



A tale of two systems

More than a decade ago, the situation at St. Joseph's Healthcare System could only be described as dire. Trash cans – strategically positioned under a leaking roof – lined the main entrance of St. Joseph's Hospital, the Albuquerque system's flagship facility. Needed surgical equipment was taken on loan from vendors – straining relationships and alienating surgeons. Making matters worse, the hospital's once strong cardiac program suffered a crippling blow when a large cardiology group left to start a competing heart hospital.

Across town, the other facilities in the St. Joseph's network weren't faring much better. Northeast Heights Medical Center was stuck in a Catch 22. The acute care hospital didn't have the physician support to offer a wide variety of specialty services and, without specialty services, physician recruitment efforts were largely unsuccessful.

Meanwhile at West Mesa Hospital, a small facility located on Albuquerque's growing west side, an average census of fewer than five patients a day eventually forced the hospital to eliminate several service lines and reduce its bed count from 32 to five beds.

Arguably the strongest facility in the St. Joseph's network, the Rehabilitation Hospital of New Mexico maintained a solid reputation despite the system's financial challenges. The facility relied on personal outreach to referral sources and excellent word of mouth to compensate for outdated equipment and other unmet needs.

Just five miles away, the situation at Lovelace Medical Center was different, but not necessarily better. The storied hospital, which was the site of medical

Lovelace Health System: At A Glance

Lovelace Medical Center
263 beds

**Heart Hospital of New Mexico
at Lovelace Medical Center**
55 beds

Lovelace Women's Hospital
120 beds and 53 bassinets

Lovelace Westside Hospital
80 beds

Lovelace Rehabilitation Hospital
62 beds

Lovelace Regional Hospital – Roswell
26 beds

Lovelace Medical Group
80+ physicians



testing for America’s first astronauts, had undergone a number of ownership changes before being purchased by a large, out-of-state insurer in 1990.

As the only hospital owned by its parent company, Lovelace lacked the hands-on supervision and investment of resources needed to flourish. Employees often felt “disconnected” from the company’s mission and years of limited capital investment had taken a toll on the once thriving hospital. Physicians grew frustrated with the hospital’s inability to invest in new equipment and other upgrades while shifting demographics in the area surrounding the campus only contributed to community perception that 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 Nashville, Tennessee-based Ardent Health Services committed more than \$300 million to purchase both systems in separate transactions. After taking time to understand the market, Ardent developed a comprehensive strategic plan and began realigning system resources to support it.

Renamed Lovelace Health System, the first order of business involved enhancing core offerings and adding new equipment and programs while consolidating duplicative services.

Lovelace Medical Center and St. Joseph’s Hospital were consolidated into a single facility on St. Joseph’s downtown campus. The 263-bed hospital, now known as Lovelace Medical Center, underwent a \$60 million renovation, which added state-of-the-art technology, advanced surgical capabilities, a new emergency department, and a DNV-certified Stroke Center. In addition, Lovelace Medical Center is now home to New Mexico’s only Gamma Knife Center, as well as its only intravascular ultrasound.

Just a few miles away, Northeast Heights Medical Center was transformed into the state’s first and only hospital devoted to women’s health. Today, the newly remodeled 120-bed Lovelace Women’s Hospital offers a wide range of services including comprehensive labor and delivery care, a Level III

Lovelace Health System: At A Glance

Original Capital Committed
\$80 million

Capital Investment To Date
\$386 million

2016 Taxes Paid
\$22 million

Website
www.lovelace.com





Neonatal Intensive Care Unit (NICU), a nationally accredited Breast Care Center, a pediatric observation unit, as well as surgical, radiology and rehabilitation services.

In response to a statewide shortage of NICU beds, Ardent invested more than \$13 million to expand the hospital's existing unit. The new, state-of-the-art NICU now cares for many of the smallest, most fragile infants from throughout New Mexico and the surrounding region. Additional expansions were also completed for the facility's labor and delivery unit, as well as its operating suites.

Across town at Lovelace Westside Hospital, things have changed just as dramatically. The small suburban hospital – formerly known as West Mesa Hospital – that once struggled to survive is now thriving. After a complete renovation of the facility and capital investments totaling more than \$27 million, Lovelace Westside is now a full-service hospital with 80 licensed beds, a state-of-the-art emergency room and a new medical pavilion featuring a variety of medical specialties and services. It is also home to Lovelace Bariatrics, the first bariatric surgery center in New Mexico to be accredited as a Level 1 facility under the American College of Surgeons' criteria.

Full circle

In 2011, Lovelace's transformation came full circle with the acquisition of 55-bed Heart Hospital of New Mexico, the state's only hospital dedicated to cardiac care. Recognized throughout the region for its high quality care and excellent outcomes, the purchase further strengthened Lovelace's reputation as a cardiac center of excellence.

The facility – now known as The Heart Hospital of New Mexico at Lovelace Medical Center – ranks in the top 5 percent nationwide in patient experience and has twice been recognized as one of the nation's 50 top-performing hospitals

for cardiovascular success by Truven Health Analytics.

The move allowed Lovelace to consolidate its cardiology and cardiovascular surgery services in the free-standing facility, which borders Lovelace Medical Center's downtown campus. It also allowed the hospital to expand existing services including orthopedic, ENT and general surgery.

That same year, Lovelace completed a \$6.5 million renovation project at Lovelace Westside Hospital – adding a new exterior and transforming an empty wing into a state-of-the-art birthing center. Known as the Lovelace Women's Hospital Birthing Center at Westside, the unit features nine labor/delivery/recovery/post-partum rooms, a nursery, and surgical suite. Its opening marked the first time women have been able to deliver their babies on the west side in more than 14 years.

In 2012, Lovelace acquired 26-bed Roswell Regional Hospital in Roswell, N.M., providing residents with improved access to quality care.

The system also expanded its physician network with the acquisition of Southwest Medical Associates, one of the area's most respected multi-specialty groups. The acquisition launched a new physician model for Lovelace: a hybrid network of employed, strategically aligned and community physicians all working together to serve patients in an integrated system.

Today, Lovelace employs more than 100 providers and maintains innovative collaborations with other physician groups including Albuquerque Health Partners, New Mexico Heart Institute and New Mexico Orthopedics Associates. The strategy allows Lovelace to offer increased access to specialists and improved coordination of care throughout its system.

These investments are just a few examples of Ardent's commitment to New Mexico. Since 2002, the company has invested \$386 million in Lovelace's facilities, equipment and



people – far surpassing its original commitment of \$80 million.

A cultural shift

While the capital investments are impressive, equally significant are the cultural changes that have taken place in the years since Ardent first partnered with the troubled systems.

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 of the hospitals have implemented successful customer service programs and other culture-building initiatives that have positively impacted patient, physician and employee satisfaction. Thanks to these efforts, the system is now regarded as an employer of choice. Lovelace Medical Center, Lovelace Westside Hospital and Lovelace Women’s Hospital have been recognized on Modern Healthcare’s list of best places to work a total of 15 times.

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

Also gone are competitive tensions that may have once existed. Because each facility now has its own unique market to serve, the hospitals function as a true system – placing emphasis on how they can enhance both the patient and physician experience.

As a result, the system is financially strong and enjoying growth. Recent years have seen gains in clinical quality,

market share and consumer preference.

“We have a level of support that never existed before,” explains Janelle Raborn, chief operating officer of Lovelace Women’s Hospital and a longtime system employee. “Ardent’s attitude is we want to know your business so we can support your business. There’s no interest in show and tell; they ask specific questions designed to uncover areas of opportunity.

And, 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 community philanthropist and former chair of the Women’s Hospital Board of Directors. “They’ve created an environment where leaders are passionate about what they do and teamwork is a reality. The hospital is thriving and we are sharing that success with the other hospitals in our system.”

Today, Lovelace is a network of specialized hospitals offering world-class care in every specialty. Now known for its modern facilities, advanced technologies and superior quality and convenience, Lovelace enjoys a reputation as one of the region’s premier health care systems. It’s a reputation that didn’t come easily, but for the system’s nearly 3,500 employees and the 200,000 patients they serve each year, it’s been a journey well worth making.

