

Scott & White not slowing

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Ernie Bovio has steered Temple-based Scott & White Healthcare as it expands dramatically in Williamson County south of its home base.

Five years ago, Scott & White Healthcare had three clinics and a few hundred employees in Williamson County.

Today, the Temple--based hospital system has a hospital in Round Rock and one in Taylor, 11 primary care clinics, 120 physicians and 1,000 employees, said **Ernie Bovio**, CEO of Scott & White Hospital-Round Rock, who now oversees hospital and clinic operations in Williamson County.

These days, Williamson County is a hotbed of health care activity, with the region's three major hospital systems — Scott & White, St. David's HealthCare and Seton Family of Hospitals — competing for a growing population's health care business.

Projecting over the next 12 to 18 months, Scott & White may have the most aggressive growth plans of the three, with continued growth of its hospitals and clinics. It has selected a site in Leander for a primary care clinic, for which a construction start date hasn't been announced. And it plans to add two more primary clinics in Williamson County during the next 12 to 18 months. It has not selected sites for those clinics.

With that projected expansion, it expects to hire 100 to 150 more doctors, nurses and support staff in Williamson County during the next 12 to 24 months, Bovio said.

Beyond those additions, the hospital system is developing a five-year strategic plan for the area, Bovio said.

One of its more immediate priorities is the 58,000-square-foot expansion to its Round Rock hospital, which is under way and set to be finished in 2011. It will add 26 beds, four new operating rooms (for a total of nine), an endoscopy suite and eight emergency room beds (for a total of 19).

Meanwhile, it is investing in its Taylor hospital, formerly Johns Community Hospital, which was faltering before Scott & White bought it.

The increased competition from the major health care systems in Taylor further exacerbated that hospital's problems.

"The ability for a rural community and independent rural hospital to invest in their infrastructure and recruit physicians and develop new services is difficult, not just in Taylor," Bovio said.

Now, Scott & White has a three-year capital improvement plan to bring the Taylor hospital up to its standards. Besides refurbishing the hospital, Scott & White plans to integrate it into its electronic medical record system, bring in specialty care systems, offer 24/7 hospitalist service to support inpatient care, and add a new director of emergency department clinical services.

Keeping the Taylor hospital open made sense for Scott & White, which has a successful primary care clinic in the area.

"There is a need for health care services in that area, and we didn't want to see that hospital go under," Bovio said.

He said that the biggest challenges in Taylor will be keeping up with the need for primary care in the area and retaining patients who are accustomed to driving elsewhere for primary care.

Competition

In a crowded health care landscape, Scott & White Healthcare believes its integrated medical model helps set it apart from the other hospital systems. The system is a physician-led nonprofit organization whose foundation employs its physicians. In Texas, it's forbidden for hospitals to employ doctors directly.

"Our doctors and hospitals are all on the same page. I think that gives the ability to impact quality and impact costs, react to the market and react to health care reform," Bovio said. "In a typical community hospital, the hospital and the medical staff are competing against one another and have different incentives, and that makes for a contentious atmosphere sometimes."

Physician **Rob Watson**, chief of surgery for Round Rock, said he was drawn to the chance to expand Scott & White beyond Temple and the nonprofit's integrated medical model.

While working in a specialty group, Watson said he saw a lot of inefficiencies that Scott & White's system addresses.

"We are across specialties from primary care to much more complicated subspecialty care. We are all connected by electronic medical records, and that's from Temple to Round Rock to Waco and Killeen to

College Station,” he said. “We don’t duplicate tests or burden the patients with keeping up with their records or their history.”

Watson said the system also increases communication between physicians.

“With the changes that are coming in health care, I think more and more physicians are being attracted to this model,” he said. “I think big health care systems that are fragmented are trying to come together under an umbrella to recreate this model because I think it’s going to be necessary to succeed in the future.”

The Scott & White model has been shown to keep costs down. In a 2009 Dallas Morning News article, the newspaper reported that Scott & White achieved results equal or exceeding Dallas’ flagship hospitals. Expenditures in 2006 for Medicare patients in Temple were \$7,015 per enrollee compared with \$10,103 in Dallas, the article stated.

Because of its ability to maximize efficiencies, Watson said physicians and smaller health care organizations are seeking opportunities to partner with Scott & White.

While Scott & White’s expansion plans in Williamson County are extensive, it isn’t the only system planning to grow there.

Seton also has a strong presence with Seton Medical Center Williamson, two out-patient therapy sites, three primary care clinics and an aquatic program.

“All of those [health outlets] are meeting or exceeding expectations,” said **Michelle Robertson**, chief operating officer for Seton Medical Center Williamson.

Robertson said its two-and-a-half-year-old Round Rock hospital, which is a few miles from Scott & White’s hospital, is one year ahead of its volume projection. Right now, Seton is equipping its fifth floor, adding 32 beds for a total of 181.

Also, Seton plans to build out the hospital’s sixth floor in late 2011 or early 2012, and to add another patient care tower, depending on growth.

While the two hospital systems are competitors, Robertson said, “We each have our role to fill, and this community really needs the facilities that are there.”

She believes Seton distinguishes itself with a faith-based care program and its charity care. Seton has provided \$21 million in charity care to Williamson County and northern Travis County residents.

Likewise, St. David’s has been investing in Williamson County. St. David’s has two hospitals, St. David’s Round Rock Medical Center and St. David’s Georgetown Hospital; two urgent care clinics; and an outpatient rehabilitation center. This fall, St. David’s HealthCare said it will add a new freestanding emergency department, scheduled to open in early 2012, in the Stone Hill Town Center in Pflugerville. Additionally, there will be expanded rehabilitation services in Round Rock in 2011.

“We anticipate growth in emergency services due to the rapidly growing population, as well as an increase in intensive care unit capacity to support critical care and other specialized services,” said **Mark Clayton**, senior vice president of St. David’s.

St. David's anticipates continued growth in Williamson County, Clayton said, "propelled by the development of the health and life sciences corridor in Williamson County, including the St. David's School of Nursing at Texas State University, the Texas A&M Health Science Center and Austin Community College."

Courtesy of JB Goodwin