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fter a major facility expansion and renovation, the century-old institution is again prepared to improve quality and convenience for its patients and staff.

A Tradition of Service

It began in 1914. A grieving Dr. Edward Stuart founded a hospital using “egg money” secretly saved by his wife, who had died because care was not available locally. And Jennie Stuart Medical Center is still investing in local care.

Building all new surgical suites, critical care areas and women’s diagnostic facilities, the hospital is also joining with its staff to found an ambulatory surgery center.

“It’s the next step in our master plan,” explains CEO Terry Peeples. “These areas are the most difficult and expensive to build. We’re very pleased to be able to keep up with growing demand.”

Jennie Stuart was struggling with demand a decade before, when it first engaged QHR. But rising volumes weren’t the problem: falling market share was.

Facilitating the planning process, QHR helped the team coordinate its efforts to compete with nearby Nashville hospitals, with a focus on its facility, its service lines, and its community relations.

“Our success began when QHR brought us a top quality CEO,” points out board chair Elizabeth McCoy. “He connected with the staff and community. And he used QHR’s consulting services to solve problems, plan ahead, and keep raising our standards.”

Unwavering Commitment

With a solid strategy and the support of its staff and board, the leadership prepared for success, using many QHR services, such as:

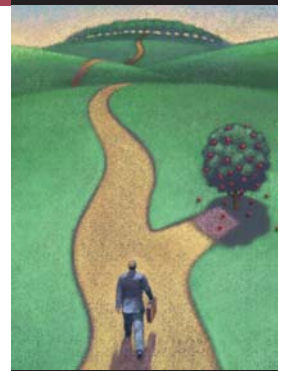
- Biomedical Engineering
- JCAHO Survey Preparation
- Departmental Reviews
- Learning Institute Education

We’ve taken advantage of virtually every QHR service over the years,” Peeples asserts. “The quality is excellent, and QHR’s commitment to our success is unquestionable.”

(over)

“We have used QHR’s consulting services to solve problems, plan ahead and keep raising our standards. Of course there are ongoing challenges, but we don’t have to face them alone. We have QHR.”

*Elizabeth McCoy, Board Chair
Jennie Stuart Medical*



Success Story



Coordinated by QHR's American Health Facilities Development, the \$20 million phase one renovation succeeded in overcoming the image of a dated facility. Moving outpatient services to a first floor mall, brightened by fountains, skylights, and banner-style signage, the project also made physician offices and the emergency department more accessible.

"We knew we needed to expand," clarifies Dr. John Roark, chief of surgery. "QHR brought us the expertise to do it right."

Maintaining the Where-With-All

The first expansion phase was costly. The financials took a hit.

"We needed a break," affirms CFO Sam Brown, "to build reserves." But the team didn't have to go to great lengths to make that happen.

"Thanks to QHR, we're very efficient. And every year, we have QHR chargemaster, coding, business office and staffing reviews done, to keep us on track."

While the team maintained a steady margin of more than five percent, the reserves were down after completion of phase one.

"With construction costs and stock market declines, our cash bottomed out at 68 days. But after four years, our lean operations got us back to 170 days. We're ready to proceed."

During the hiatus, however, the team did not cut back on its investment in care quality. "Our capital budget has been steady at \$3.5-\$4 million annually. We've replaced and added lab, radiology and surgical equipment, and we're always working on more parking."

Frugal Operations Pay Off

As the medical center begins the \$31 million phase two expansion, also supervised by American Health Facilities Development, it is prepared to fund one third of the project from reserves. Strong financial performance enables it to finance the remainder with A- rated bonds. The work will address areas that have not been renovated since they were built in the 1970s. "The new OR suites will be larger – from 300-400 square feet to 500-700 square feet," VP of operations Eric Lee remarks. "The

extra space will accommodate more high-tech equipment. And along with the better-designed support departments and waiting areas, it will allow for more efficient patient throughput."

Staff Building; Team Building

Wise financial management enables the expansion; but it is growth that necessitates it.

"We've had good volumes," Brown emphasizes. "The first makeover was a catalyst for medical staff recruiting. This one will be too."

The hospital is serious about staff relations: a joint venture ambulatory surgery center is proof. "We are very much aware of the medical staff's role in our success," smiles Peebles. "The joint ASC will not only give us more capacity to keep up, and help us continue recruiting top-quality staff... I believe it will also help us keep a strong and positive relationship with our surgeons by providing them ownership and control."

The combined strategic and facility plans are coming to fruition. Adds Peebles:

"We have great people working here... but I don't believe we could have achieved so much without QHR's guidance, and hands-on, how-to help. The result is a hospital that compares well to Nashville, but still has a comfortable, small town ambiance."

The Secret to Success

Leaders offer their views...

"We've had a ten-year relationship with QHR," relates CEO Terry Peebles, "and we have thrived."

"When we cut the ribbon on phase one, we had phase two planned," remembers Eric Lee, VP of operations. "QHR's advisors were critical to the success of the plan."

"I won't make predictions," CFO Sam Brown cautions. "But after our last renovation, business went crazy."

"Our reputation has improved dramatically," relates Board Chair Elizabeth McCoy. "And I give QHR a lot of the credit."

