

Case Study: Lovelace Health System



In 2002, the situation at St. Joseph’s Healthcare System was dire. Trash cans – strategically positioned under a leaking roof — lined the main entrance of the system’s flagship facility while surgeons made do with outdated equipment.

Across town, the other facilities in the St. Joseph’s network weren’t faring much better. Lacking physician support, Northeast Heights Medical Center was unable to grow its services and an average census of just five patients a day forced West Mesa Medical Center to reduce its bed count from 32 to five beds.

Just five miles away, the situation at Lovelace Medical Center was different, but no better. Once famous as the site of medical testing for America’s first astronauts, the hospital’s reputation had fallen on hard times. After several ownership changes, physicians grew frustrated with the lack of investment and shifting demographics in the area contributed to the perception the hospital was “run down.”

Though the hospitals were on separate paths, one thing was clear: both would require a significant investment of resources to survive.

A New Beginning

These paths converged in 2002 when Ardent Health Services committed more than \$300 million to purchase both systems. Almost immediately, Ardent began investing in new facilities, technology and programs to support the newly renamed Lovelace Health System.

Major initiatives included:

- a \$60 million renovation, which consolidated Lovelace Medical Center and St. Joseph’s Hospital into a single facility on St. Joseph’s downtown campus and added state-of-the-art technology including the state’s only gamma knife, a new ER and a stroke center to the 263-bed hospital;
- the transformation of Northeast Heights into the state’s only hospital devoted to women’s health and a \$13 million expansion of the facility’s Level III Neonatal Intensive Care Unit; and
- \$27 million to transform the struggling West Mesa Hospital into an 80-bed hospital with a new emergency department, a medical pavilion and the first Level I bariatric surgery center in New Mexico.

Lovelace Health System at a Glance

Hospitals: **5** Sites of care: **25**

Employed providers: **296**

Capital investment to date: **\$550.7 million**

2023 taxes paid: **\$30.9 million**

Website: **lovelace.com**

With Ardent's support, the Lovelace network has continued to grow through the addition of 26-bed Lovelace Regional Hospital in Roswell, New Mexico, and 55-bed Heart Hospital of New Mexico, which today ranks as one of the nation's top heart hospitals.

Lovelace has also expanded its physician network and growing innovative collaborations with healthcare technology groups. This strategy allows Lovelace to offer increased access to specialists and improved coordination of care throughout its system.

Overall, Ardent has invested \$526.8 million in Lovelace's facilities, equipment and people since 2003 — far surpassing its original \$80 million commitment.

A Cultural Shift

While the capital investments are significant, the cultural changes that have taken place are equally important.

Today, each facility has the freedom to define its own culture around the shared values of compassion, respect, accountability and responsibility. As a result, all hospitals have implemented culture-building initiatives to positively impact patient, physician and employee satisfaction. The results are noticeable — facilities have been named to Modern Healthcare's list of best places to work more than 20 times and the system has experienced marked gains in clinical quality, market share and consumer preference.

Another key difference is the level of management support. Though each hospital is led by a local management team and advisory board, leaders now have the resources of a large, national company at their disposal.

"We have a level of support that never existed before," explains Janelle Raborn, former CEO of Lovelace Health System "Ardent's attitude is we want to know your business, so we can support your business. They ask specific questions designed to uncover areas of opportunity. More importantly, they act on those opportunities."

Perhaps the biggest change in this once fragmented system is a new sense of leadership and accountability. Employees and managers now have access to information about market strategy and challenges. As a result, they act as partners in the system's success, delivering on a shared expectation of excellence.

"I've been very impressed with Ardent's commitment to Lovelace and the Albuquerque community," says Pamela Chavez, a philanthropist and former hospital board chair. "They've created an environment where leaders are passionate about what they do and teamwork is a reality. The hospital is thriving."

Today, Lovelace is one of the region's premier health care systems — known for its modern facilities, advanced technologies and superior quality and convenience. It's a reputation that didn't come easily, but for the system's team members and the community, it's been a journey well worth making.

