Managing health-care costs while improving quality and access are issues that continue to challenge the entire country. It’s certainly something we struggle with here in Washington.

But one difference between our state and most others is that the hill we have to climb is not quite as steep as it is for everyone else. That’s because hospitals in Washington already operate more efficiently than many of our peers nationwide.

Our state consistently outperforms others on key metrics for efficient inpatient care. We tend to do a better job of managing hospital stays to ensure better outcomes for patients, as well as lower costs. Here in Washington, our hospitals collectively have expenses down to $1,882 per capita compared to, say, Massachusetts where hospital expenses are at $3,197 per capita, according to a 2008 report by the Washington State Hospital Association.

Another interesting insight is that Washington has the lowest number of hospital beds in the country. That’s a good thing because it demonstrates that our state is not being excessive about building more hospital capacity than we need. However, that does not mean there is no need.

In the last decade, the population of Washington grew at a faster pace than the nation as a whole. Today, we are the 13th most populous state in the union. But as our population has grown, the number of available hospital beds has not grown with it. In fact, bed count has decreased. Our state went from the already low rate of 2.04 beds per 1,000 people in 1998 to just 1.73 beds in 2008.

This is the context within which Swedish developed its growth strategy a few years ago. The objective was to plan for population growth in the region and anticipate future health-care needs. With the opening of our new campus in Issaquah this month, it seemed appropriate to focus this issue of Perspectives on the thinking behind this strategy and what it means for the community.

Meeting the Needs of Our Growing Region

As part of our strategic planning process, we had to take the old paradigm of ourselves – a downtown Seattle hospital on the hill – and turn it on its head. That’s because much of the population growth has been happening in suburban communities outside of Seattle.

To truly meet the health-care needs of the region, we realized we couldn’t continue to ask people to fight traffic to drive downtown for every health concern. That is why we have spent the last few years locating more services in local communities – to bring Swedish closer to where more people live and work.
Today, in addition to our First Hill and Cherry Hill hospitals in downtown Seattle, we have primary-care clinics in 17 neighborhoods throughout the Puget Sound region; outpatient centers in Issaquah, Mill Creek and Redmond; and community hospitals in Ballard and Edmonds. We’re even delivering more health care directly in homes through our Visiting Nurse Services division, which is headquartered in Mountlake Terrace.

But of all our expansion efforts, the most significant yet is our new hospital in the Issaquah Highlands. The fifth-fastest growing city in the state, Issaquah was one of the few communities of its size that did not have a hospital of its own. (As a point of comparison, similar-sized cities such as Auburn, Burien, Edmonds, Federal Way, Gig Harbor, Kirkland, Renton and others have all had local hospitals to serve their residents.)

In addition to the size of the population, traffic was another major factor in the decision to build a hospital there. Congestion on 405 and I-5 made it difficult for residents to leave the community for medical care, making the need for a local hospital even more apparent.

Our Issaquah project has been a long time in the making. Swedish began working with the local community in 2004 to understand their needs and get their input on what type of health-care services they wanted close to home. Then in 2007, having carefully reviewed our application, the Department of Health agreed that there was a clear need for a hospital in Issaquah and gave us the approval to move forward with the project.

A Model that Improves Quality, Reduces Costs and Increases Access

The new Swedish/Issaquah will be a full-service community hospital. That means residents can get most of their medical needs taken care of there, such as labor and delivery, general surgery, orthopedic surgery, chemotherapy and cancer radiation therapy, to name a few.

But we are intentionally not performing highly specialized procedures, such as brain surgery or cardiac surgery, in Issaquah. Those types of services will continue to be performed at our two downtown Seattle hospitals.

Why? Because complex, sub-specialized services require more costly equipment and highly trained staffing. From both a quality and cost perspective, it’s better to consolidate those types of services in a central location where they can serve as a resource for the entire region.

And therein lies the crux of our growth strategy: Deliver more routine care closer to home while centralizing sub-specialty services in downtown Seattle. That way, people can get most of the care they need locally and will only need to drive downtown if they are facing a more serious, complex issue.

It’s the same approach we’ve taken with our community hospitals in Ballard and Edmonds (formerly Stevens Hospital). And it’s a model that we believe best serves the region for the following reasons.

- By consolidating the most costly types of specialty services to a single location, it reduces duplication of precious health-care resources thus helping to prevent the proliferation of the “medical arms race” that leads to higher costs.

- By the same token, this consolidation of highly specialized procedures helps to ensure that the physicians, nurses and other members of the team are able to work on a high volume of cases. The more procedures they do, the better their outcomes.
Lastly, this approach helps to increase access to basic health care in local communities. For example, earlier this year, we opened an Emergency Room and medical office building in Mill Creek, another fast-growing community. We are significantly exceeding our volume projections in that ER, which speaks to the clear need for emergency medical care in that community.

**Expanding Services for the Underserved**

But our growth is not just limited to the suburbs. We have also invested significant time and resources into services for underserved populations. For example, we significantly expanded our free specialty-care clinic last year and also launched a dental program for the uninsured. In addition, we are very excited about an innovative partnership with Seattle’s global health agencies to improve the health of impoverished communities here at home.

At the end of the day, meeting the needs of the underserved in our community remains at the core of our nonprofit mission, and I am very proud of that fact that we provided $112 million in uncompensated care and other community services in 2010, including:

- $25 million in charity care,
- $67 million in Medicaid subsidies
- $20 million in community health screenings, health education, research and other services

Serving communities such as Issaquah where more people tend to have commercial insurance helps offset the cost of uncompensated care elsewhere in our system and makes it possible for us to meet community needs.

**Learn more**

If you’ve started noticing our Swedish clinics or campuses in different neighborhoods, I hope this installment of *Perspectives* has shed some light on why we are there and how we are trying to serve the community both on a regional and local level.

We are especially excited about our new Issaquah campus, which opens for patients July 14. It is a truly innovative facility that I have no doubt will be a national model for community-based health care.

If you have questions about Issaquah or any of our new facilities, please feel free to contact:

- Dan Dixon, vice president of External Affairs, dan.dixon@swedish.org
- Kevin Brown, Chief Strategy Officer, Kevin.brown@swedish.org

On behalf of everyone at Swedish, thank you for supporting our nonprofit mission.

Warmly,

Rod Hochman, M.D.
President and CEO, Swedish