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## Corporate Spotlight

### Goshen Health System

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**James Dague says that listening to everyone in the organization only makes for improvement. Liz French gets the details.**

Ten years ago, when Goshen Health System was experiencing 27% turnover and had three weeks worth of cash in the bank, incoming CEO James Dague had several options—but none of them included shutting the doors on the Goshen, Ind.-based hospital. Since those bleak days, turnover has plummeted to 4%, and the health system has worked its way up to Magnet status. This remarkable turnaround story all began with a book.

According to Dague, *The New American Hospital* by Clay Sherman is the backbone of the organization. Not many hospitals would rest their fate between the pages of a hard cover, but to Dague, it was the only option that felt right.

“Clay Sherman interviewed me to decide if he wanted to work with our organization. I walked in thinking, ‘Here is a consultant interviewing me so I can spend a bunch of money.’ I walked out thinking, ‘I can’t afford not to try this,’” said Dague, thinking back to the day in 1995 when he was introduced to the new philosophy. “We’ve had no layoffs in almost 11 years, and we have saved \$15 million as a result of the program. It has created incredible enthusiasm among our colleagues—I couldn’t change it if I wanted to.”

#### Everyone is equal

After putting management through a year-long mini MBA program on the *New American Hospital* and *Uncommon Leader* philosophy, the program was implemented. It was first met with skepticism as colleagues, especially physicians, wondered if it was the latest administrative fad that would eventually prove fruitless. But they tried it and fell in love.

The *New American Hospital* program promotes listening to everyone in the organization, not just those in the highest tiers. Goshen calls on the knowledge of his colleagues and encourages them to share their ideas. “When you get right down to it, what do I know about what a nurse does? I am a business man,” said Dague, noting that the organization uses the term *colleague* to promote a feeling of equality and is trying to eliminate the words *subordinate* and *superior* from its vocabulary.

If an idea is an obvious improvement and needs no investigation, the owner of the idea is instructed by the department leader to carry it out. He or she does not have to go through a long chain of command to get permission. More complex ideas are submitted to the Management Action Committee, an interdepartmental group that



meets for four hours once a week—no more, no less—to discuss the suggestions that have merit. The committee then has 30 days to act. Goshen Health System has implemented 2,000 of the 6,000 ideas that have been thrown into the pot.

In five years, these ideas, which range from the smallest efficiencies to major overhauls, as well as lower turnover rates, have saved the organization \$15 million. Turnover went from 27% 10 years ago to 8% in 1999, 6% in 2001, and 4.8% last year. “We have no nursing, X-ray, or pharmacy shortages because we have created an environment where people feel they can carry out their personal missions to their level of satisfaction. When you do that, they don’t want to leave,” Dague said.

“People go into healthcare with a personal mission. Maybe it is just to put a roof over their heads and meals on the table, but if we can make that more satisfying to them and eliminate the irritants, plus tap their knowledge as to how processes can be made better every day, you receive so much in return,” he continued.

### Leading the way

As a result of the savings and exceptional performance from colleagues brought on by the New American Hospital program, the organization was able to open the Goshen Health System Center for Cancer Care. Five years ago, only 17% of cancer patients in the hospital’s region came to Goshen for treatment. Since the implementation of the cancer program, that number has jumped to 58%, and the organization has received the Outstanding Achievement Award by the Commission on Cancer of the American College of Surgeons. The Goshen Health System Center for Cancer Care specializes in breast, colon, liver, skin, lung, and prostate cancers and offers medical, nuclear, radiation, and surgical oncology, as well as alternative and complementary treatments.

Goshen is making some remarkable strides in the diagnosis and treatment of cancer with the help of Goshen’s affiliations with Clarian Health System and the Indiana University School of Medicine. One groundbreaking innovation is the biosphere insertion. Cancer markers are attached to radioactive molecules, which are then injected into the body where they adhere themselves only to cancer cells, leaving healthy cells untouched. “We were the first hospital to carry out this new method for delivering this innovative treatment,” said Dague.

According to Dague, this cancer program is unique because it is integrated. Every Monday, doctors meet to talk about each patient in the cancer program, and every Wednesday, caregivers (including social workers, inpatient and outpatient nurses, physical therapists, and nutritionists) meet to talk about what more they can do for the patients.

“It has gotten us remarkable acceptance. The whole organization adapted to the cancer program. Once you start a program like this, you set off a rapid progression. You need specialists to treat the cancer patients, and every time you bring someone in, it changes the complexity of care. So nursing, pharmacy, and all the caregivers have to respond to that,” said Dague.

The Center for Cancer Care was accredited by the American College of Surgeons and received commendation in seven out of seven areas. “We are certified as an outstanding community comprehensive cancer center, and that is the highest designation you can get. We went from zero to 90 miles per hour in five years. It all goes back to the New American Hospital. Hospital administration needed to gain the trust of the existing colleagues to recruit more of the absolute best, and once you get that trust, the

sky is the limit,” Dague said.

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