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# Partnering to Improve Community Health beyond the Hospital

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# Partnering to Improve Community Health beyond the Hospital

## Organization Profile: Watertown Regional Medical Center

John Kosanovich, Emeritus CEO, Watertown Regional Medical Center

Tina Crave, President and CEO, Greater Watertown Community Health Foundation

### Statement of Interest

A growing number of hospitals and health systems are reevaluating their current position and considering partnerships as they chart the best path forward. The sparks for this movement are plentiful and include everything from financial pressures to workforce shortages to increased competition from disruptors. Even if a partner is necessary, these decisions often lead to concerns from the board including:

- Will we lose decision-making power and control over operations?
- How will this impact the community?
- What implications will this have for our workforce?
- What effect will this have on quality and patient care?

While facing similar concerns, the Watertown Regional Medical Center (WRMC) board knew the organization needed a partner to best serve the community going forward. In 2014, the board conducted a competitive process to thoroughly vet all options, and it decided to move forward with a joint venture partnership with LifePoint Health. This partnership allowed the organization to remain financially viable, improve quality initiatives, retain employees and all services, build collaborative relationships with medical staff, and even retain some local ownership and governance responsibility.

The unique structure of the partnership also led to the creation of the Greater Watertown Community Health Foundation, which has served as a catalyst for transforming the health and well-being of the community.

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## A Profile of Watertown Regional Medical Center

Watertown Regional Medical Center, a 95-bed facility in Wisconsin, has provided the residents of Dodge and Jefferson counties with excellent healthcare for over 115 years. By placing patients' needs first, Watertown Regional Medical Center's services have grown to include emergency and urgent care, primary care, women's health, orthopedics and sports medicine, heart and vascular, neurology, pulmonology, ophthalmology, and many other services.

Watertown Regional Medical Center is guided by a strong vision of what healthcare can and should be. At the center of this vision is the patient. The goal is to provide a personalized experience designed to make each guest feel like the hospital's one and only.

## Selecting the Right Partner

While WRMC had a strong financial and competitive position in an attractive market, the board was well aware that their current position wasn't sustainable. Payers were creating reimbursement challenges, there was an increasing need for capital for outpatient and inpatient facilities and information technology, and there was growing pressure from Watertown's neighboring larger cities.

From 1995–2015, John Kosanovich was the CEO at WRMC and helped lead the effort to assess all possible options. "The board recognized that a partnership or affiliation was necessary for the organization to best serve the healthcare needs of the community," Kosanovich said. "Early on, that resulted in a clinical affiliation with an academic medical center [UW Health], which we started in the late 2000s. We worked with them on expanding a number of clinical programs, but over the course of several years, it became apparent that financial integration was necessary as well in order for this to be effective."

After holding multiple retreats to assess the organization's situation, in 2014 the board made the decision to consider alternatives to UW Health through a competitive process led by Juniper Advisory. Twenty-three suitors were approached, and they received several proposals, but ultimately, they chose to form a joint venture with LifePoint Health, a national for-profit system with 70 hospitals in 22 states. Proceeds from the transaction were used to pay off WRMC's existing financial obligations, and the remaining assets were used to create the Greater Watertown Community Health Foundation.

"A significant factor in our decision to partner with LifePoint was that the asset value could remain in the community and thereby be used to create a foundation that was dedicated to improving community health, in addition to providing medical care in the community," Kosanovich said. While the investment in the community was the biggest draw, retaining some local ownership and governance responsibility was also a major factor for the board's decision to move forward with the partnership. In this joint venture structure, LifePoint Health owns 80 percent of the hospital and the Greater Watertown Community Health Foundation retains a 20 percent ownership stake. The agreement included a shared 50/50 board with block voting<sup>1</sup> (this remains the same today). Currently, it is an eight-member board with four appointed from LifePoint (now ScionHealth; see sidebar) and four appointed by the Greater Watertown Community Health Foundation.

The unique structure of the partnership has allowed WRMC to not only have the capital and resources to enhance quality of care, expand clinical programs, invest in its facility, and bring revenue and jobs to the region, but also to create a foundation dedicated to driving the organization's mission and vision of promoting and enhancing the health and wellness of the community.

<sup>1</sup> Block voting is a governance approach where decisions are made based on collective votes from the representatives of two parties. Significant decisions require a majority approval within each bloc, ensuring balanced influence and protecting the interests of both parties. This system promotes collaboration and prevents either party from dominating the decision-making process unilaterally.

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*— John Kosanovich*

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## **Becoming Part of ScionHealth**

In December 2021, following LifePoint Health's transaction acquiring Kindred Healthcare, Watertown Regional Medical Center became a founding member of a new healthcare system, ScionHealth.<sup>2</sup> Based in Louisville, KY, ScionHealth operates 79 acute and post-acute care hospital campuses in 25 states. Both ScionHealth and Watertown Regional Medical Center are focused on driving innovation, serving its communities, and investing in people and technology to deliver compassionate patient care and excellent health outcomes.

As a result of this change, ScionHealth now owns 80 percent of Watertown Regional Medical Center while the Greater Watertown Community Health Foundation maintains a 20 percent ownership stake.

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### **The Foundation's Impact**

Since its inception in September 2015, the Greater Watertown Community Health Foundation has worked to identify and address the community's greatest needs. "When the foundation board first came together to determine the role and purpose of the foundation, we recognized that health is really created in the places we live, work, learn, and worship. It's not created in an exam room or a hospital," said Tina Crave, President and CEO of the Greater Watertown Community Health Foundation. "Our board wanted to find opportunities to make a difference outside the walls of the hospital and hold ourselves accountable for measurably improving community health."

To get a better idea of the community needs and where the foundation should focus its efforts, leadership engaged over 100 community members. From those discussions, they selected three main population health indications to guide their work:

- Reduce the child maltreatment rate (e.g., percent of children physically and sexually abused, psychologically maltreated, neglected, etc.), which had been increasing at alarming rates.
- Increase the percentage of children who are developmentally ready to thrive in school.
- Increase the percentage of children who are reading proficiently by third grade.

<sup>2</sup> "LifePoint Health Completes Kindred Healthcare Transaction," LifePoint Health, December 23, 2021.

“We chose to invest upstream in prevention and to focus on young children and families having a great start in life because there’s so much research that shows that those first years in life are highly correlated to your health status, occupational status, and relationship status throughout life,” Crave said. The board was committed to these goals and believed that to truly make a difference the hospital and foundation would need to collaborate with other organizations throughout the community. The foundation facilitates a partnership called Every Child Thrives, which includes organizations throughout Wisconsin’s Dodge and Jefferson counties all working together to prioritize and align resources around building strong families, kindergarten readiness, and ensuring children can succeed in school.<sup>3</sup>

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**– Tina Crave**

One of the greatest accomplishments of the foundation has been building a network of more than 50 agencies and partners that prioritize a small number of goals that they plan to work on together. “That’s really where the power of creating health is—everyone aligning resources to have a bigger collective impact,” Crave said. The foundation has driven these efforts and facilitates these partners having a shared vision, developing common measurement systems, and aligning resources to meet goals. In the last eight years, the foundation has invested \$43 million of its resources into the community, and in the last two years, the foundation has mobilized \$24 million of other dollars towards their shared community goals.

Examples of ways the foundation has worked with their partners to improve the health of the community include:

- Raising community awareness on the importance of early brain development and its impact on lifelong health.
- Taking action around mental health challenges, including addressing the current epidemic of loneliness and social isolation.
- Policy advocacy (for example, advocacy around access to early care and education at the state level).

<sup>3</sup> See <https://watertownhealthfoundation.com/everychildthrives/whatwedo.html>.

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## The Foundation's Mission, Vision, and Values

**Mission:** To inspire collaboration, mobilize resources, and encourage innovation that measurably contributes to the well-being of our community.

**Vision:** Thriving communities where everyone has a fair and just opportunity to be as healthy as possible.

**Values:**

- **Inspire bold goals. Think big.** We challenge the boundaries of “what’s possible.” We are a catalyst for transformative change that eliminates the root cause barriers to well-being.
- **Be accountable for results.** We achieve measurable impact by targeting resources where the need is greatest. Our work is fueled by data, which informs decisions, measures progress, and illuminates the needs of the community.
- **Build capacity.** We equip changemakers with the tools they need to create lasting change. We listen and act with community, empowering the voices of those with lived experience.
- **Champion collaborators.** We cultivate a network of partners who advance equity by learning together, aligning resources, and integrating actions to improve the well-being of children and families.

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The foundation and the hospital also work with these partners on the community health assessment every three years to determine the unique social determinants of health impacting the community. The recent assessment showed that there was a need to focus on access to quality childcare and housing.

To address these issues, the foundation purchased a vacant 80-acre campus and is currently transforming it. The campus’s anchor is a 55,000-square-foot non-profit center called the Collective that has:

- A childcare and early education center for 200 children
- An express YMCA that offers 24-hour access to health and wellness opportunities
- A non-profit co-working center where multiple non-profits share office space and resources
- Non-profit service colocation so families can access wrap-around supports in one location
- Space where community members can meet and solve problems together

The foundation and the City of Watertown also just finalized an agreement to develop 48 acres for housing—96 apartments, 18 for-sale duplexes, and 78 for-sale homes—on this campus, which breaks ground in fall 2024 and will bring over \$900,000 in taxable revenue to their municipalities every year. The foundation is also working with local and state community partners to repurpose a vacant building into a youth mental health crisis stabilization center that will serve the whole state of Wisconsin.

The foundation’s work is driven by data, so leadership regularly sets and monitors progress on key population-level indicators such as measures related to kindergarten readiness, community members who are housing cost-burdened (spending more than 30 percent

of their income on housing), and youth anxiety and depression rates. Addressing health equity is paramount to leading change, so all data is stratified by population groups to identify differences, have safe conversations, and target interventions. The foundation has a community scorecard where this data is trended out so that both the governing board and foundation board, as well as community partners, all have access to the same information and can focus on solving problems together.

### Every Child Thrives Scorecard

See the full scorecard at <https://embed.clearimpact.com/Scorecard/Embed/69234>.

#### Strong Families

	Time Period	Current Actual Value	Current Trend	Baseline % Change
Rate of child abuse and neglect cases in Dodge and Jefferson Counties per 1,000 children	2023	10.74	↘ 5	-17% ↘
Percent of children aged 0-4 years whose parents read to them at least 4 days per week	2024	81%	↗ 2	1% ↗
Percent of children aged 0-4 years whose parents tell stories or sing songs to them at least 4 days per week	2024	84%	↗ 2	5% ↗
Percent spending 30% of their income or more on housing	2022	28.4%	→ 1	0% →
Percent of births in Dodge and Jefferson Counties receiving adequate prenatal care	2023	85.8%	↗ 3	0% →

#### Kindergarten Readiness

	Time Period	Current Actual Value	Current Trend	Baseline % Change
Percent of children on target with developmental skills needed to succeed in school - interval 48 months	SY 22-23	47%	↘ 2	-26% ↘

#### School Success

	Time Period	Current Actual Value	Current Trend	Baseline % Change
Percent of children reading proficiently by 3rd grade	SY 22-23	42%	↗ 2	2% ↗
Youth Depression	SY 20-21	32.3%	↗ 2	6% ↗
Youth Anxiety	SY 20-21	50.3%	↗ 1	5% ↗

Through this partnership and data-fueled approach, the foundation has revitalized the importance of community health. “I have to applaud our original board for recognizing that there is more to health than medical care and for fostering the development of this foundation,” Kosanovich said. “If we look back over nine years, the impact that’s made on the community is more than anything the hospital could have done on its own standalone basis as it existed.”

### Connecting Governance at the Foundation and Hospital Level

The Greater Watertown Community Health Foundation has its own 14-member board representing all sectors of the community, such as health, education, business, marketing, law, and finance. This board helps set the population-level goals, connect leadership to resources to move the needle on health indicators, and actively advocates at the local and state level. “The foundation board’s role is to clearly understand and summarize the needs of the community and engage all of our stakeholders, the joint venture board being one of them, in working together on those priorities,” Kosanovich said.



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**“This structure has allowed us to look beyond what happens inside the hospital walls. That can be a very difficult task for a hospital to do when its revenue comes from providing medical services. But those services aren’t always the things that are most dedicated to the improvement of community health.”**

**— John Kosanovich**

There are several ways the foundation board and hospital joint venture board stay connected including:

- Annually, the two boards develop a shared agenda where they highlight common priorities for the year.
- Foundation board members sit on the hospital joint venture board, making it easier for the boards to stay aligned on goals and objectives.
- Both boards are involved in the community health assessment, so they have a shared understanding of the greatest community needs.
- Two members of the hospital joint venture board give regular updates at foundation board meetings.

This regular communication helps ensure that the boards are in sync around community health issues and working together to achieve common goals.

### **The Opportunity for Hospitals**

Through this joint venture structure, WRMC has been able to do much more for the community than provide medical care. It allowed for the continuing existence of the hospital and the creation of a foundation that is proactively addressing the social determinants of health in Watertown.

“The opportunity that we were able to take advantage of and the opportunity that exists for other community hospitals is to leverage the community’s historical investment in its hospital and use that to address bigger and broader healthcare needs in the community,” Kosanovich said. “Far more is happening in Watertown to improve health as a result of this transaction than ever could have been done as we stood before.”

Hospital boards can ensure that their organizations are proactively leveraging their position as an anchor institution in the community. “Hospitals have a great opportunity,” Crave added. “They are typically the largest employer, have significant professional resources, and oftentimes, they have stronger financial resources than other community partners. We should ask ourselves, how accountable are we for ultimately improving the health of our community and thinking beyond what happens within our walls to play a role in measurably improving community health?”

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## Takeaways and Lessons Learned

- **Be open to partnerships.** The idea of giving up any local control can be challenging for hospital board members, but always be willing to consider what benefits a partnership could bring to the community as well as the organization.
- **Do not wait too long to search for a partner.** Being in a strong position allowed WRMC to attract many suitors, which ultimately led to the board having the opportunity to choose a partnership that was the right fit for the hospital and the community.
- **Leverage your position to address the greater health needs of the community.** Hospitals have the power to do more than just provide care in the hospital walls. Boards should ensure that their hospital is partnering with organizations throughout their service area and beyond to address the greatest needs and continually measure and monitor improvement goals.
- **Actively engage the board in community health efforts.** Board members play a key role in advancing initiatives. For example, in addition to being involved in the community health needs assessment, hospital boards should integrate community health goals into the strategic plan, ensure time at meetings is dedicated to board discussion and education around the organization's commitment and performance in community health improvement, help foster partnerships with local organizations, advocate for policy changes, and communicate any successes.

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