

Ron Rittenmeyer Discusses How Hospitals are Changing the Continuum of Care – Hospitals In Focus Transcript

Chip Kahn: Today we are in Dallas at the headquarters of Tenet Healthcare to learn more about the company's unique approach to the Care continuum and its increased focus on developing a closer relationship with its patients and the communities that Tenet serves. Tenet is one of the largest providers in the country. It operates more than 68 hospitals and hundreds of other outpatient centers and points of care in 47 states.

Those facilities employ 115,000 people, who take care of more than 10 million Americans each year. Our guest today is Tenet's Executive Chairman and CEO, Ron Rittenmeyer. Ron became Tenet's leader in August 2017, but has been on the board since 2010. This year, we are delighted to have Ron serve as the Federation's Chairman. This is one more Title he can add to a resume that includes decades of corporate leadership.

Before joining Tenet Ron served as Chairman of the Board and CEO of Millennium Health Solutions Company. He also previously served as Chairman, President, and CEO of Expert Global Solutions Inc, a provider of business process outsourcing services. He also served as Chairman and CEO of Electronic Data Systems, better known as EDS, at the time the largest provider of back room and claims processing for the Medicare program. I want to thank Ron for joining us today.

Ron Rittenmeyer: [01:49] Chip, I appreciate it. It's always fun to get together and talk about what we're doing.

Chip: [01:53] Very much look forward to our conversation. Ron, Tenet is making an effort to be more consumer centric. Can you tell us about what your hopes are, and what you'll achieve through this process, and can you tell us about the new approaches you're taking to build trust with your patients, and connections with those patients and the communities they live in?

Ron Rittenmeyer: [02:18] Sure, I'd love to do that. We have revisited what outpatients are being treated from the moment our first encounter to the moment of our last encounter. The consumers that we deal with are actually our patients. They are our consumers. When they walk through that door, the first moment, the first minute of interaction is incredibly important because from that moment forward, until they leave our care, they are the most important thing that we should be focused on.

Ron Rittenmeyer: Our marketing strategy has evolved to speak directly to the consumer, and we're now much more engaged in doing that throughout the community. We launched individually tailored marketing campaigns in each of our 20 hospital markets. They start with a deep knowledge of the consumer we serve in each

Ron Rittenmeyer Discusses How Hospitals are Changing the Continuum of Care – Hospitals In Focus Transcript

local market because as you can imagine with demographics and other things, there are different needs in every community.

That allows us then to ensure that we are reaching them with the right message at the right time during their patient journey with Tenet. Our employees are the ones that care for these communities that we serve. They live in the community. They're part of the community's fabric. We're proud of our employees, and we've asked them to be the face of our marketing effort since they know that healing is much more than providing medical care. It starts with the second the individual patient walks through that door.

This is our Community Built on Care. That's the slogan we use, and that's the agenda that we've tied to our growth as we focus, as acquisition and retention of consumers in our communities.

Chip: [04:03] You mentioned of the Community Built on Care as a national campaign, a national approach that you're taking in local markets. Can you elaborate on it, and give us a sense what this is going to mean for patients in the communities you serve?

Ron Rittenmeyer: [04:17] Sure. Yeah. Community Built on Care, the concept is a new multi-channelled marketing campaign that comes to life across each of our markets. It's a unified, and it highlights the patient and care provider's stories that make us who we are. We have humanized and empowered local marketing in each of these markets. We have seen great success, for example, at our Detroit Medical Center, in activating this campaign across consumer touch points that touch our patients.

For DMC, we launched the campaign across email, direct mail, billboards, newspapers, and bus wraps. We have individually tailored the campaign for each of our 20 local markets. Each of our markets, and hospitals, and associated patient centers are the substance of a Community Built on Care. We take great pride in the work our employees are doing in this area every day, and they spend part of their day really working within their community to further the fact that we are there to provide the kind of resources they need to solve their healthcare problems.

Chip: [05:24] Ron, as part of this equation, there's the physician. What are you doing to help physicians do the best they can for the patients they're serving in the Tenet institutions across the country?

Ron Rittenmeyer: [05:38] You know, I'm really glad you asked that question. That's a great question. Physicians are really the critical part of our growth strategy. We restructured our physician recruiting process, ensuring that we're employing the

Ron Rittenmeyer Discusses How Hospitals are Changing the Continuum of Care – Hospitals In Focus Transcript

high quality physician groups to enhance the service lines that we have focused on by market. Our business development teams have also remained focused on earning more business from independent physicians who seek the best environment to deliver care.

We have a model, and when we acquire these physician groups, as well as a model to expand our non-employee physician relationships, they're built on improving our existing service lines. We're focused on matching the needs of the market to the type of physicians that we recruit. In addition, we're restructuring our scheduling processes, so we can simplify the process for physicians and improve convenience.

We want physicians to be able to complete the number of cases that they have on their schedule in efficient and effective manner. That includes simple things like improving the turnover at an OR, or having the right staff at the right place for the physician to be able to execute their job. It sounds very basic, but it takes a tremendous amount of coordination.

We also have reviewed where our physicians have interfaces with other great physicians. Fundamentally, what we are doing is working on integrating our physicians into organizations that focus on care within the specific area or service line that they're in, whether it's cardiac, orthopedic, or wherever we are helping our physicians become more integrated in those types of operations.

Then also, to work on a number of clinically integrated service networks like ACOs, and other integrated programs. It allows them and other caregivers inside and outside of our hospital, to get together and deliver better results through learning more about those programs, which continue to evolve. Bottom line is physicians, for us, are very centric to continuing to grow our programs and our care for our customers.

Chip: [07:50] In this process that you all are developing, the approaches you're taking, what does maintenance of the patient relationship to Tenet mean?

Ron Rittenmeyer: [07:59] We think about our patients as developing a real patient loyalty. It's kind of the birth-to-death, cradle-to-grave kind of concept. We want to be there for our patients in every one of our communities. In order to deal with that, you have to accept first that patients have a choice in where they receive care, and to be the provider of choice, you've got to be very, very aware of that.

How we handle the process from intake to discharge is vividly remembered, and has a direct correlation with, our reputation in the community, and our ability to be seen as a location desired for care. That reputation is very impactful for both new and returning patients. By the way, it's not just the patient, it's the patient's

Ron Rittenmeyer Discusses How Hospitals are Changing the Continuum of Care – Hospitals In Focus Transcript

family. If you do this correctly, you involve the patient and all of the people that surround that patient when they're in the hospital.

We have to offer service lines that are in demand, that are tailored to the versed community's needs that we serve, as well as focus on the chronically ill patient, who have greater needs for healthcare service. Our focus is end-to-end on the patient experience. We believe that builds loyalty with our patients, with their families, with their friends, and with the overall community we serve. We think that whole concept is critical as we continue to evolve in the healthcare area.

Chip: [09:26] I know that Tenet has a saying. Right Care, Right Time, Right Place. Can you describe what that means for the patient, and maybe take this opportunity to talk about ambulatory services, and other kinds of innovations, that you're undertaking to enhance your patient care?

Ron Rittenmeyer: [09:46] You know, we do think a lot about Right Care, Right Time, Right Place, and we add to that by caregivers who have a passion delivering it with a significant amount of compassion. Compassionate people delivering it. That means that we're more than a hospital company. We have to be much more. We have 570 care facilities, and a health system network that continues to expand.

Our overall strategy means we have to really involve a demand-driven, ongoing approach to providing the right services in the right settings based on that demand. We have integrated locations. We're in the process of integrating all of our access points across our healthcare network. That includes hospitals, imaging centers, surgery centers, urgent care centers. It includes improving coordination between our hospitals and our ambulatory platforms, and then what the offerings are in each location.

High-acuity in addressing the critical ill always will be our priority, along with making our facilities the facilities of choice as I mentioned earlier. Third-patient experience, we have to provide convenience, in terms of access, and couple it with a customer-friendly supported method of scheduling patients. Our customers, who are not going to tolerate long wait lines on the phone or websites that are difficult to navigate.

We're in the process of continuing to develop a highly integrated market delivery program, and that is part of seamless patient experience, and it's going to be incorporated into everything we do. You mentioned the ambulatory platform. We are the largest, one of the largest owners of ambulatory services.

Ron Rittenmeyer Discusses How Hospitals are Changing the Continuum of Care – Hospitals In Focus Transcript

As you know, the market is highly fragmented. We own approximately 5%. I believe the top 20% are owned by less than 6%, or the top 6 people, I guess, own about 20%, so that means we still have 80% that's independent. That is a significant fragmented market. We're going to continue to accumulate ambulatory facilities because we believe as part of the continuum, you have high-acuity, you have outpatient services, and ultimately you have ambulatory settings.

We're going to do the care in the location that best fits the need of the patient and the health of the patient. It gives us a whole continuum.

Chip: [12:10] Ron, talk to me about this focus you've mentioned on the continuum of care. How does your increasing focus on areas like free-standing emergency departments in the community increase efficiency of healthcare and even lead to lower costs?

Ron Rittenmeyer: [12:27] Not everything has to happen at the hospital. We believe our hospitals are well-suited to handle any task, but not everybody needs that full type of procedure. Emergency rooms are there for a purpose, obviously by their name, but free-standing emergency rooms can deal with a level down from what a patient might need in a hospital-based emergency room. Free-standing emergency rooms provide emergency care, but not fully as much as a high-acuity emergency room in a trauma center, for example, at a hospital.

Free-standing emergency rooms provide us more freed-up time, if you will, in our emergency rooms to handle those much more serious cases. Urgent cares would be the next step down. Urgent cares could handle a lot of things that people walk into an emergency room that they need that are really not critical, and are really not a high-acuity item. It's really a tiering of urgent cares, some free-standing emergency rooms, and then moving up to hospital-based emergency rooms.

It's really a function of what is the right care, and where's the right place to provide that, and then providing an integrated network that allows patients to make the choice and get referred to the right type of location.

Chip: [13:50] Ron, when you focus here on outpatient treatment, and the continuum, it sounds like, at least for the traditional hospital, in the outpatient area, which is growing, there's an issue of are we getting the right patients there, sufficient level of patients with the kind of acuity that you're going to need backup, and what a hospital itself is there to offer. Can you give us some perspective on why the costs at the mother hospital, for its outpatient services, need to be higher?

Ron Rittenmeyer Discusses How Hospitals are Changing the Continuum of Care – Hospitals In Focus Transcript

Ron Rittenmeyer: [14:24] Hospitals are a complete operation, from that front door to the rear door. They can handle almost any situation. Therefore, we have to have significantly more equipment, more staff, more support. We deal typically with the patient that is much more ill. It could be chronically ill, or has a much more serious situation, trauma case, that type of situation.

Hospitals are a different setting because they're a complete setting. There are patients that can come in that need less than that. Outpatient services are provided to those type of people. Individuals that you can treat and then discharge. Ambulatory, again, is another step out. In that situation, you may be able to do, for example, a knee replacement, a very healthy individual, but they have to have a knee replacement, or some type of action done orthopedically, let's say.

Those type of cases can be done in an ambulatory setting. It has the right surgery OR development. It has the right support staff around it, but it doesn't need all of the bells and whistles that a typical hospital do, for somebody that was much, much sicker. What we've done is try to lay out a series of facilities that can deal with whatever level is required based on the situation by the individual patient. Every one of these is individual. There's no one solution for all.

Chip: [15:59] What are the implications, Ron, for the hospital in this ambulatory setting, at least in terms of the emergency room side, when you're having to deal with patients that are uninsured? How do you make that work for the hospital?

Ron Rittenmeyer: [16:13] Well, we have a certain amount of uncompensated care we have to absorb. That means that we have to absorb that across our pricing platforms. When we think about pricing in that platform, we try to build into that the percentage of people ... Nothing is free. We have to obviously cover our costs, and pay our nurses, and our doctors, and our technicians, and pay for the overhead that it costs to run labs, and to have X-rays, and imaging going on.

We have to take the uninsured patients in because most importantly is we help the patient. In that process we absorb a lot of cost. That cost then has to get spread over all the other pricing that we do in the commercial structure.

Chip: [16:59] Thank, Ron. I think we've covered a broad array of issues, and really focused on what you're trying to achieve for patients. As we conclude, do you have anything to add?

Ron Rittenmeyer: [17:11] You know, I think that it's a ... The only thing I would add to this is that this is a great business, only because the mission that we do is so important.

Ron Rittenmeyer Discusses How Hospitals are Changing the Continuum of Care – Hospitals In Focus Transcript

Taking care of our patients is truly a calling, and something that we have outstanding doctors and nurses that are phenomenally dedicated. I think the most rewarding thing in this job is to be able to read the stories, and talk to your employees, and realize that we really do save lives every day. It's a calling and a mission that goes beyond anything that I've ever had the opportunity to do. It's an honor to do it.

Chip:

[17:45] Thank you, Ron. Thanks for listening to Hospitals in Focus. Please be sure to subscribe to us on Apple Podcast, Google Podcast, your favorite podcast platform, or by visiting us at our website, fah.org. We hope you will share your reviews, and tell a friend about us. Thanks so much for listening.