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A Pacesetter in Catholic Health Care, Trinity Health Is Attracting National Attention for Its Delivery System Unification, IT Initiative, and Access-to-Care Ministry

Featuring:

Joseph R. Swedish, FACHE,
President and Chief Executive Officer, Trinity Health

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Joe Swedish will mark his one-year anniversary next month as president and chief executive officer (CEO) of Trinity Health, which has its headquarters in Michigan but reaches from Maryland to California. The fourth largest Catholic health system in the nation, Trinity Health grew out of a merger five years ago between Holy Cross Health System and Mercy Health Services. Trinity Health is sponsored by Catholic Health Ministries, a new group approved by the Catholic Church, composed of religious women and lay persons who are responsible for the Catholic identity of the ministry.

In this **Health Care Review,** *Swedish discusses with Deloitte Partner Kenneth Weixel, National Provider Segment Leader for Life Sciences and Health Care, the broad scale of Trinity Health and the unique model that it represents. Calling the health system a "unified enterprise ministry," he describes its various initiatives and challenges as it grows and develops. He particularly notes the system's emphasis on unified health delivery, reengineering of its clinical and management information systems, and commitment to expanding health care access for underserved populations.*

Prior to joining Trinity Health, Swedish was president and CEO of Centura Health, the largest health care provider in Colorado. The faith-based system won awards both for excellence in patient care and for the successful incorporation of spirituality into the health care workplace. Earlier, he held senior executive positions in various health care settings in the mid-Atlantic states, Florida, and Colorado.

A fellow in the American College of Healthcare Executives (ACHE), Swedish was appointed chairman of the Colorado Hospital Association and served as chairman of the Public Education and Business Coalition. He has been a member of the American Hospital Association Regional Policy Board 8 and of the boards of the Metro Denver Chamber of Commerce Economic Development Council, Metro Denver Boy Scouts, Colorado Forum, and Colorado Concern. He has received awards from the Board of Regents of the University of Colorado and ACHE.

Swedish received a bachelor's degree from the University of North Carolina at Charlotte and a master's degree in health administration from Duke University.

"Although Trinity Health is tremendously diverse, with facilities from coast to coast, the health care it provides has a local identity and focus," Swedish points out

When Joe Swedish arrived at Trinity Health, he was fascinated by the scale of the system. "This is a very large integrated delivery network that spans the country, with operations in 7 states—45 hospitals and 384 outpatient facilities. The system also has long-term-care centers and home health and hospice programs, as well as a health maintenance organization and a preferred provider organization." Although he views Trinity Health as "very diverse in scale," he notes that it nonetheless "has a local identity and focus."

The diversity of the organization is both an advantage and a challenge, Swedish says. "We are seeking to leverage the system's scale so that we can create greater efficiency and effectiveness in our ministry organizations with respect to the delivery platform, the improvement of health care, the management of the cost structure, and the movement of health care information."

Commenting that the health care industry has a checkered history of failed mergers, Swedish observes that Trinity Health is an example of a merger that succeeded. "We were able to take advantage of the decades-long success of the two merging health care delivery systems, Mercy Health Services and Holy Cross Health System. Although forming Trinity Health presented a lot of challenges, particularly in creating a new governing construct, the dynamics were there for integrating system behavior, both in governance and in operations."

As the result of the merger of two successful Catholic health systems, "Trinity Health is a cutting-edge model that likely will be more the norm than the exception going forward," Swedish notes

Admitting that the model under which Trinity Health was organized may seem esoteric to people unfamiliar with the concept, Swedish says that it is a model called in canon law a "public juridic person" and that it is a lay-religious partnership. "The sponsor, Catholic Health Ministries, is the 'public juridic person,'" he explains. "One of four public juridic persons in the Carthfísolic health community, Catholic Health Ministries offers a unique model that may become more the norm in the future."

According to Swedish, "the bottom line is that a transition is occurring at Trinity Health in particular and in Catholic health care in general where governance is more heavily populated by laity than by women religious. It is a transformation whereby women religious are a smaller part of hospital or health system governance and management. This is a very courageous step on the part of congregations of women religious who are now transitioning governance to boards of laity, rather than staying with the traditional model. However, in some cases, a sponsoring congregation of women religious may have no desire to transition to laity. So it's not a 'one size fits all' proposition."

Swedish notes that Trinity Health's board consists of 14 members, 4 of whom are women religious appointed by Catholic Health Ministries and the remainder lay persons. At the hospital or ministry organization level, there are 15 board members, 3 of whom are women religious and the remainder laity.

"I believe that this transfer of responsibility assures continuation of the health care ministry as originally conceived and managed by the original sponsoring congregations," Swedish asserts. "I think that Catholic health care will be protected as a result of this move, as opposed to its facing some very stark and difficult realities without a plan for the future." From a business point of view, it combines "the professional strengths that lay executives bring to the table with ministry obligations that are the system's heritage."

"Trinity Health's mantra is 'unified enterprise ministry,' reflecting its aligned delivery system, entrepreneurial spirit, and historic mission," Swedish says

Indicating that Trinity Health is a "unified enterprise ministry," Swedish says that "each word has a very powerful meaning for us today. 'Unified' focuses on the ability to build a highly aligned delivery system that leverages both scale and skill. In such a diverse organization, we have to be able to standardize process so that we can create the kinds of efficiencies and effectiveness that are necessary to provide higher quality care and develop a better cost structure."

Swedish continues: "The word 'enterprise' reflects our striving to become more accepting of business risk, even entrepreneurial. Managing an enterprise is different than administering a basic organization. It requires unique skills. Moving an organization to new places requires highly trained executives who are willing to take risks and who conversely are willing to make mistakes from time to time."

Finally, Swedish points out, "The word 'ministry' recognizes that Trinity Health has a powerful heritage that is rooted in its Catholic heritage, providing services to all and especially to less fortunate and more vulnerable members of our population who are unable to access health care."

As a unified enterprise ministry, Trinity is pursuing various strategies. For example, Swedish has appointed himself the chief diversity officer, in order to make an "unambiguous statement" that the system wants to have a diverse management team and workforce, to contract with minority-owned businesses, and take other pathways toward a spirit of inclusion. For another example, Trinity has separate presidents directing its business sector—the hospital and health network—and its support services, consisting of finance, IT, the supply chain, the managed care products portfolio, and various like services. It also has a senior executive who focuses entirely on what Swedish calls "organizational talent effectiveness," centering on recruitment and retention of "the best and the brightest."

For yet another example, Trinity Health is pursuing an initiative on physician relations, to project what physician alignment will look like in 2010 and beyond. Swedish explains that "physician alignment is a local phenomenon: one success in a market does not necessarily create a company-wide success." Trinity Health is looking at models to solidify the system's relationship in the future, both clinically and economically, with physicians.

For a final example, Trinity Health is creating a unified response throughout the system through its community benefit ministry by recently committing $35 million to its Community Health Fund and another $15 million over three years to stimulate innovative programs within communities. The fund will serve as an incubator market by market to support innovation dealing with expanding access to health services. "Recognizing that health care is local, we are saying to our ministry organizations: You take the lead; you identify the opportunity. We will provide the initial funds to get the project started."

"The company has purposefully been quiet about merger and acquisition initiatives," Swedish admits, "but it is definitely poised for future growth and development"

■ Trinity Health's board has conspicuously been silent over the past five years about future growth and development, Swedish notes. "The board has been quite deliberate in its concentration on creating a successful merger and silent about merger and acquisition (M&A) activities. Upon my arrival, the board expressed its desire to move to a new level of excellence and activity related to growth and performance."

Swedish points out, however, that Trinity Health "is certainly well-positioned for future growth and development, whether by merger, acquisition, or organic growth. We are very aggressively looking at all the opportunities on the horizon. We believe that five years of success have created a platform that allows for effective M&A. So what does the future look like? We really don't know. The desire is there; the platform is there. We see a lot of future opportunity for exceptional growth."

"One way in which Trinity Health seeks to be a leader in the transformation of health care on a national scale is through Project Genesis, an IT and process improvement initiative," Swedish asserts

■ Swedish inherited an initiative, Project Genesis, that he believes will give Trinity Health national stature in information technology (IT) innovation. "The Trinity Health board, in 2000, made a bold commitment to restructure the system's health care delivery by developing a new IT infrastructure. It literally is a reengineering of Trinity's information system and will put all of our organizations on a common platform. In 2008, when all the sites go live, we intend to have a data repository of in excess of four million patients' records."

Trinity Health's vision "is focused on being a leader in the transformation of health care," Swedish indicates. "The IT spend is very bold, with the hardware cost alone exceeding $300 million. We recognize, though, that it is a cost of doing business, an expectation put upon us by payers, by the business community, and by government."

Looking at the challenge ahead, Swedish says, "We need to be able to mine the patient data in order to establish standards of care and deliver services on a corporate-wide basis through evidence-based practice." In the last year, he notes, Trinity Health has confirmed the validity of its model. "What is fascinating is that you make a commitment, you go through a period of chaos as you are beginning to manage the go-lives, you go down the trail for a while, and then you ask the question: 'Are we really accomplishing what we expected?' We have finished our appraisal—in fact, an audit—and we know that we have a truly powerful model. We know that we made the right decision for the right reasons, that we have the right vendor, and that we are heading in the right direction. I believe that we are two years ahead of the industry in that respect."

Saying that Trinity Health's goal is to perform at the upper-decile level, as opposed to the upper-quartile level, Swedish explains that the system is learning to monitor and measure quality and is improving its metrics of morbidity and mortality. "We now have both the statistics and the data measurement methodologies in place, with the aim of providing higher quality care."

Swedish cautions, however, that Trinity Health "needs to become much more intentional about process improvement. In 2000, the expectation was that, if you put new technology in place, it would transform health care. We recognize now that technology is just an enabler, so we are focusing on workflow analysis and translating that to process improvement gains based on using technology to create more efficient and effective care at the bedside."

"While Trinity has been successful in its initial pay-for-performance experience, there's always the risk that success can result in earning less over time," Swedish warns

Reluctant to make prognostications, Swedish is nonetheless willing to comment on the Medicare pay-for-performance movement that is being promoted by the Centers for Medicare and Medicaid Services. Assessing the program—currently a demonstration but, as indicated by legislation pending in Congress, perhaps eventually a mandate—he says that it could become "a millstone on an operator's neck. The program creates the expectation among providers for more payment; as they achieve it, they could actually end up earning less."

Swedish acknowledges that Trinity Health "has been successful in the initial pay-for-performance program in reaping rewards for improved performance," but warns that "some very critical elements have to be incorporated into the program on a national scale before it can lay claim to being advantageous for caregivers."

Swedish points out that payment models have evolved from cost-based reimbursement to prospective payment and now are entering a pay-for-performance stage—"from simply paying for activities to recognizing reliable execution of core process or clinical protocol. When there's a mixed bag of payment models, with a lot of confusion, I think it really begs the question of whether we really can get alignment with the clinical community to achieve the right outcomes."

He insists, however, that "evidence-based practice has to be rewarded. It should be the highest quality care—truly excellent services—and payment shouldn't be cut back once this is achieved. Providers ought to strive for greater excellence and arguably receive increased forms of payment when they accomplish it." Getting the support of payers and practitioners in working collaboratively may be a problem, though, and, in his view, "calls for some sort of national standard-setting organization, a prudent regulator to be the referee for how the performance models work. If every payer has a different form or model, that will be problematic. We need to create simplicity in the landscape, not more complexity."

As Swedish looks over the health care landscape, he keys in on Trinity Health's mission in delivering health care services. "Maybe I can best summarize this, in terms of the spirit of Trinity Health, by focusing on the goal of improving the quality, quantity, efficiency, effectiveness, and distribution of health care in the broad marketplace that the system serves."

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