

# Mercy Adopts Strategic Initiatives for Next Three-Year Cycle

Using a roadmap is a good way to stay on course and reach your intended destination on schedule. In the same way, the Sisters of Mercy Health System (Mercy) establishes a set of strategic initiatives every three years to help guide our activities and meet our objectives during a defined period of time. Mercy's strategic initiatives give focus and direction to our mission of meeting the changing needs of patients and communities across the System.

Mercy has recently adopted a new set of seven strategic initiatives which will be used for planning purposes by all Mercy Strategic Service Units (SSUs) through Fiscal Year 2010. These new initiatives, which update the six strategic initiatives that have been in use for the past three years, take into account where we have been as an organization, the challenges that we face and where we want to go in the future. While our new initiatives reflect many continuing needs, they challenge Mercy to be even more creative in addressing these ongoing areas of focus while also responding to new opportunities.

Following are the seven strategic initiatives that will be used in charting our course for Fiscal Years 2008 through 2010, and a brief description of each:

**1 MERCY SERVICE**  
As a firmly engrained aspect of Mercy's culture, Mercy Service encompasses three components: Personal Service, Clinical Quality and Safety. Examples of activities that support this initiative include patient and co-worker satisfaction processes, service recovery, the Institute of Healthcare Improvement (IHI) 100k Lives Campaign, quality improvement and patient safety efforts, and Pathways leadership and co-worker development.



**2 OPERATIONAL ACCOUNTABILITY**  
This initiative includes a wide range of operational activities which provide Mercy with a strong organizational infrastructure. Examples include operational advancements in areas such as supply chain, revenue management, performance management, and capital and productivity management.

**3 PHYSICIAN RELATIONS & ALIGNMENT**  
This initiative emphasizes strengthening relationships with both integrated and affiliated physicians, who serve on our SSU's medical staffs. Areas of focus include recruitment and retention, and working with our physicians to better address the

rapid transformation of healthcare in areas such as clinical quality and technology.

**4 ACCESS**  
Enhancing access to health services involves creatively pursuing community collaborations to address service gaps as well as continuing to advocate for broader-based access solutions.

**5 STRATEGIC GROWTH**  
This strategic initiative includes identifying and pursuing growth opportunities that strengthen Mercy, with a primary focus on revenue or market share growth activities within our current market areas. Also reflected are coordinated planning efforts to support service lines such as cardiovascular services, and philanthropic development efforts.

**6 INNOVATIVE CLINICAL TECHNOLOGY**  
This initiative is represented by the adoption of critical clinical technologies that will have a positive impact for patients, while also carefully analyzing impacts on workflows, physician needs, staffing and reimbursement. An example of innovative clinical technology is the new Mercy SafeWatch electronic ICU program.

**7 INFORMATION ENABLEMENT**  
Providing a technology infrastructure that will support information sharing across the organization and beyond is imperative to Mercy's ability to meet both clinical and operational needs. Activities represented by information enablement are the Genesis Project and Mercy Information Services Division's "high availability" initiative.

## Construction of New Northwest Arkansas Medical Campus on Track

With less than one year to go, Mercy Health System of Northwest Arkansas is on track to open its new medical campus in January 2008. The new medical campus will replace the current St. Mary's Hospital in Rogers, Arkansas, with a 350,000-square-foot medical center that includes 200 beds and private patient rooms, in addition to emergency and trauma, cardiology, orthopedics, neurological and outpatient services. The campus also will include a medical office building to accommodate 90 physicians. The location of the new medical center is in a highly-visible, high traffic area that is expected to experience significant population increase in the coming years.

Site work on the \$145 million complex began in February 2005 with the clearing of trees and turning of soil, and formal construction began on the foundation three months later. Work has been steady and as of the end of January, construction of the medical center was 65 percent complete. Interior design is underway, progressing from the ground floor up to the seventh floor. On the lower levels, primary paint, case work and flooring are being completed, while the upper levels are ready for framing. Construction of the professional office building is expected to start within the next few weeks.

"We are still on time and on budget, which is impressive for a project of this size and scope," said Susan Barrett, president of Mercy Health System of Northwest Arkansas. "We are committed to bringing world-class healthcare to the region in order to realize our vision of the future for Northwest Arkansas."

Funding for the multi-million dollar project was secured from a variety of



Construction continues on Mercy Health System of Northwest Arkansas' new medical campus.

sources. The property on which the new medical campus sits was donated by the late Evelyn Rife, a lifetime resident of the community. Other major gifts include monetary donations from several well-known Northwest Arkansas community leaders such as Wal-Mart Stores, Inc., J.B. and Johnelle Hunt, Linda and Lee Scott, Don and JoAnn Soderquist, Kimberly-Clark, S.C. Johnson, Jim and Marilyn Necessary, C.R. Lehman Properties, the Harlon Phillips family, Paul and Martha Bergant, Meza Harris, Jerry and Brenda Walton, the Debbie Evans family, Outdoor Cap and St. Mary's Hospital Auxiliary.

"The community has been very generous and we truly appreciate their outward signs of continued commitment to our cause," said Barrett. "We are engaged in a process that will have very positive and dramatic implications for healthcare in the Northwest Arkansas community. We will be one of the first medical centers in the nation to affect this kind of comprehensive, systemic change in the patient experience and we look forward to sharing our successes as they unfold."

## Message from the President

I am privileged to personally extend my congratulations to John Sullivan on his upcoming appointment as President and CEO, which will be effective May 1. John has demonstrated exceptional leadership as executive vice president and COO of Mercy, and his transition to CEO will be well served by the strong relationships that he has established and his understanding of and commitment to Mercy's mission and strategic direction. I extend my appreciation to the search committee, which included Sister Angelique Foto, RSM, Sister Padraic Hallaron, RSM, David Pratt, Dr. Marlon Priest, Sister Mary Roch Rocklage, RSM, and Bishop Joseph Sullivan, on their diligent work. In addition, I look forward to a continuing relationship with John and with everyone across Mercy as I accept the position of Chair of the Board of Directors on May 1.

Also of note this quarter is the honor that Mercy and our supply chain operating division, Resource Optimization & Innovation (ROi), received in being named the 2006 Supply Chain Innovator of the Year by the Council of Supply Chain Management Professionals. This award is significant not only because it is an international honor for which Mercy competed with six Fortune 500 companies, but because this is the first time that a healthcare organization has received it.

For Mercy, the Supply Chain Innovator of the Year award is public recognition of the progress that we have made as an integrated healthcare organization. In addition to achieving operational efficiencies, the results of our Systemwide supply chain strategy have made possible significant contributions to patient safety through ROi's participation in Mercy's medication safety program. But this award is not for ROi alone; it also recognizes the nurses, physicians, pharmacists and other clinicians whose participation in the medication safety project made this honor possible. I want to extend my thanks and congratulations to everyone across Mercy who contributed to this well-deserved award.

Sincerely,

**Ron Ashworth**

President and Chief Executive Officer  
Sisters of Mercy Health System

