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# CASE STATEMENT – Version 2.6

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### Introduction

When faced with a life-threatening emergency, the one thing that everyone wants is quick, convenient access to a quality emergency department at a technologically advanced medical center. Providing quality Emergency Services is a primary community mission of Cullman Regional Medical Center (CRMC).

In America, there is a 1 in 3 chance that you, or a loved one, will wind up in an emergency department at a hospital. Last year, 32,000 times, someone in the Cullman, Alabama area did just that.

While many people see the mission of an Emergency Department in many different ways, the simple reality is that CRMC's Emergency Department is - first and foremost - here to save lives of critically ill or injured people. And it does that exceptionally well.

In a statewide audit by Alabama Quality Assurance Foundation, Alabama's quality assurance organization for the Centers of Medicare and Medicaid Services (CMS), CRMC was ranked as the **number one emergency department in Alabama for patients who suffer a myocardial infarction (heart attack)**. CRMC is also one of the first hospitals to be designated at a Tier 1 Coronary Artery Disease Facility and a Tier 1 Stroke Facility in conjunction with the American Heart Association's "Get With The Guidelines" quality assurance efforts.

CRMC is also the only level two trauma center between Huntsville and Birmingham, offering a higher level of emergency care to more seriously injured and ill patients than any other hospital in the area.

And CRMC accomplished this while providing more than 32,000 patient visits in a Emergency Department that was built in 1995 to accommodate only 19,000 visits.

Outside of Emergency Services, CRMC has an extraordinary reputation for quality care. The same study and organization ranked CRMC 17<sup>th</sup> out of 96 hospitals in Alabama. Additionally CRMC is recognized by Blue Cross Blue Shield of Alabama as a Tier 1 hospital for achieving high standards in patient quality and safety, as well as financial responsibility. This is no small feat considering these studies makes no distinction between large cities and small cities and CRMC is competing against hospitals in Birmingham, Montgomery, Huntsville and other large cities with larger budgets and greater staff.

Nationwide, CRMC is ranked in the top 20<sup>th</sup> percentile for cardiac, pneumonia, and congestive heart failure care, and ranks in the top 20<sup>th</sup> percentile in the Southeast for patient satisfaction.

## Mission

Cullman County is a special place, proud of its “quality of life, character of people.” Its family-focused roots and solid work ethic has helped the area grow into an industrial centerpiece of north Alabama. Strong schools, great roads, growing business base, low taxes and quality healthcare have helped Cullman County be one of Alabama’s best small communities.

Cullman Regional Medical Center is proud to be the hospital of choice for the people of Cullman County and the surrounding area. Over 93% of the people who choose to get their hospital care locally choose Cullman Regional Medical Center.

While 30% of the people of Cullman County work in or around Birmingham and undoubtedly find receiving care there during regular business hours more convenient, such an option doesn’t exist when it comes to emergency care. When minutes often mean the difference between life and death, choosing to go to Birmingham or other hospitals outside of the immediate area is not a realistic option. In the case of serious trauma, heart attack, stroke or other acute incident, the “Golden Hour” is the window to ensure that a patient survives. The best place to ensure survival is a local well-equipped, well-staffed, full-service emergency department.

### *<Personal Story of CRMC Life-Saving At Work>*

As a non-profit, community-benefit hospital, CRMC is governed by a volunteer board comprised of local community and business leaders. CRMC has always put providing quality care first, while remaining conscious of its financial responsibility to the community. That is its true mission.

What profits CRMC makes are 100% re-invested in new medical technology, healthcare services and health education programs. Even as a county owned facility, none of any profits can be used by the county. There are no shareholders looking to make a profit on their investment. **That’s the real difference between a non-profit hospital and a for-profit hospital.** It’s not in what each charges or the services that are offered. The difference is in what happens to the profits of the hospital. At CRMC, reinvesting those profits in medical professionals, healthcare services and medical technology, has allowed CRMC to grow into a true regional medical center that focuses on patient care.

Unlike a for-profit hospital, which is owned and operated for the benefit of a small group of shareholders, CRMC is owned by the community and operated for the benefit of the community.

For the people of Cullman County and the surrounding area, a quality medical center enhances physician recruitment which allows patients access to a larger variety of physicians, especially hard-to-recruit medical specialists. Since 1994, the people of Cullman County have seen the number of physicians grow from \_\_\_\_ physicians to 90 active physicians and another 180 that have limited privileges at CRMC.

## **Financial Security and Reinvestment**

An average business in America works on about a 10% profit margin. For every \$100 it brings in through sales, the company makes about \$10 before taxes and reinvestment. And, as a general rule, businesses get paid what they bill for services.

Healthcare in general, and CRMC specifically, is different. CRMC collects less than 38 cents for every dollar it bills private insurance companies, Medicare or Medicaid. And its profit margin on what cash they get paid is less than 2%. In some past years, there is no profit due, in large part, to uncompensated care it provides as part of its mission.

To put this in perspective, the hospital has to bill more than \$250 million dollars in services to collect \$100 million in order to make less than \$2 million.

While \$2 million may sound like a lot, it's important to recognize the high-tech business that healthcare has become. A single piece of medical equipment can cost in excess of \$2 million – wiping out the entire year's earnings with just one purchase.

Given that CRMC is the community's leading healthcare provider and is responsible for much of the health education and health service programs in this area (which provide valuable community benefits, but create little or no income for CRMC), it's important to remember that CRMC's profits also fund such important community health benefits as:

- BabyFirst
- Community Education Center
- HealthTalks
- Pastoral Care Services
- Prenatal Education
- SeniorChoice Senior Program and Services
- Social Services
- Support Groups including:
  - Alzheimer's
  - Diabetes
  - Head Injury
  - Cancer (Various Types)
  - Many More
- WomenFirst Program and Services

## **County-Owned/Community Supported**

CRMC is part of a diminishing group – a truly independent hospital.

When the old Cullman Medical Center wanted to build a new, modern and high-tech hospital in 1995, hospital leaders found that it couldn't financially afford the estimated \$60 million cost of a new hospital. In order to build the facility, it partnered with Baptist Health System (BHS) in

order to access BHS cash flow and credit ability. BHS became an equity partner in the building of what is now Cullman Regional Medical Center.

Yet the partnership never materialized the way local leaders thought it would. BHS provided no additional capital for improvements or expansions in service. Economies of scale never materialized and the arrangement with BHS often required CRMC to choose vendors that actually cost the hospital more than what local companies could provide. Hospital profits were also taken from the local community and used to support less profitable hospitals in the BHS system.

Despite these disadvantages, it's important to remember that the current hospital facility would never have been built without a partnership with BHS.

In 2005, as soon as CRMC's financial results were sufficiently strong, CRMC's local leaders arranged for financing to buy back BHS' portion of the building and make CRMC a completely local, independent hospital – owned by the community as a whole and led by a local, volunteer board of directors.

As with any business, CRMC, when in need of business capital, turns to those who own it and seeks financial capital to improve its services and grow to meet community healthcare needs.

In today's environment, while hundreds of small community hospitals throughout the country are closing or merging into larger systems, CRMC is going against the trend of consolidation of community hospitals. To remain independent, and locally controlled, the people of Cullman County and the surrounding area will need to invest in their hospital through tax-deductible gifts.

## **Economic Development**

Cullman County has done much to attract top quality businesses to the area to provide a steady source of local employment and economic development. With low unemployment, motivated workers and committed business and government leadership, people of the area enjoy an excellent quality of life.

CRMC is acknowledged as a primary asset in the economic development of Cullman. The facility stands as a sparkling jewel to executives looking to locate plants and businesses in the area. The hospital serves as a major catalyst for recruiting medical specialists to the area, another key indicator for companies considering moving to Cullman. The hospital isn't the only factor – education, roads, economy, workforce and other factors join with the hospital in making Cullman an attractive place for business-yet access to quality healthcare is a key motivator for relocating expanding businesses.

Additionally, on its own, CRMC is a major economic force in the community. With just a payroll of over \$48 million, CRMC creates a direct economic impact of over \$150 million in purchasing power. This “economic impact” is money that is spent, over and over, in restaurants, movies, car dealerships, appliance stores, insurance and a host of other day-to-day purchases by employees and vendors. National statistics also indicate that, on average, for every 10 full time

employees of the hospital, an additional 8 jobs are created in the community as hospital employees spend locally.

CRMC is the County's third largest employer, behind only the Wal-Mart Distribution Center and the Cullman County Board of Education. Over 92% of CRMC employees live, and shop, within CRMC's service area.

CRMC also shows its economic impact in providing direct patient care of \$7,000,000 to those people who either don't have access to insurance, can't afford the care or are between working assignments (such as construction workers). Generally, those living at 150% or less of poverty (approximately \$24,000 for a family of four) receive some level of reduced fee in the Emergency Department. CRMC is paid just \$400,000 a year by Cullman County to assume the county's legal requirements for providing care to the indigent, saving County taxpayers millions of dollars in healthcare cost.

Additionally, CRMC is a major motivator in recruiting physicians to the area. While quality of life has a lot to do with it, physicians also want a quality hospital close to their practice. CRMC doesn't generally hire physicians directly—that's not the role of a community hospital. CRMC's job is to provide a place for that physician to work when needed, either in the hospital or through medical parks or other such facilities. While almost all the physicians in the community are separate business entities – and not controlled or influenced by CRMC—CRMC plays a key role in recruiting and relocating physicians to the local community.

## **Treating Non-Emergency and Indigent Patients**

Throughout America, hospital emergency rooms are filling with non-emergency patients. CRMC is no different. These non-emergency patients account for as much as 60% of the patient flow through CRMC's Emergency Department. These non-emergency patients include both insured and uninsured (or underinsured) patients.

When illness or injury occurs at 3 am or other time the patient's personal physician is otherwise unavailable, it doesn't matter whether the patient has insurance or not. That patient is going to come to an Emergency Department. And over 92% of the time in this area, the Emergency Department of choice will be at CRMC.

CRMC's mission to provide this care 24-hours a day, 7 days a week. CRMC is a non-profit hospital that is focused on the care of people, not just profits. And CRMC doesn't refuse treatment of emergency patients just because they can't pay. Anyone who comes to the Emergency Department at CRMC will receive, at a minimum, a thorough medical evaluation to screen the extent of illness or injury.

While for-profit urgent care centers can, if they wish, turn away patients that can't pay, CRMC is legally required to see all patients, 24-hours a day, seven days a week. And even if it weren't required to do so by federal law, CRMC would still provide this care because it is the hospital's mission to do so.

Once a patient arrives at an Emergency Department of any hospital, that hospital is responsible for the care of that patient. There is no legal option for telling a patient that his condition does not warrant the Emergency Department and that he should see either a doctor or go to an Urgent Care Center. CRMC will treat that patient and be certain that all patients receive care appropriate to their condition.

It is also something the community should demand of CRMC. Having unhealthy people in the workplace or shopping in a community is not in the community's best interest. Certainly having sick, untreated children sitting next to healthy children in school is a health hazard waiting to happen. The same holds true of having a sick worker at work, infecting others within that place of employment. CRMC gladly fulfills the role of providing care when no other options exist-whether the patient is insured or not.

*<Face of Indigent Care – story of a specific, sympathetic patient>*

In 2006, CRMC provided over \$20 million in uncompensated care – services that were not paid by the patient, an insurance company or the government. (This is different from bad debt and contractual allowances.) CRMC provided this care knowing that it would never receive payment. It did this because of its commitment to its mission of community-based healthcare. Without this care, these patients – the “working poor” and others temporarily without health insurance - would have no place to turn.

## **The Re-Development of Emergency Services at CRMC**

CRMC endeavors to be the number one community hospital in the Southeast, and to do this, it must be diligent in providing consistently excellent healthcare. CRMC also endeavors to ensure its patients are completely satisfied with their experience, and it take every opportunity to speak with patients and the community members for their perceptions on CRMC's strengths and weaknesses.

CRMC is driven by patient satisfaction. It enjoys extraordinarily high patient satisfaction surveys in every single area of hospital operations, except for the “experience” of the Emergency Department, which consistently scores lower on patient satisfaction surveys because of non-healthcare issues, such as wait time, privacy and security.

It's important to acknowledge that the patient satisfaction survey results point out that rarely is the patient dissatisfied with the healthcare received. Most dissatisfaction comes from non-healthcare issues such as waiting times, privacy and security. CRMC acknowledges that these issues are important to the community and is taking action to improve patient satisfaction through a redevelopment of Emergency Services at Cullman Regional Medical Center.

This re-development involves more than just adding square footage.

CRMC is committed to optimizing their experience in the Emergency Department through:

1. **Expedited Care.** Implementation of a specific program for non-emergency care that will shorten wait times for both emergency and non-emergency programs.
2. **Staffing.** Recruit additional professional staff and train all staff on the importance of communication, compassion, and commitment to patient satisfaction, healthcare quality, and efficient use of space and time.
3. **Certified Chest Pain and Stroke Centers** so heart and brain attack (stroke) patients are provided the best-possible technology and methodology for reducing and minimizing the effects of these types of trauma. This will allow stroke and cardiac patients to have priority access to diagnostic imaging, the heart catheterization center and, if needed, access to interventional cardiology treatments such as angioplasty and stents as part of a unique partnership with UAB.
4. **Treatment Before Arrival.** Implementation of 12-lead echocardiogram (EKG) systems onboard CRMC ambulances that will allow real-time transmission of critical cardiac information while the patient is being transported to CRMC, including allowing personal physicians to monitor patients via computer before the physician even leaves home for the hospital.
5. **Renovation and Expansion** of the current Emergency Department to create larger exam rooms, and dedicate some of the rooms to the expedited, non-emergency care.
6. **Expansion and Renovation** of the existing space to decrease bottlenecks and breakdowns in care delivery but also allow for modern standards of space and care, starting with the triage process.

Taking into account new technologies and the latest patient management methods will ensure every Emergency Department patient is treated quickly, appropriately, and compassionately.

## **Chest Pain and Stroke Center**

Emergency cardiac services are one of the most important services provided by the emergency professionals at CRMC. When a patient comes to CRMC's Emergency Department with chest pains or other classic symptoms of a heart attack or brain attack (stroke), what takes place in the subsequent "Golden Hour" will often determine the extent of the damage done, or even if the patient lives or dies.

In the last year, 1,657 patients came to the Emergency Department with symptoms that created cardiac concerns, averaging almost five each day.

Historically, serious cardiac incidents have required transport from CRMC, often by helicopter, to University of Alabama – Birmingham (UAB), creating both health risks for the patient and inconvenience for the family. Once patients are transferred to Birmingham, continuity of care issues often mean they must receive follow-up care in Birmingham, often for months at a time.



Now, through this expansion, CRMC is quite literally bringing UAB to Cullman County for cardiac incidents. CRMC and UAB have teamed up to create a Chest Pain Center, staffed by a specially trained cardiologists from UAB who will live in Cullman. The community will benefit from medical knowledge, procedures, and equipment equivalent to what patients would find at UAB, but with the home-town touch and compassion found at a smaller hospital

CRMC's new Chest Pain Center will utilize existing cardiac catheterization centers to expand CRMC's ability to do cardiac stents, angioplasty, and other cardiac services appropriate to this size hospital. Besides a UAB trained physician operating under the same standards and precautions found at UAB, the new Cardiac Care Center will include such advanced technology as real-time monitoring systems linked to directly to UAB.

CRMC's new Stroke Center will take advantage of the AHA Tier 1 Stroke protocols and measures already in place through CRMC's Emergency Department, but will now include a dedicated examination room that will facilitate priority access to diagnostic imaging for completion of MRIs and CT scans as needed by stroke patients.

## **The Expedited Care Program**

Emergency Departments work under a very rigid and specific set of guidelines to ensure proper emergency care to emergent patients; however, much of the care provided in an emergency department is to non-emergent patients. This care is protective medicine – protecting the patient in the rare circumstance that something more serious is at play and protecting the hospital from unnecessary legal review. In other words, patients often receive more intensive, expensive (and unnecessary) care in an Emergency Department than they would receive when visiting their primary care physicians.

A central feature of the re-developed Emergency Department will be an expedited care program and facility enhancement to enable non-emergent patients to receive **appropriate** levels of care without treating them as true “emergent” patients. This program differs from a traditional urgent care center in several key ways, including the use of a healthcare professional to assess and determine the severity of the patient's condition (emergent or non-emergent) and routing to either the Emergency Department or the expedited care area.

Additionally, the program can utilize specially trained “midlevel medical professionals” such as physician assistants and nurse practitioners, supervised by a specially trained physician, to provide care to the simpler, non-emergency patients while emergency physicians focus on the more critically ill or injured emergency cases.

By separating emergent and non-emergent patients, CRMC assures that both patient categories are seen faster and, more importantly, that each receive appropriate levels of care. Dedicated staff will facilitate rapid diagnosis and treatment, and separate waiting areas for emergent and non-emergent patients will ensure that the waiting experience is appropriate for the level of care required.

*<Demonstrate specific examples of how a patient is treated differently>*

## **Better Care Starts with an Appropriate Floor Plan**

While more space doesn't guarantee quicker or more compassionate care, it is a key ingredient to having CRMC's Emergency Services meet its own, and the community's, standards. The current design is neither efficient nor private. In a situation where minutes, or even seconds, can be the difference between life or death, creating an efficient department is paramount to the re-development of the Emergency Department.

The current Emergency Department was built to handle 19,000 visits a year, at a time when the old Cullman Medical Center was seeing less than 10,000 visits each year. In 2006, CRMC's Emergency Department had more than 32,000 visits, where patients are treated in a "ward" environment. There is simply not sufficient room to triage, diagnose, and treat that many patients in the current space. The lack of overall space – plus inefficiencies in the layout – creates longer-than-acceptable wait times and guarantees a lack of patient privacy.

The re-developed Emergency Department will include additional square feet for Emergency Services to provide adequate patient care and family waiting. In addition to the new Chest Pain and Stroke Centers, re-vamped Trauma Centers, the expedited care program, and enhanced emergent and non-emergent waiting areas, the new Emergency Department will feature:

1. Private, larger exam rooms to replace the "ward" concept for increased patient privacy, comfort and allow for additional family involvement
2. Televisions in each room to make the wait for results of tests or procedures more comfortable for patients
3. "Swing beds" that will allow for overflow from one area to another if emergency or non-emergent demands warrant their use
4. Pediatric treatment areas, designed to make the patient experience for children (and their parents) more acceptable and less intimidating
5. Two new, larger, and better equipped triage rooms to allow for a better triage system that will ensure that patients are seen sooner, and the most serious patients can be seen faster
6. The latest emergency department technology (and training), so staff and medical professionals have easy access to the life-saving technology and information they need

## **Quicker Patient Care, Better Financial Efficiency**

The first benefit the project will bring to the community will be that waiting times for CRMC Emergency Department patients will significantly decrease. Just having more space will allow more patients to be in the "active treatment" process at one time. The expedited care program, combined with a more space-efficient facility, will allow more patients to be seen faster. An upgrade in technology will allow more patients to receive treatment directly in the Emergency Department, without having to wait for other departments in the hospital.

Yet greater efficiency means more than just quicker Emergency Department visits. It means the care given in the Emergency Department will be more cost-effective. A more efficient Emergency Department layout will allow staff to see more patients in less time, and the treatment of those patients can be faster and less expensive.

Last year, CRMC lost \$1,765,444 providing care through the Emergency Department, or an average of \$76 per patient visit. While some of this was care for the indigent, it is also a reality that almost every single Emergency Department in America loses money each year. It's important for the community to recognize that providing Emergency Care is part of the mission of CRMC, and is not a "business line" capable of being profitable.

Despite the direct losses, the Emergency Department is still a key part in the financial security of the hospital. More than 50% of the patients at CRMC come to the hospital through the Emergency Department. While many of the 32,000 visits to the CRMC Emergency Department are "unprofitable," creating a direct loss for the hospital, it is still true that many, many of these patients will need substantial follow-up care – healthcare that is profitable to CRMC.

A classic example is the patient that injures a knee jogging. Chances are, even with insurance, his emergency visit at 9:00 p.m. on a weekend is going to be unprofitable for the hospital. Yet, in subsequent weeks or months, that patient may need imaging (MRI), physical therapy, and possibly, surgery. All of these services are profit centers for the hospital. If CRMC had not been available for that patient through the Emergency Department, it's quite likely none of the follow-up care would have been done at CRMC.

While the Emergency entrance at CRMC is in the back of the hospital, there is no mistaking that, with 50% of the patients coming through it, the Emergency Department is really the "front door" to the hospital, making it critical that CRMC's Emergency Department meet community expectations.

## **Goals and Targets: An Enhanced Patient Experience**

In 2006, the average time it takes a CRMC patient to complete an emergency department visit is 2.1 hours. While good compared to what exists in the rest of the country, where 4, 5, 6 hours longer is the standard, CRMC is working through this campaign to reduce that time even further.

With a newly remodeled, expanded, and more efficient Emergency Department, CRMC's goal is to reduce the average waiting time to see a medical provider, with true emergent patients to be seen immediately. Obviously, the length of stay in the Emergency Department will be directly related to the severity of the personal healthcare crisis and the then-current volume of patients, but the objective will be to get everyone seen by a medical provider within 60 minutes of registering.

Additionally, and equally important for a community hospital that relies on profitability to stay current in technology and add new services and programs, CRMC's goal is to reduce the loss directly attributed to the Emergency Department to less than an average of \$50 per patient visit. If this goal is met, it will provide CRMC with and \$605,000 each year for new medical

technology, new healthcare services, and new community health programs – instead of using these funds to subsidize the uninsured and an inefficiently and under-designed Emergency Department.

## **Costs and Financing**

The construction of the new hospital in 1995 has left CRMC in a position where it has reached its prudent debt limit. While it could probably borrow additional funds (there are almost always ways for almost any hospital to borrow more and more money), the additional debt may well be more than the hospital can handle financially, thereby jeopardizing the entire community healthcare system.

Construction and equipment plans will cost up to \$5,000,000 to complete. There is community consensus that the Emergency Department of CRMC is too valuable to the health of the community to allow the current unacceptable situation to continue forever.

With no ability to prudently borrow another \$5,000,000, the hospital turns to the community to seek support of a fundraising campaign. It does this as a last resort after recognizing the only other option would be a general tax hike to secure support from the City or the County.

As an independent, community-owned hospital, the volunteer leaders of CRMC believe that the community needs to support what all recognize as being a true gem in the life and lifestyle of people in Cullman County. Never before has CRMC turned to the community to seek financial support for a capital project. If ever there is a clear need for the community to rally to improve healthcare in this area, and enhance the security of CRMC, a campaign to re-develop and re-engineer the Emergency Department at CRMC would seem to be the one.

## **Conclusion**

It's not unrealistic to assume that patients' perceptions of the Emergency Department, like all areas of CRMC, are colored by their own personal experiences. The 1000+ employees of CRMC are proud that 95% of the time our patients are completely satisfied with their service, and that the "quality of care" statistics for the Emergency Department are excellent by any standard. We acknowledge the need to partner with the community to address the other issues – waiting times, privacy and security – and look forward to jointly making the Emergency Department as efficient as the rest of CRMC.

By increasing the size of the emergency department and completely re-engineering the emergency process at CRMC, the hospital can not only meet the expectations of patients and their families today, but ensure that today's challenges don't become tomorrow's tragedies. With the support of the community, CRMC is committed to making a trip to the emergency room at CRMC as satisfying as all the other experiences in "your community hospital."