on heart disease and breast cancer awareness. The Victorian Tea program reached approximately 300 women with the latest information in breast cancer care and treatment. The Matters of the Heart event provided information on LRMC's chest pain center, the newest technologies in lung surgery, and valuable stroke information.



*Matters
of the Heart*

- Programs on knee and shoulder conditions, depression, diabetes, eye conditions, lung cancer, and robotic surgery also presented wellness information to the community.

- LRMC's first Sports Symposium offered valuable information about prevention and treatment of sports-related injuries to teen athletes, their coaches and parents.

- A wheelchair basketball game with professional wheelchair athletes raised awareness of disabilities and benefits of rehabilitation.

- We paid tribute to cancer survivors with a Cancer Survivors Day event, held at Lakeland Regional Cancer Center.

- Hospital employees donated to the United Way campaign,

Toys for Tots, and Senior Orphans.

- Employees also gave nearly \$267,000 to the hospital, through gifts to the LRMC Foundation. Employee giving since 1990 now tops the \$3 million mark.

- Lakeland Regional Medical Center also contributes to the financial health of the community in several ways. In addition to the dollars spent on payroll and purchases, the hospital makes an annual lease payment to the City, which totaled \$12 million this year.



The LRMC Foundation continues to play an important role in the hospital's growth, financial well-being, and stewardship. The Foundation supports various hospital needs and, through philanthropy, allows us to extend our mission. In November 2009, the Women in Philanthropy program chose to donate funding of nearly \$45,000 as follows:

- To build and equip one treatment room in the Pediatric Emergency Department (a 4 year commitment)

- To purchase a Gaumard Noelle Childbirth Simulator to offer continuing education to LRMC staff

- To purchase Medela's Symphony Preemie Cards and Education package to be used for mothers of pre-term infants to establish and increase adequate milk volumes

- To fund an art project for the Child/Adolescent Psychiatric Unit at LRMC

- To purchase a training program for LRMC staff to help children cope in emergency, urgent care and inpatient settings

- To fund a Pilates program for female oncology patients at Lakeland Regional Rehabilitation and Sports Medicine Clinic, consisting of free community education and Pilates mat instruction sessions



Of course, financial stability is a key component of our community stewardship and underlies our ability to meet all of our goals.

Our clinical areas have worked hard to improve our quality as well as contain our costs. In 2010, our cost per adjusted discharge, adjusted for case mix index was \$6,743, which represents a 1% decrease from last year's cost of \$6,810.

Legislative activities at both the federal and state levels have a great impact on LRMC's financial situ-

ation. We monitor health care-related legislation and frequently contact our legislators in support or opposition of various proposals.

Now I would like to share with you where LRMC's funds came from and where they were applied.

First, in fiscal year 2010, LRMC provided care for 38,471 adult inpatients and welcomed 3,465 newborn deliveries. We had 154,577 emergency department visits, and 41,766 outpatient/same day care cases. Our inpatient discharges increased by 1.9% from 2009, and our patient days decreased by 0.7%. There was a 0.3% increase in Emergency Room visits and a 6.2% increase in outpatient/same day care.

LRMC receives funds from charges to patients for inpatient and outpatient services, as well as from non-hospital activities, such as its cafeteria, gift and uniform shops, and physicians' answering service. In 2010, these funds totaled \$2.22 billion in gross revenue. However, agencies such as Medicare, Medicaid and managed care contracts have limited their levels of payment to hospitals, and they failed to pay for \$1.48 billion in patient charges. In addition, we provided \$138 million in charity care. Therefore, actual funds available totaled \$601 million.

On the expense side, LRMC's largest resource is our staff, and we spent \$260 million for salaries and benefits. Another \$298 million went to supplies, medications, business services, insurance, utilities, maintenance, bad debts, and depreciation, while our lease expense to the city accounted for another \$12 million. Total expenses were \$570 million, resulting in net operating income of \$31 million for 2010.

In 2010, LRHS generated \$30 million in cash flows from operations and spent \$46 million for the replacement and improvement of facilities and equipment. Through this investment in long term assets, cash reserves decreased by \$16 million. Our commitment to our community is represented in the continual re-investment of these resources into the advanced technology, equipment, and facility planning that enables our physicians and staff to provide high quality, comprehensive healthcare services.

The issues that have challenged the healthcare industry continue to exert pressure on our financial situation. The federal government has continued to make cuts to Medicare payments to hospitals. Managed care companies demand lower rates and continue to negotiate downward. The costs of pharmaceuticals and supplies continue to increase, as do salary and benefits expense. Individuals have held off on elective surgeries, and our procedural volumes have declined. However, in the face of these continuing financial pressures, the entire hospital team has given their utmost to meet the challenges, as we have tightened our budget in ways that have affected both our people and our operations. We are proud of their commitment and contributions.

For fiscal year 2011, LRMC implemented a 10% overall rate increase. However, because of fixed reimbursement from Medicare, Medicaid and managed care, we will receive only 4 cents from every dollar of additional revenue generated by that rate increase. In addition, we have budgeted \$235 million in write-offs for charity care and bad debt. Overall, we have budgeted for an increase in total operating revenue from \$601 million to \$650 million. Our expense budget will increase from \$570 million this year to \$618 million next year, leaving net operating income of \$32 million.

In fiscal year 2011, we will continue to be vigilant in our efforts to manage costs while providing quality care to our patients. Lakeland Regional Medical Center is proud to stand as a healthcare leader and to serve the needs of our community and the patients entrusted to our care.

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