

Bill Carpenter Discusses Advances, Challenges in Rural Health Care – Hospitals In Focus Transcript

Chip Kahn: [00:00] Today on Hospitals In Focus, we're going to talk with Bill Carpenter, Chairman and CEO of LifePoint Health. We recorded this episode back in August and since then, there have been some changes. Bill announced he will soon be retiring. We, at the Federation of American Hospitals recently acknowledged his over two decades of service to our industry, as well as leadership of the federation in particularly pivotal times with the Mike Bromberg Lifetime Achievement Award. One thing that hasn't changed and won't with Bill's departure is his deep expertise and commitment to the provision of healthcare to rural America as well as LifePoint's dedication to serving rural communities across the country. As we celebrate rural hospital week, our conversation comes at a very timely point.

Today's topic is rural healthcare and the importance of community hospitals to rural life in America. We are at the headquarters of LifePoint Health where we will be talking to Bill Carpenter, the chairman and CEO of the company. LifePoint is the largest rural healthcare provider in the country operating community hospitals, health systems, outpatient facilities, physician practices, and post-acute services. LifePoint's footprint spans east to west in the nation, and the company is a presence in over 20 states. Bill is a founding employee of the company which started in 1999. In his nearly 20 years here he has served in various leadership roles before becoming CEO in 2006.

Bill is an active member also of our organization, Federation of American Hospitals, having served a few times as our chairman as well as long serving member of the board. We are thrilled to be here in his office today and have him on this podcast. Bill, thanks for joining us.

Bill Carpenter: [02:19] Chip, thanks to you for being here and for asking me to speak on this topic. It's one that I think you'll find out very quickly I'm passionate about.

Chip: [02:31] Thanks Bill. Let's get started with this issue of rural America and rural healthcare and the importance of hospitals in the towns and villages across the country. From LifePoint's perspective, what does it have to offer? What's unique about the role it plays in the many rural communities you're in across the nation?

Bill: [02:55] As you mentioned in your introduction, Chip, LifePoint is one of the largest providers of rural and non-urban healthcare in the country. We have a big footprint, coast to coast, really and we span north to south. We take our responsibility as being a voice for rural healthcare very seriously. The company was founded in 1999, as you mentioned, with a clear purpose of providing access to quality care to small towns around the country. Often, if we weren't there, those towns may not have access to care. It's an important role that we play.

Chip: [03:54] Bill, in terms of defining that role, what I'm hearing you say is that there are really three aspects of it. Maybe you can talk about those and give us some example of

Bill Carpenter Discusses Advances, Challenges in Rural Health Care – Hospitals In Focus Transcript

what you do every day across the country. First, obviously, within the four walls of the hospital and the other facilities you have, you provide needed essential healthcare. Second, you play a role as providers in the care for the community. Third, frankly, you're an enterprise. You have an economic role in every community you're in. Looking at it from that construct, give us some sense of what LifePoint does every day and why it's so meaningful to the Americans that depend on your care.

Bill: [04:45] Well, let's take each one of those and maybe break it down a little bit. One thing that's difficult about running a large organization, a national footprint of hospitals and health systems across the country is how do you get people focused on the same thing and focused on what you're trying to accomplish as an organization? For us, mission has always been critically important. It's the basic bedrock of the organization. Our mission at LifePoint is making communities healthier. Making communities healthier means a number of things. Obviously, it means the healthcare that we provide in the communities and that's almost a given. But really, it becomes the economic driver that the hospital is in the communities that we serve.

Remember, and this is true across the country whether urban or rural, but particularly in a rural setting, our hospital is usually the largest employer. Certainly, the largest private employer in a community. Maybe the school system and the county government may be one and two, but we're in the top three, typically, and the economic driver of high paying jobs in our community based hospitals in those communities is critically important.

I tell county mayors and county executives all the time, "We'll take care of the healthcare that we provide. We'll provide taxes," so we also pay taxes. With those taxes, you can support the infrastructure that you need in order to care for the rest of the community whether that means schools, or roads, or other infrastructure projects that are needed. Really, healthcare and schools are the two key factors that any employer is going to be interested in as they make a decision about where to relocate or where to locate their business.

Chip: [07:06] Bill, one of the things that's so important today and people are so aware of is that outside of the hospital there's a sense that the public health. How do we, in a sense, keep people out of hospitals? I know that you all have played a direct role in that. Can you talk about how you're trying to impact the general health and the public health and in a sense the safety and protection of communities?

Bill: [07:33] One of the things, Chip, I'm most excited about is how our hospitals are taking on new roles in their communities as convenor of care, if you will. What I'm talking about is something that we're now calling our community coalitions. In these coalitions, our hospitals are bringing together local community partners to develop new processes that will lead to improved health outcomes and, ultimately, will improve the health of

Bill Carpenter Discusses Advances, Challenges in Rural Health Care – Hospitals In Focus Transcript

the community. The result of that, interestingly, will be fewer people needing inpatient hospital care. That's okay at the end of the day as we're incentivized in different ways, but ultimately what we're trying to do is to bring agencies together to keep people healthy, ultimately to keep them out of the hospital, and we think that's the next frontier of community care.

Chip: [08:44] In these community coalitions, who participates? What agencies of the community? What groups are you trying to draw in first to build out from?

Bill: [08:54] Each community is different and each problem that we're trying to solve may be different. For example, community coalitions may address questions like, "How can we be sure that a patient who is discharged takes his or her medication, eats a proper diet, or even lives in a sanitary setting so that they can achieve success post-discharge as we try to improve their care?" Maybe one example that has been a huge success in Lake Havasu City, Arizona. Havasu Regional Medical Center and local paramedics brought together representatives from several community organizations including pharmacists, and home health agencies, and nursing agencies, and medical device organizations, and community education centers and convened these groups in order to identify factors that led to costly hospital readmissions. Then, they developed initiatives that allowed us and them to deal with the problem.

Here are a few examples of their success. The coalition identified a significant under-utilization of home healthcare among qualified patients, otherwise qualified patients. By working collaboratively and testing the information that they were receiving, they were able to increase home health assignments for their community by 36%. Another success has been post-discharge follow-up appointments. Prior to this coalition, 80% of high risk patients who were discharged from hospital care didn't have follow-up appointments. 80% left the hospital without having follow-up appointments made and appointments that were made often weren't kept. New processes were put into place and hospital unit clerks working together to schedule follow-up appointments and even these paramedics that I referred to. Paramedics were a critical piece of this, started coming to the hospital pre-discharge in order to meet the patients and develop a relationship with them and that will be important in a second. As a result now, all high risks patients are discharged with appointments and 87% of follow-up appointments have been kept as a result of this coalition.

One thing about this that it was so interesting to me was the role of the paramedics. When you think about it, the fact that they would come to the hospital pre-discharge, meet the patient, meet the family, develop a relationship and then come to the home post-discharge to check in, to make sure that the follow-up appointment has been made, to make sure that the medication is right. Something about those paramedics, something about the way that they interact. Maybe it's the ambulance pulling up in front of the patient's house. Maybe it's the uniform, maybe it's just the way they'd go

Bill Carpenter Discusses Advances, Challenges in Rural Health Care – Hospitals In Focus Transcript

about their business and do their jobs, but it was critically important in the success of this community coalition and we wouldn't have known that if we hadn't had pulled all of these organizations together.

Chip: [12:40] I sense here both on your part and the part of those you work within the community with these examples specifically just such caring. One thing that I think exemplifies that is that recently LifePoint won with some called the Oscar of healthcare awards, the Eisenberg Award for innovation and patient safety at the local level. This is a great honor but I think it also reflects a lot of what has been going on in your hospitals for a long time and you've worked very hard on it. Can you talk about going back to the four walls, the level of quality you expect and want to provide on your patients?

Bill: [13:27] Well, I couldn't be more proud that LifePoint was recently recognized by the National Quality Forum and the Joint Commission with the John M. Eisenberg Award for patient safety at the local level and it's important to recognize that it's at the local level because all of our hospitals were recognized for the care that they deliver. It's important that we're there in these local communities. This is not something that we did here at our health support center but something that we've done locally and achieves these great results. It's a fantastic accomplishment. It is the Oscar of healthcare. It's a testament to the hard work of talented teams across the organization and it demonstrates for me our dedication to mission, aligning our team around a common purpose, a common goal and finding innovative ways to provide people with access to high quality care.

Chip: [14:34] What you've described Bill is really a culture of care, but that culture requires resources. What have you brought to the communities so that what that hospital provides does more than have been done previously or people even could have hoped for?

Bill: [14:55] It was a good point. Our mission making communities healthier is the bedrock of what we do. I think the way we execute that mission is what makes us unique. We're bringing size and scale to communities that otherwise maybe isolated and hours away from the closest hospital if we weren't there in some cases and then we bring leading practices, leading industry practices to small and mid-sized facilities in order to help them care for their patients. We invest in technology. We invest in facilities. We invest in physicians. We invest in outpatient services that a standalone community hospital likely wouldn't be able to do.

Last year, for example, we invested about \$475 million back into the facilities that we own and operate. Then, when you add on top of that, the relationship that we have with one of the leading academic medical centers in the world at Duke University and the development of the National Quality Program that we developed with Duke and have rolled out across all of our hospitals. This is a remarkable achievement and access

Bill Carpenter Discusses Advances, Challenges in Rural Health Care – Hospitals In Focus Transcript

to top innovation and patient safety and quality that would be hard to come by. Fundamental, really, what it is and what I think makes LifePoint unique is that all of these resources are brought to bear for our facilities and they're not just the goal standard for rural facilities, but they're leading practices for all health care providers; urban, non-urban alike. It's just what we do and it's important that we do it in the locations that we serve.

Chip: [17:24] One of the things Bill that you hear about LifePoint is the unique way that LifePoint has used partnerships and brought them to bear for patients, partnerships with academic health centers, regional health centers and providers across the continuum of care including Duke, LHC Group, Norton, and others. Could you give me an idea of how you've used these partnerships and what it meant both to your organization and frankly to the patients and communities that you serve?

Bill: [18:01] Well, the partnership with Duke was the first. It really has been an incredible differentiator for LifePoint. That partnership has now been in place for over 10 years and together with Duke we own today 14 hospitals and a mobile cath lab organization with combined revenues and excess of \$2 billion. It's an important partnership and it also gave us the cornerstone from which we build. What we're trying to do is to build scalable solutions that meet the specific needs of rural and non-urban communities and find the right partners to help us do it. You have to be vulnerable in this sometime and we've allowed the organization to be vulnerable. We have, first, recognized our strengths.

We're disciplined operators of community hospitals and physician practices. We are committed to quality and we have a culture that is I think second to none. We recognize the areas in which our facilities need resources and we look for other organizations that may be able to help us provide those resources and maybe they have more robust capabilities in certain areas than we do. We've been vulnerable enough to ask, "Is there somebody else who can help us achieve our mission better and faster than we may be able to do it on our own?" That's been the genesis of our approach to partnering and Duke LifePoint certainly is giving us so many great opportunities to learn.

The shared commitment to quality is unwavering and that's the first thing every time. If we didn't share Duke's commitment to patient safety and quality, we wouldn't be partners with Duke. They agree with our vision, our mission of making communities healthier together. We know what we're good at. We know what they're good at. They recognize the strengths that we bring to the partnership and it's really been something that has been unique and it led to ultimately the formation of the National Quality Program which we've rolled out across all of our hospitals and which was recognized by the Eisenberg Award for patient safety at the local level.

Bill Carpenter Discusses Advances, Challenges in Rural Health Care – Hospitals In Focus Transcript

We've made a little impact and we have developed leading practices through the National Quality Program that we share across our company and really I hope ultimately across the country and rural communities in order to help them whether or not it's a LifePoint hospital, to help them achieve and improve patient safety and quality.

Another example of how partnerships have supported our communities is at the home health space. At the beginning of 2017, LifePoint finalized a joint venture with Louisiana-based LHC Group to share ownership of home health and hospice assets in our communities. LHC Group is a leader in this area, and their business is what they do. Home health and hospice for us is a small piece of our business on a revenue basis, but it's important to the continuum of care in small towns to make sure that we're covering that base, so we partnered with LHC. This is another place where we recognize maybe there's somebody better than us to provide this service, which is critically important to the community.

With Norton, we own and operate a couple of hospitals today in Southern Indiana and Kentucky and we look forward to continuing to build on that regional basis and I hope there will be others to come. Our organizations have been actively involved in partnership and I believe that everyone in our industry should be looking at partnering as a way to expand what it is that they do, whatever their strength maybe because we're all ultimately aligned around a common purpose which is caring for others. That's what we do at the end of the day. We don't make widgets here. We take care of people often in their most vulnerable time of need. If more organizations would be vulnerable and recognize if and when they maybe more effective to advance their mission by aligning with others, I believe we could accomplish so much more together.

Chip: [23:47] Bill, you've mentioned the National Quality Program and it sounds to me like its impact on patients is so important. Can you tell me a little bit more about it and why you got it started and what impact you think it's having?

Bill: [24:02] Sure. The primary way that we advance our mission of making communities healthier is through the delivery of high quality care and service to the communities that we serve. Our platform for doing that is what we call the National Quality Program or NQP which we created in collaboration with Duke University Health System. The NQP focuses on engaging patients and their families and on fundamental priorities across our organization including leadership that empowers people, proven systems of performance improvement and fostering a hospital-wide culture of safety. I'll give you a couple of examples if you like.

Chip: [24:55] Sure.

Bill: [24:56] At Colorado Plains Medical Center, a small 50 bed facility located in Fort Morgan, Colorado, we have reduced healthcare acquired harms by 82% since 2011,

Bill Carpenter Discusses Advances, Challenges in Rural Health Care – Hospitals In Focus Transcript

remarkable, and we've increased the culture of safety by 77% in that hospital. At a basic level, what we've done is taken a data driven approach to building and sustaining our culture quality by learning, applying that data, evolving, implementing what we've learned and celebrating our success and celebration, recognizing people when they do a good job is so critically important. Every hospital in our system is expected to achieve the same high standards of quality and patient safety wherever they're located.

When our hospitals demonstrate a level of achievement, set [inaudible 00:26:13] broad spectrum of standards and criteria for performance that have been developed by us and our colleagues at Duke and rest assured these are not a low bar. This is a high bar that has been set for achievement, then those hospitals become eligible to achieve designation as a Duke LifePoint National Quality Affiliate. So far, we designated 10 and, again, as I say, it's a high bar. Colorado Plains is one of those which I mentioned and I look forward to recognizing more of our hospitals in the coming days as Duke LifePoint Quality Affiliates.

Chip: [26:57] That's great, Bill. It sounds like you really found some ingredients to be a change agent in these hospitals.

Bill: [27:04] It's part of the innovation that we think about. Innovation can include technology and spending money on things that will help but it also involves giving people the resources that they need in order to take care of their patients better and that really is the secret sauce.

Chip: [27:29] Bill, one way and one innovation that's taking off in healthcare that I'm sure you're bringing to bear in these partnerships where you're working with other organizations is this ... In some ways, it's nothing new and it's all new which is telehealth. I'd like to get some sense of, one, how you're using it now but just as importantly what's your vision for it and how is it going to be brought to bear for those that live in rural, non-urban America?

Bill: [28:02] Without a doubt and I think your question is right on point. Telehealth has been around for a while but how we use it is evolving and the potential that we see for using it is evolving. In particular, telehealth offers rural communities an extraordinary ability to provide specialized care by highly trained physicians and what otherwise is a remote and sparsely populated community while achieving the high standards of quality and patient safety. To paint the picture, more than 90% of the country is considered to be rural but only 19% of the population lives in rural areas. In these less densely populated rural areas, often they're just is not enough population to support certain specialty programs at a local hospital. Instead, those residents have to travel sometimes hours to another more metropolitan area or care. That doesn't mean that people in rural communities don't regularly need to access that type of care.

Bill Carpenter Discusses Advances, Challenges in Rural Health Care – Hospitals In Focus Transcript

Stroke is a really good example I think because when a patient presents perhaps at his or her physician practice with stroke-like symptoms, time is of the essence and getting that care quickly is critically important as we all know. Patient presents then at the emergency department his or her local hospital and needs care quickly. Often times, that care can be delivered via telestroke by connecting with a neurologist in a nearby town or maybe not so nearby town in order to get specialty care for the patient and allow the patient to stay closer to home for care, which is better for the patient ultimately and certainly better for the family because they're able to continue to maintain their lifestyle there. Telestroke makes that possible. It allows the physician to examine a patient with his or her consent locally without having to be transferred.

I think the value of telehealth to rural communities that don't otherwise have access to a full array of healthcare services is immeasurable to the 19% of the American people who don't live or who live in those areas. It shouldn't be that your zip code determines the type of care that you're able to receive.

Chip: [31:34] Bill, with your example about stroke, you're so clearly showing the impact on particular patients with specific conditions that need that care in the hospital in that community. They can't wait to go down the road or across the country to get care. Looking into the future, are there things that are holding up that progress? If the technology is there, what else needs to happen with telehealth to make it so that you're not going just to have strokes. You're going to go with other patients and make sure that all those opportunities can be brought to bear?

Bill: [32:16] One of the important issues that we need to address is how we're paid for the services that we deliver when the outcomes for patients are the same as can be achieved by that patient going somewhere else, to a more urban metropolitan community because better care is received close to home. That's our fundamental belief. If a stroke patient is able to stay home for care and receive services provided by a neurologist in a remote location, the patient and the family achieve a better result, a better outcome, but we're not paid on par for the services that are received even though the same outcome is achieved by that patient staying close to home for care. Maybe a better outcome because if the patient has to travel, it may result in lifesaving minutes being used.

If a patient receives the same outcome, we believe we should be paid on the same basis and that's something that we're just going to have to continue to speak with our representatives in Washington and in state government in order to make sure that that result is achieved. I believe over time it will be as we are able to provide more and better data.

Chip: [33:49] It sounds with the kinds of vision you have about the future and bringing telehealth to communities that the behavioral health area is so important because

Bill Carpenter Discusses Advances, Challenges in Rural Health Care – Hospitals In Focus Transcript

maybe it can be brought to bear there, particularly with the opioid crisis which if you look across all the statistics is probably having more of an impact in rural America than anywhere else. People there have unique situations, isolation, and there so much you can bring to bear there.

- Bill: [34:26] When I think about telepsych, the opportunities to deal with this national crisis that exist today around behavioral services in rural communities and I think in an urban communities as well. This is one of the huge problems that we have to address, we have to face. Providing specialty services like psychiatry in a small town is terribly difficult to do but through technology, the use of telepsych technology, we have the ability to do it whether it's in the emergency department or somewhere else but we have to be paid to achieve that. These are expensive services that we can't simply provide without confidence that we're going to be recognized through a fair payment system based on parity.
- Chip: [35:25] Bill, when we think about the lion's share or 80% of Americans that live in urban areas or suburban areas and have access to hospitals and all types of providers and in a sense a concentration of population allows it to happen, one of the things I hear from you is that from LifePoint's view, your mission is to make sure that Americans whether they live in urban communities, suburban communities or rural communities all have the same level of care and can expect. When they go to a hospital, they're going to receive the same level of treatment. How can we make sure and how do you make sure that that quality quotient happens for every patient that walks through a LifePoint hospital that maybe in a small town?
- Bill: [36:15] As it relates to quality, I don't think there should be a distinction. I don't think I should make a difference whether you're rural or urban, small town or suburban. Our mindset has always been to ensure that people who need healthcare in our communities had access to high quality care and service close to home. Why should that definition of quality be different depending on where you live? The standards that were holding our hospitals accountable to with the NQP, the National Quality Program are leveraging leading practices and are designed to achieve great outcomes and to exceed nationally recognized standards without regard to where people live. I don't believe there is an alternative view when it comes to patient care. All patients deserve the same level of high quality care and safety and service regardless of their zip code. That's really the point.
- Chip: [37:34] We've talked a lot about culture today. How do you make that culture equals success? Equal success both for the patients, for those who work for LifePoint, and basically for LifePoint itself.
- Bill: [37:47] One of the hardest things about running a large organization that has different standards but which it's judged whether it's an investor judging or a patient judging is

Bill Carpenter Discusses Advances, Challenges in Rural Health Care – Hospitals In Focus Transcript

that the people who are making us successful, making our organization successful only care about that patient and that patient's experience and we can't forget that.

We'll be successful financially if we stay focused on patient care and that's what we try to do at LifePoint is to realize that if we stay focused on high quality care and service for our patients, if we stay focused on the relationships that we have with physicians for providing that care, if we stay focused on the communities that we serve and provide them with the resources that they need in order to keep care close to home and if we stay focused on our employees, the people who are delivering that care and who choose to live in a small town where we own and operate their hospital. If we do those things and if we're good stewards of the resources that were provided, if we are financially responsible, we're going to be successful. That's the thing that we built our company on and that has made us successful over the last almost 20 years.

Chip: [39:25] Bill, this has really been a great opportunity to talk to you and clearly both what LifePoint has done and is doing in communities every day as well as the passion that I'm sure your employees bring to it as well as yourself is just gratifying to see. I just so appreciate you're taking time to meet with us and talk about progress that's being made in that 19% of America that's rural.

Bill: [39:56] Chip, thanks so much for coming this morning and for asking me to talk about the important work that we're doing here at LifePoint to provide high quality care and service to patients close to home. Thank you also for the great work that you're doing at the Federation of American Hospitals by providing a voice, not only for LifePoint and our member hospitals but also for hospitals across the country as we represent a broader purpose. This is an important topic. Thanks for sharing it with us today.

Chip: [40:39] I really appreciate that and I know there were many important messages that we heard today and I look forward to that getting out and others hearing the story that you had to tell.

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