

# Building Sustainability for the Next Two Hundred Years: An Interview with the CEO of America's Oldest Private Psychiatric Hospital

Michael Wong 05 August 2014

## Introduction

With the implementation of the Affordable Care Act (ACA), a number of people believe there finally are some hopeful opportunities to address the long-term issues that have challenged the mental healthcare arena. Still, besides incurring a significant healthcare expenditure (\$125+ billion in federal dollars a year), it also competes for funding against other worthy disease ailments and continues to face unique challenges of stigma and misunderstanding. The following interview with R. John Repique, CEO of Friends Hospital, reveals a strategic initiative that has recently been launched and which can support continued success of an entity that was founded in 1813 by Quakers.

*Q. What are the most significant strategic challenges that face Friends Hospital?*

A. Well, one key challenge has been around for the past 200 years; and that is to provide a unique, customized service for each person that we serve. If you think about it, many entities (including Fortune 500 as well as non-profits) have been historically successful with crafting strategies that address specific market segments that contain customers who share common needs and desires. By doing so, companies over time (think Ford and McDonalds) have been able to create goods/services that exceeded their client segments' needs and built sustainable success. Still, as I recently read in the Hay Group's Leadership 2030 research, in the future..."Firms must understand every worker and customer as an individual, or lose out on talent and business." For my team, that future is not in 2030 but rather it is part of our daily operating model. It has been in existence for over 200 years as our mission has always been to build individualized plans that match each individual's unique personal situation.

*Q. Given that your entity does not have a Fortune 500's resources, how can you provide such services that must be costly to operate?*

A. Great question and it is challenging! Still, that's where creative collaboration through private-public partnerships and the leveraging of technology come into play. For example, our team recently was invited to launch the pre-pilot of an exciting program that was created by some University of Pennsylvania students, in partnership with

Community Behavioral Health, City of Philadelphia. The program, re:Mind, is an appointment text-messaging reminder service targeting individuals discharged from inpatient mental health hospitalizations. It leverages a simple, cost-effective intervention that helps address the #1 reason patients miss their initial appointment, which is forgetting about such meetings. Through the facilitation of such successful outpatient care, re:Mind has the potential to preserve the mental health of thousands of *our community members as well as save millions of dollars in wasted time and preventable hospitalizations.*

*Q. How would it work for Friends Hospital?*

A. A website, [www.reMindPhilly.org](http://www.reMindPhilly.org), will be made available to hospital discharge planners. Given a simple, user-friendly interface, the team believes it should take users a maximum of five minutes to enter necessary contact and appointment information. The website will then automatically generate two reminder phone call attempts, two text messages, and an email in advance of the patient's appointment.

*Q. What are the projected benefits for the people that you serve?*

A. Based upon research that I've recently read; in Philadelphia, hospitals discharge upwards of 11,000 patients every year from inpatient acute psychiatric care. Given a recent trend towards recovery-oriented

treatments, the standard practice is to ensure continued care by scheduling an appointment in advance of discharge connecting patients to an outpatient provider. But, apparently on average only 42% of those initial appointments are kept. Given my previous experience in serving similar communities in Miami, Florida; I would concur with the research that points to how up to 50% of patients who miss appointments drop out of scheduled care and how newly discharged patients who do not attend follow-ups have been reported to have a two- to three-fold increase in the rate of readmission compared with those who remain in contact with services. Finally, what is especially troubling is how in Philadelphia, the cost of re-hospitalization for patients who missed their follow-up appointments is roughly \$9,429,000 annually.

*Q. But what's the cost for stakeholders and the ROI?*

A. Here are some of the initial insights that I read about the budget:

### Budget

- \$8,500 for the creation of the website
- \$250 monthly to license the reminder software (\$3,000 annually)
- \$500 annually for website updating, repairs, and hosting fees
- \$7,500 for 1 temporary staffer to supervise project development and stage an education campaign

targeting Philadelphia's 23 inpatient psychiatric care facilities

- TOTALS: \$19,000 startup costs, \$3500 annual maintenance

Now, again, my team has just recently joined this effort and we'll be learning more about this exciting collaboration in the coming weeks, but if their forecasted ROI metrics are accurate; my team is very excited about the projected benefits.

### Project Savings

- If re:Mind helps just two individuals continue with treatment, it has already recouped its costs.
- If Philadelphia reduces no-shows at a rate similar to a British pilot study that serves as its model, there would be an estimated annual savings of \$2,360,000.

*Q. What is your key take-away point for PSIJ readers?*

A. These are somewhat uncertain but exciting times in U.S. healthcare – let alone in the behavioral and mental health care arena especially in the current era of health reform and with the implementation of mental health parity. Arguably, the behavioral and mental healthcare sector is ripe for innovation and with the increasing thrust towards integrated care, we have to focus and assure that we treat both the brain and body. Advances in technology in this digital age will also continue to play a major role in making behavioral and mental health care – (hopefully)

more accessible, affordable, effective, safe, high quality and highly reliable.

***R. John Repique is CEO of Friends Hospital. For more than 20 years, he has led and managed various behavioral healthcare facilities in diverse communities and urban settings – both private and public – including not-for-profit and major academic standard-setting and complex healthcare organizations.***

***Michael Wong has over 20 years of strategy, marketing, and sales experience at a number of Fortune Most Admired Companies including Apple Computer, AstraZeneca, IBM, and Merck. His insights have been shared in publications including the MIT Sloan Management Review, Harvard Business School Blog Network, and PM360.***