

STROUDWATER'S FINDINGS FROM THE FIELD | MARCH 2018



Porter Medical Center

Client [Porter Medical Center, University of Vermont Health Network](#)
Middlebury, VT

Engagement **Strategic Planning and Performance Improvement through LOI signing with University of Vermont Health Network**

Stroudwater Team	Jeff Sommer , Lindsay Corcoran , Clare Kelley
Context	Established in 1925, Porter Medical Center is a 25-Bed Critical Access Hospital in Middlebury, VT, which also includes a 105-bed skilled nursing facility. Porter Medical Center engaged Stroudwater in 2015 to assist the hospital in its strategic planning process and subsequent implementation of operational improvement initiatives.
Engagement Detail & Purpose	<p>As an objective and agnostic party in discussions regarding affiliation versus continued independence, Stroudwater presented hospital leadership and the board with a deeply researched menu of options, all while keeping PMC’s dynamic and unique circumstances top of mind. Stroudwater worked with PMC’s board, leadership and stakeholders to quantify the performance “gap” facing PMC and to develop performance improvement initiatives; after further refinement, the hospital began implementing initiatives they would need to succeed either independently or with a partner.</p> <p>After extensive due diligence and outreach to PMC stakeholders at multiple levels, Stroudwater invited select potential partners to submit proposals in March 2016. The affiliation with the University of Vermont Health Network was approved unanimously and became effective in April 2017.</p> <p>A positive harbinger of their future agreement, Porter and the UVM Health Network (UVMHN) agreed early that maintaining clinical services was essential, as was securing closer clinical integration with the academic medical center while also bringing more specialized medical care to the local community. Other vitally important elements of the affiliation included a common electronic medical record system, enhanced access to clinical, quality and financial expertise, and a capital pledge for construction of a new medical office building.</p>
Board Chair Perspective	<p>Board Chair Maureen McLaughlin describes PMC’s lengthy process of exploring strategic options as “fits and starts.” McLaughlin, a CPA and the hospital’s board chair since 2015, recalls that leadership tumult, physician concerns, and deep passion about preserving core services focused the process along the way to its ultimate success.</p> <p>The turning point came after a challenging stretch of unrest and anxiety about PMC’s future economic vitality, when it became clear that regardless of internal challenges, the underlying financial difficulties at the hospital had to be addressed; in 2014, PMC was considered ‘fragile’ by the Green Mountain Care Board. “Once we all saw the big picture clearly,” said McLaughlin, “we realized we could not steer [the hospital] alone any longer.” She credits Stroudwater for presenting all the facts—the good, the bad and the ugly—in a constructive way to spur the board and hospital leadership’s realization that the case for partnership was undeniable. Once all were in agreement, according to McLaughlin, “the Porter way” kicked into overdrive—what she describes as a high-touch</p>

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communications mode that involved inclusive, lengthy and transparent outreach to multiple stakeholders.

This approach, coupled with Stroudwater’s dedication to education and effective outreach, helped turn the tide at the physician level. Earning the physicians’ support was a critical milestone in the journey. In one notable instance, a physician who had been resistant had what McLaughlin called an “epiphany.” After digesting all the variables in play, notably the financial challenges and the benefits affiliation provided, the physician became an advocate; this positive voice provided strong momentum in getting the physicians aligned.

In the thick of the search for a partner, another physician leader emerged to see the affiliation through to completion: PMC’s Chief Medical Officer, Dr. Fred Kniffin, who first served as interim CEO and was named CEO in the fall of 2016. McLaughlin credits Kniffin for his steadfast commitment to keeping all stakeholders informed throughout the affiliation negotiations, including giving dozens of community presentations.

In just one year, the affiliation has proved fruitful on several fronts:

- A \$151.7 million, six-year project to implement an electronic health record system is in the works at several UVM Health Network sites, including Porter
- PMC ExpressCare, a walk-in care clinic, opened in June 2017
- Physician turnover, which accelerated prior to the affiliation due to uncertainty, changes to provider contracts, and practice operations, has stabilized and nearly recovered to full roster
- Resources have greatly increased through shared services such as legal and group purchasing
- More structure and depth have been created around planning efforts and governance
- A two-year commitment of \$150,000 was received from the Porter Auxiliary, which capped a fundraising campaign that attracted more than \$320,000 in total community donations in support of a special renovation project at Helen Porter Rehabilitation and Nursing
- Palliative services, which were cut during a time of mounting losses, have been restored
- The affiliation has provided expertise and guidance for campus facility planning of the future hospital, including a medical office building

McLaughlin believes that Porter is now well-positioned to support the community’s dynamic healthcare needs for the long haul. One of the greatest benefits of affiliation is that it has allowed Porter to focus more on strategic planning and the big picture, now that the day-to-day financial struggle has lessened. She also notes that the supportive dialogue between Porter and the network has helped UVMHN learn more about how community care is delivered.

Even the most well-structured affiliation process is fluid and demanding. Looking back on an extremely active three years, McLaughlin is grateful to the entire PMC community for dedicating the energy and time the affiliation required. She is thankful to Stroudwater consultants for their guidance, patience, understanding of rural critical access hospitals, and respect for how valuable an asset a hospital is in its community. “They listened, they were responsive and they knew the players,” said McLaughlin.



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Stroudwater Associates

800-947-5712

www.stroudwater.com