

Lehigh Valley Hospital • Muhlenberg Hospital Center

■ What's Up?

MHC Cancer Center -- MHC, in conjunction with the John and Dorothy Morgan Cancer Center at LVH, will develop a cancer program to provide a continuum of care for its cancer patients.

The Lehigh Valley Health Network board of trustees and the Muhlenberg Hospital Center Foundation board have approved the \$2.2 million startup costs for the program. The new center will be housed in an existing facility on the Muhlenberg campus and is expected to begin operation by the end of the year.

Based on current trends, MHC and its affiliated medical staff will diagnose in excess of 260 new cancer cases each year. Because of the scope of cancer treatment technology available on the campus, patients that are diagnosed and initially treated at MHC need to be referred to other hospitals for their follow up care, including chemotherapy and radiation therapy services.

"This approach to care can be confusing and can put an unwarranted burden on patients and their families," said Gavin C. Barr, M.D., vice president-medical director, MHC division. "In response to the growing demand for cancer-related services, this new program is consistent with our mission to provide the most appropriate level of health care services to meet the needs of the Muhlenberg and greater Bethlehem communities."

Patients and their families will benefit from having radiology, oncology inpatient services and inpatient/outpatient chemotherapy treatments in one location. Patients will also have access to home care and hospice services, providing a continuum of care throughout the Lehigh Valley Health Network. The majority of the patients will be able to receive all of their care at the new Muhlenberg cancer center. Advanced, tertiary services -- such as three-dimensional radiation treatment planning, stereotactic radiosurgery, and soon-to-be-added bone marrow transplant -- will be available through the Morgan Cancer Center, located at LVH's Cedar Crest and I-78 site.

Financial Integration -- The finance management of Lehigh Valley Health Network divisions have made plans for the integration of financial activities and financial department operations.

Monthly financial reporting improvements have begun. These changes and a common chart of accounts will be implemented by July 1998. In addition, implementation planning is well underway for a network-wide general ledger and financial reporting system to be operational next fiscal year.

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HEALTH NETWORK

A common FY99 budget calendar for all LVHN divisions has been prepared and is being considered. Operating and capital budgets will be developed at each division. Target setting and budget evaluation will be done by the senior management council (SMC) of LVHN, who will recommend the budgets to the LVHN board of trustees on June 3. The finance management of LVHN divisions are also evaluating requirements of an integrated finance operation, including: organization; work process; eventual relocation of LVPG, LVH and MHC finance staffs to the former IBM building; and information systems implementation.

The LVHN board of trustees has approved the refinancing of the bonds of MHC and MRC. When completed, all LVHN tax-exempt bonds will carry the same terms and credit strength, which are the same as the former LVHN. The merger's legal structure permitted this refinancing that is expected to reduce future debt service payments of the MHC and MRC bonds, saving \$5 million (in today's dollars) over the life of the bonds.

IBM Building -- The LVHN board of trustees has approved \$4,185,000 to renovate the IBM building at the MHC campus for LVHN services. Funds will be used for asbestos abatement, sprinkler installation, tenant fit-out, and capital improvements to the roof and mechanical systems.

Occupancy of the building will:

- ▶ Facilitate the integration of administrative services for the network by centralizing them in one location;
- ▶ Eliminate annual rental expenses of \$520,000;
- ▶ Free up hospital space for clinical programs;
- ▶ Reduce expenses associated with the information systems disaster recovery program.

Expense reductions are expected to exceed building operating costs by more than half a million dollars annually after the first year.

MHC Information Systems -- The LVHN board of trustees has approved \$1,880,000 to upgrade and extend information systems at MHC. Currently, there is no campus-wide network capability, and limited local area network (LAN) capability, so there is no communication link within the MHC campus itself, to LVH at Cedar Crest and at 17th Street, or to physician practices on the existing network. When completed, the improved IS infrastructure will connect the main hospital, Banko Center, MRC, the IBM building and three medical office buildings. It will require replacing terminals with work stations; local and network printing; installing LVHN security software; cabling the sites; and enhancing remote access communications, i.e., video conferencing.

Psychiatry -- Work continues on developing a recommendation for inpatient psychiatric services for the network. A decision is expected to be reached by the end of February or early March.

■ A Note or 2 from Lou

Your response to the employee forums has been tremendous -- in some cases, standing room only. And the response from the forums has been equally gratifying. It's apparent from your questions, your ideas and your evaluation forms that the people in our organization truly care about the future of health care in our communities, understand the gravity of the challenges we face, and have many creative suggestions for improving our overall effectiveness. We will consider them all; your ideas and opinions will guide our decisions, and we'll let you know specifically how your input was used in future communications. In the meantime, if you've not made it to a forum yet, there's still time: Thursday noon at MHC, and 3:30 p.m. Friday at 17th Street. Anyone's welcome at any place. Bring your best ideas, and be a part of shaping the future of LVHN.



Lou Liehaber
Chief Operating Officer, LVHN