

Case study

Saint Luke's Health System

Kansas City, Missouri



Strategic partnership improves facility performance, quality and environment of care

Saint Luke's Health System is a nonprofit, integrated health system committed to enhancing the physical, mental and spiritual health of the communities it serves. With this commitment in mind and to remain focused on its core business, Saint Luke's enlisted the help of Johnson Controls, Inc. in the management of its facilities. As a result, the facility management department, operated by Johnson Controls, has become a strategic business partner that is integrated at every level of the health system.

Serving the Kansas City metropolitan area and surrounding region, Saint Luke's Health System includes nine hospitals, comprising more than 1,200 beds, along with many physician practices. The system employs more than 6,000 people and provides a wide range of primary, acute, tertiary and chronic care services.

At the heart of the health system is Saint Luke's Hospital. Founded in 1882, the hospital has not only relocated but expanded numerous times to serve the needs of a growing Kansas City. Today the hospital campus covers more than eight square blocks and includes more than a dozen major facilities. It is at Saint Luke's Hospital that the strategic partnership between Saint Luke's Health System and Johnson Controls began.

With additional expansion on the horizon, Dennis Chenoweth, corporate director – facilities management, sought a strategic partner to help improve the level of facility operations at the hospital. At the same time, he wanted to streamline costs since significant capital dollars were being spent as part of the hospital's master plan.





"Our primary challenge is to provide premier facilities for our caregivers and subsequently our patients. We must also maintain these facilities and do so in a fiscally conservative manner," says Chenoweth. "Our goal is to remain focused on our core business, providing care, and allow the strategic partner to focus on their expertise, facility management."

Several companies were interviewed and various programs were considered. "We wanted a partnership where both parties had something at stake, creating a true commitment to its success. Johnson Controls worked with us to develop a program that we were comfortable with," says Chenoweth. "We signed a facilities management contract with the idea that if we were successful at Saint Luke's Hospital, the program could be rolled out system-wide." As a result of the program's success, Johnson Controls now manages five hospitals, one data center and a large community clinic.

"We look at the relationship with Johnson Controls as a partnership. Together, we work to raise the standard of our plant operations and maintenance, and provide better services to our caregivers."

DENNIS CHENOWETH
CORPORATE DIRECTOR –
FACILITIES MANAGEMENT
SAINT LUKE'S HEALTH SYSTEM



Aligning facility management with business objectives

The goal for Johnson Controls is to provide a facility management business that is strategically aligned and integrated with Saint Luke's Health System to help them achieve their objectives. "We focus on innovation and continuous improvement in quality, productivity, service and time compression. Our scope of services is very comprehensive, which allows us to leverage the strengths of the system to drive economies of scale, standardization and sound business practices," says Jeff Gould, Johnson Controls branch manager.



Under the facilities management contract, Johnson Controls is paid a flat fee for its services. This eliminates the four to 12 percent annual operational budget increases that a hospital typically experiences. Additionally, many of the fiscal and operational risks associated with Saint Luke's Health System's significant asset base such as the physical plant, roofs, parking structures, low voltage systems, grounds and equipment have been transferred to Johnson Controls.

"Along with reducing our risk, we've been able to save approximately one-half to three-quarters of a million dollars annually as a result of streamlining operations and standardizing our processes," states Chenoweth. Johnson Controls has defined the processes and procedures resulting in increased employee productivity, quicker response to patient and staff needs, increased work order and preventative maintenance output, and reduced need for management staff. Additionally, specialized training on critical systems is provided to key individuals at each site, ensuring patient and staff satisfaction while avoiding lost revenue associated with the shutdown of patient rooms.

Chenoweth indicates that under a capital replacement program, Johnson Controls identifies major capital requirements over a 10-year planning horizon, allowing Saint Luke's to meet strategic goals through prioritized investments. "Johnson Controls is also helping us analyze our potential for energy conservation and savings in existing facilities and as new facilities come on line," adds Chenoweth.

A comprehensive scope of services

Under the facilities management contract, Johnson Controls responsibilities include general building and grounds maintenance, plumbing, locksmith services and maintenance of mechanical, electrical and HVAC equipment. Responsibilities also include fire and life/safety systems, lighting control, CCTV, access controls and building management systems. As Saint Luke's continues to grow, Johnson Controls is also involved in master planning, working closely with planning architects and engineers to ensure new construction efforts will meet the long-term needs of the system and the community.

The responsibilities of Johnson Controls go well beyond traditional facilities management to areas that directly impact patient care. Examples are operation and inspection of medical gas systems in patient rooms, nurse call systems and maintenance of the sophisticated patient beds. Failure of any of this equipment directly affects the system's ability to deliver care.

To fulfill these responsibilities, Gould manages a staff of 72 people, 32 of which are Johnson Controls employees. Employee integration is key to the success of this team. Saint Luke's and Johnson Controls employees wear the same uniforms and participate in the same events. Johnson Controls employees participate in environment of care meetings, quality improvement teams, and by leading or directing The Joint Commission facility policies and procedures, among other roles.

A computerized maintenance management system (CMMS) is used to manage the service and preventive maintenance work orders performed by the team. The CMMS is operated by the Johnson Controls call center located at Saint

Luke's Hospital, Wornall campus. The call center operates 24/7/365, serving all seven facilities being managed by Johnson Controls. Approximately 100,000 work orders and preventative maintenance tickets are processed by the CMMS annually. As a result, a tremendous amount of data is available and used by Johnson Controls to track equipment performance and trends. Informational reports are then produced, which Johnson Controls and Saint Luke's Health System can use to examine costs and make business decisions along with monitoring facility performance to ensure quality.

Focus on quality brings awards

Johnson Controls worked side by side with Saint Luke's Hospital to achieve the Malcolm Baldrige National Quality Award. To date, the hospital is one of just four to receive the award, and the only hospital to include its facilities department in the process. "The performance and quality of our facilities is part of what the Baldrige Award recognizes," says Dr. George Pagels, chief medical officer for Saint Luke's Health System. "As our facilities manager, Johnson Controls played an integral part in the award process by first effectively managing our facilities, and second, by compiling and presenting the quantitative data to the examiners."

Johnson Controls was also a joint partner with Saint Luke's South when it was awarded the Kansas Excellence Award. "Johnson Controls area of responsibility represents a key component of our overall quality score. Their commitment to quality is reflected in this award and in the fact that our facility provides the care environment that we want to give to our patients and community," says Amy Nachtigal, chief financial officer for Saint Luke's South.



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CORPORATE DIRECTOR –
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SAINT LUKE'S HEALTH SYSTEM





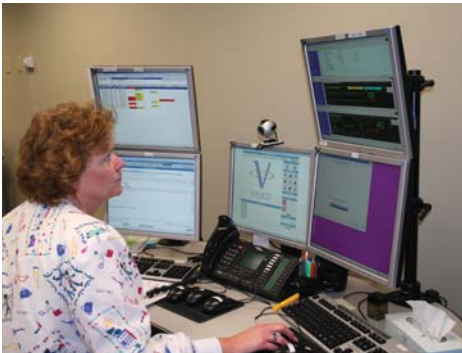
For Saint Luke's Health System, Johnson Controls measures five Strategic Focus Areas in alignment with the system's overall quality scorecard. These areas include, People, Financial, Clinical and Administrative Quality, Growth and Development, and Customer Satisfaction. Within each area detailed processes are used to collect measurement data. For example, the processes measured under Clinical and Administrative Quality are the average days for completion of preventive maintenance work orders and routine work orders, and patient specific work order completion time. These measurements are calculated daily by the CMMS, documented by the Johnson Controls analyst and then reported to the Saint Luke's quality department.

"At Saint Luke's South we have a vision for the campus and there are high expectations for presentation. Johnson Controls has helped us fulfill that vision and meet those expectations."

AMY NACHTIGAL
CHIEF FINANCIAL OFFICER
SAINT LUKE'S SOUTH

Electronic ICU leverages remote technology

One way Saint Luke's Health System brings technology closer to patients is through its leading edge electronic intensive care unit (eICU). Located at Saint Luke's Technology Center, the eICU is staffed by a registered nurse, a secretary and a physician. Using a remote monitoring system the eICU staff is able to provide 24-hour support to the on-site staff in hospital ICUs throughout the system. Video and audio systems provide direct contact with bedside caregivers and with the patients themselves.



Future builds on quality and innovation

Together, Saint Luke's Health System and Johnson Controls are looking at ways to build on and leverage the facility improvements, infrastructure and technologies that have been put in place. "Healthcare is becoming more and more of an information business, which presents a wonderful opportunity between Saint Luke's Health System and Johnson Controls," says Wade.

According to Chenoweth, the relationship between Saint Luke's and Johnson Controls grows along with the system itself. "As we're building new campuses and rebuilding existing one's, we look forward to the continued support of Johnson Controls locally and from Milwaukee. Our growth will add to Johnson Controls current responsibilities and present opportunities to expand on the services they provide us," says Chenoweth.

