



Charting a new course

In **2004**, Tulsa's Hillcrest HealthCare System (HHS) 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 indigent 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 they found all three. More than 10 years later, the company has not only kept each of its promises – it has exceeded them. Since the purchase, Ardent invested more than \$414 million – far surpassing its original pledge to spend \$100 million.

HHS' commitment to graduate medical education remains strong while indigent care has increased, and Ardent's support has allowed the system to expand its reach through new services, outreach programs, tax payments and charitable donations.

Investing in the future

Today, HHS is stronger than ever – thanks in large part to the investments Ardent has made.

Immediately upon closing, Ardent began infusing the system with capital, replacing more than 4,000 PCs and authorizing other long-delayed

Hillcrest HealthCare System At A Glance:

Hillcrest Medical Center
590 beds and 48 bassinets

Oklahoma Heart Institute
104 beds*

Hillcrest Hospital South
180 beds and 33 bassinets

Bailey Medical Center
73 beds and 4 bassinets

Hillcrest Hospital Claremore
81 beds and 8 bassinets

Hillcrest Hospital Cushing
99 beds and 10 bassinets

Hillcrest Hospital Henryetta
41 beds

Tulsa Spine & Specialty Hospital
38 beds

*OHI beds are considered part of Hillcrest Medical Center



purchases. The company also reached out to local leaders to discuss how it could best support the community's long-term needs.

After extensive discussions, \$100 million was earmarked for improvements to Hillcrest Medical Center (HMC), the system's flagship and largest facility in downtown Tulsa. In addition to strengthening existing services through the recruitment of specialists and the purchase of new equipment, HMC opened a \$13.7 million Spine and Orthopedic Institute, which includes four new surgical suites and 30 private patient rooms.

Plans to build a state-of-the-art heart hospital dedicated to addressing Oklahoma's high incidence of heart disease also began taking shape. Ardent acquired Oklahoma Heart Institute, a nationally recognized cardiology practice, and invested \$69 million in the creation of a heart hospital on the HMC campus.

In 2009 the 104-bed heart pavilion, now branded Oklahoma Heart Institute (OHI), opened its doors – becoming the state's largest hospital dedicated exclusively to heart care. OHI offers some of the nation's most advanced technology and a full range of services including 24/7 cath labs, open heart surgery, cardiac rehabilitation and a heart failure center to patients throughout the region.

Ardent's investments weren't limited to the HMC campus, however. Across town in the growing suburb of Owasso, the company created a joint venture with 55 local physicians to build Bailey Medical Center, a \$56 million community hospital. Opened in 2006, the 73-bed facility fulfills the community's need for its own full-service hospital and serves as a significant contributor to the area's economic growth.

Above and beyond

Ardent has also made considerable investments in two of the system's regional hospitals, improving the quality and availability of services for residents in rural Northeast Oklahoma.

With Ardent's support, 41-bed Hillcrest Hospital Henryetta in Henryetta, Oklahoma, was able to purchase a 16-slice CT scanner and recruit new physicians while 99-bed Hillcrest Hospital Cushing in Cushing, Oklahoma,

Hillcrest HealthCare System At A Glance:

Employed Physicians

231

Original Capital Committed

\$100 million

Capital Investment to Date

\$414 million

2016 Taxes Paid

\$24.2 million

2016 Uncompensated Care

\$57.8 million

Website

www.hillcrest.com





underwent a \$13 million renovation and expansion – of which Ardent contributed more than \$7 million. OHI also provides heart care to residents of Cushing and other rural communities through outreach clinics.

According to Wayne Leimbach, M.D., chief of cardiology at Oklahoma Heart Institute, Ardent’s willingness to invest in rural Northeastern Oklahoma is critically important – not only to the health of its residents, but also to the economic stability of the entire region.

“By investing in these small, rural communities, Ardent has preserved access to care for thousands of people,” said Dr. Leimbach. “Without a strong community hospital and access to good physicians, many of these towns simply wouldn’t survive.”

“There are significant benefits for patients as well,” he notes. “The dollars Ardent spent often make a life-or-death difference for people who live in communities that would not otherwise have access to the technology and expertise that’s now available.”

Strategic growth

After strengthening its presence in central and northeast Tulsa, HHS set its sights on fast-growing south Tulsa. It was a familiar strategy for the system. In 1999, HHS had partnered with another investor-owned company to build SouthCrest Hospital in the area before selling its interest in 2001.

Things came full circle in 2011 when HHS purchased 180-bed SouthCrest Hospital and 81-bed Claremore Regional Hospital in nearby Claremore. In addition to broadening the system’s south Tulsa footprint and further expanding its physician network, the acquisition provided an important referral stream to its flagship facility.

A \$3.2 million expansion soon followed, adding oncology services and two new heart catheterization labs. The addition allowed SouthCrest – now known as Hillcrest Hospital South – to offer residents of south Tulsa improved access to the expertise of Oklahoma Heart Institute.

Meanwhile, the newly renamed Hillcrest Hospital Claremore will benefit from an \$800,000 internal facilities update and the addition of new services, including interventional catheterization procedures.

Ardent continues to invest in other areas of the system as well, broadening access to primary and specialty care with the addition of more than 40 new physicians and specialists. Today, Hillcrest employs 231 physicians through Oklahoma Heart Institute and Utica Park Clinic, the system’s multi-specialty physician group.

The system also continues to grow through strategic acquisitions and service line improvements. In 2014, Hillcrest Medical Center opened a new state-of-the-art Emergency Room, tripling the square footage of its original ER. Later that same year, HHS acquired a majority interest in Tulsa Spine & Specialty Hospital, a joint venture supported by 50 local physicians across a variety of specialties. The purchase strengthens the system’s position as the region’s second-largest healthcare provider.

A solid community partner

Despite initial concern about partnering with a for-profit company, community leaders are quick to praise Ardent.

More than 10 years after the purchase, indigent care has grown while overall community benefit has risen through the company’s payment of city and county taxes. In 2016 alone, Ardent contributed more than \$24.2 million through



tax payments and provided more than \$57.8 million in uncompensated care.

Ardent's commitment to preserving graduate medical education has been evident as well. In 2009, HHS donated OSU Medical Center, the longtime 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 doctors for the state.

Internally, the transition in ownership was equally seamless. Though each of Hillcrests' hospitals and clinics continues to be led by a local management team and supported by a local board of community advisors, Ardent provides a level of support and resources previously unavailable.

In addition to much-needed capital, the company has brought management expertise to HHS. Today, decisions are undertaken with regard for not only the system's short-term needs, but also its long-range goals. Data and input from multiple levels of the organization also influence the planning process.

"Before Ardent, there was a fear that operating with a sound business mindset meant putting the needs of the patients and the community second," recalls Donald Baker, the system's chief financial officer and a long-time HHS employee. "Ardent strongly believes the way to be successful is to put the patient first. We've seen that you don't have to sacrifice quality to make good business decisions."

This commitment to quality and transparency can be found at all levels of HHS. The system has set aggressive goals to measure, report and improve its performance on key

quality metrics. Employees are engaged in the process and every manager's compensation is tied to the organization's success in these areas.

"From day one, Ardent has demonstrated a substantial interest in quality and a willingness to invest in it," said Steven Landgarten, M.D., a Tulsa-based internal medicine and endocrinology physician who also serves as Ardent's chief medical and quality officer. "They've consistently made decisions that support the highest standard of care and the best interest of patients."

It's this focus on quality that has helped HHS regain marketshare and achieve consistently high outcomes across many specialties.

Today, Hillcrest HealthCare System is thriving again. The system has strengthened its reputation with the addition of new programs and services while maintaining a healthy balance sheet. Physician, employee and patient

satisfaction also have risen and consumer surveys show a marked increase in preference for the system's facilities.

While patients and employees are happy with the changes, perhaps the community has benefited most. In addition to tax payments that fund local schools and roads and pay the salaries of teachers, firefighters and police officers, the investments Ardent has made in new facilities and services have created an economic ripple effect felt throughout Tulsa and beyond.

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

