

Case Study: Hillcrest HealthCare System



Charting a new course

In 2004, Tulsa’s Hillcrest HealthCare System was at a crossroads. Growing ranks of uninsured patients and financial losses had left the once thriving not-for-profit system strapped for cash. Faced with mounting debt, intensive capital needs and few remaining choices, the board decided to seek a strategic partner.

Their wish list was simple. They wanted a partner who would commit to delivering the same level of unfunded care, a partner who would honor Hillcrest’s commitments to training medical students, and a partner who would invest in the system’s future.

In Ardent Health Services, they found all three. Ever since Ardent has not only kept each of its promises, it has exceeded them. Since the purchase, Ardent invested more than \$440 million - far surpassing its original \$100 million pledge.

Hillcrest’s commitment to graduate medical education remains strong while unfunded care has increased, and Ardent’s support has expanded the system’s reach through new services, outreach programs, tax payments and charitable donations.

Investing in the future

Today, Hillcrest is stronger than ever—thanks in large part to Ardent’s investments. Ardent immediately began making long-overdue technology and infrastructure updates while allocating resources to meet long-term needs. For example:

- More than \$100 million was earmarked for Hillcrest Medical Center — the system’s flagship facility in downtown Tulsa — funding the purchase of new equipment, the recruitment of specialists and the addition of a \$13.7 million Spine and Orthopedic Institute and state-of-the-art ER.

- Ardent invested \$69 million to build Oklahoma Heart Institute (OHI), the state’s largest hospital dedicated exclusively to heart care.
- Through a joint venture with local physicians, the company built 73-bed Bailey Medical Center to serve the growing community of Owasso.
- Considerable investments in Hillcrest’s regional hospitals funded renovations and new technology — preserving vital services and improving access to care in rural Northeast Oklahoma.

In the years since, Ardent has continued to expand the system — acquiring and upgrading two additional hospitals in fast-growing South Tulsa and purchasing a majority interest in Tulsa Spine & Specialty Hospital, a joint venture supported by 50 local physicians.

Hillcrest HealthCare System At A Glance:

Hospitals: **8** Sites of care: **57**

Employed providers: **504**

Capital Investment to Date: **\$556.4 million**

2022 Taxes Paid: **\$23.1 million**

2022 Uncompensated Care: **\$69.3 million**

Ardent has also broadened access to primary and specialty care with the addition of new providers and specialists.

A solid community partner

Despite initial concern about partnering with a forprofit company, community leaders are quick to praise Ardent. Unfunded care has grown while overall community benefit has risen through the payment of city and county taxes.

Ardent's commitment to preserving graduate medical education has been evident as well. In 2009, HHS donated OSU Medical Center, the long-time teaching hospital for Oklahoma State University's medical residency program, to a city trust. The donation, valued at an estimated \$150 million, preserved access to care for many of the city's low-income and uninsured patients and ensured a continued pipeline of physicians for the state.

Internally, the transition in ownership has been seamless. Though each of Hillcrest's hospitals maintains local management and board support, Ardent provides a level of guidance and resources previously unavailable.

Quality measurement is just one area in which this focus is evident. The system sets aggressive goals to improve

performance on key quality metrics and every manager's compensation is tied to the organization's success in these areas. This emphasis has helped HHS regain market share and achieve consistently high outcomes across many specialties.

Today, Hillcrest is thriving. The system has strengthened its reputation with the addition of new programs and services while maintaining a healthy balance sheet. Provider, team member and patient satisfaction have also risen, and consumer surveys show more patients are choosing Hillcrest.

While patients and team members are happy with the changes, perhaps it's the community that has benefited most. In addition to tax payments that fund local infrastructure, schools and salaries, Ardent's investments in new facilities and services have created an economic ripple effect the extends far beyond Tulsa.

"Ardent has been a trusted and valued member of our community for many years," said Kimberly Norman, community leader and Hillcrest Medical Center board member. "They have always been willing to step up and help when needed. We consider them friends as well as partners."

