



# CEO News & Views

Bruce Schroffel



UNIVERSITY OF COLORADO HOSPITAL  
ANSCHUTZ MEDICAL CAMPUS

## A Great Recovery, With More To Come

Final accounting isn't done yet, but by most measures the just-ending 2007-2008 fiscal year may have been the best the University of Colorado Hospital has ever had.

Almost every financial indicator was not only positive, but also far better than we'd anticipated. Financial health, like physical health, is never really a permanent state, and requires constant care. But I think it's

accurate to say that we have all fashioned a stirring recovery from last year's challenges. I know it has not been easy for any of us.

So this week, as the Board of Directors considers our proposed budget for the next fiscal year, you might wonder, "why ain't we rich?"

Why can't we fund the many projects – many of them on hold for the sake of our economic recovery – that we want? After all, most represent important improvements in the way we deliver care and do our work.

**Two More Huge Expenses.** The answers are complex. But first understand that, for almost all departments, the 2009 fiscal year budget is bigger than the 2008 budget.

Our employee count is up. We continue to bring in new clinical and operational technology, and to improve all our services from food to parking to employee engagement. We are sustaining our significant investments in both employee benefits and in providing "free" care to those least able to afford it. (It is "free" only for the patients and insurance companies; it is quite expensive for us). At the same time, the hospital is coping with the same accelerating inflation (in the cost of energy, supplies, food, etc.) as we all do at home. Changes in our TriWest, Medi-

care and Medicaid reimbursements threaten to dampen revenues.

And, among scores of other budget categories, we continue to pay off the \$550 million in debt we took on first to build the new emergency rooms at 9th, and then all the beautiful hospital buildings here at the Anschutz campus.

What may be hardest for most of us to grasp, however, is that we may need to

prepare to buy two more hugely expensive items in the near future: an improved, integrated information technology system and, of course, a new inpatient tower.

I don't think I need to explain how many of our operational challenges spring from IT systems

that can't talk to each other and from a need for more inpatient beds. To save for them, we have to pay down our existing debt faster, and keep our operating net revenue high.

**2% here; 2% there.** We defer those particular additions at a steep price. The longer we delay, the longer we will have ED patients waiting to be admitted. Some clinics have to ask patients to wait lengthy periods for an appointment. The longer we wait for an improved IT system, the harder it is to keep up in a volatile industry that demands we do clinically essential things like share medical records from unit to unit, or operationally important things like get bills out on time. It will be hard to comply with increasingly stringent regulations (e.g., about medical reconciliation) that, if violated, shave 2% off of reimbursement here and 2% there. But in the end, improved information systems will add great value to our goal of providing the best quality of care.

We know these are not the only impor-

tant priorities this hospital has. But they do address the most frequent kinds of obstacles and opportunities that confront us every day. Given their expense, achieving them will require several more outstanding years like we've just enjoyed.

## Planning For The Unthinkable

Regardless of your political leanings, you've got to concede the upcoming Democratic convention will bring much excitement, business and attention to town.

But as we know all too well, public gatherings – in marketplaces, offices or, ironically, in meetings about the uplift of self-government – also can attract lunatics who communicate by causing suffering. And while terrorism remains one of the most puzzling corruptions of the human spirit, such people pose more than just a philosophical problem. At minimum, we would be involved with caring for their victims.

So UCH has been an active participant in metro-wide emergency alerts (the most recent was in early June), and an integral part of the ongoing planning by regional hospitals to treat wider crises like pandemics and natural disasters.

**Sharpened responses.** What you may not know is that we've long been training internally to react and deliver care in the event of a disaster. The serious work on a better crisis management system began long ago, when serial snowstorms – how innocent they seem! – shut down the city in December, 2006 and January, 2007. Since then, we've worked through mock salmonella outbreaks, mock fuel fires at DIA, and, among other possible horrors, mock bombings downtown.

By now we've learned to activate well-equipped "command centers," and staff them with people trained to perform defined roles in tending to patients, visitors, employees, media, governmental relief organizations

and the many strangers likely to show up here in the event of an emergency. Many VPs, directors and managers have taken Healthstream courses about what to do. In the run-up to the convention, we have been doing "table top" exercises every other week to sharpen our responses.

Scores of people are involved in this unpleasant but crucial effort. The leaders, though, have been Tim Close and Jim Feist of Safety, and Dr. Charles Little. Because of them – and despite their teaching us about possible disasters that we wish we'd never had to consider – we might be able to sleep a little better at night.

## Celebrating Our Anniversary

On a still-brighter note, last week we got to celebrate the first anniversary of our move to the Anschutz Medical Campus with a day-long series of events, dining, networking and music. I, for one, really like these events. For me, they're a chance to (literally) serve you, talk to you and, most importantly, give you some sense of how deeply I respect not only your daily efforts, but also your frequent beyond-the-call-of-duty contributions to the welfare of our patients and of each other.

Before any more anniversaries pass, though, I want you all to know that the event itself was largely the work of a team headed by Gaelen Quinlivan of the Development department. You can imagine the number of balls she had to juggle to pull this off. She obviously did an extraordinary job.

*Happy Anniversary and thank you!*

Sincerely,

Bruce Schroffel  
President and CEO