INTRODUCTION

The US healthcare system is facing unprecedented challenges related to escalating costs, an aging population, healthcare reform, and a struggling economy. In light of these challenges, there is an urgent need to evaluate and implement new approaches and models of care with emphasis not just on curing disease but on prevention, wellness, and managing population health.

The Optimal Healing Environment (OHE) framework provides a model that meets this challenge (Figure 1). An OHE is an environment “in which the social, psychological, spiritual, physical, and behavioral components of health care are oriented toward support and stimulation of healing and the achievement of wholeness.”

Healing organizations provide a culture in which healing is as important as curing and demonstrate a commitment to healing through their leadership style, mission, vision, and values and the commitment of resources to fulfilling the mission of healing. Aligning mission and purpose with business strategies is a powerful driver of financial success. After a meta-analysis of close to 50,000 business units across 192 organizations, Gallup scientists concluded that mission can drive margin through loyalty, customer engagement, strategic alignment, and clarity for decision-making and priorities.

Return on investment is an important decision factor for most healthcare executives. Although evidence generated by the Samueli Institute, Alexandria, Virginia, and others suggests that optimal healing environments increase provider and patient satisfaction and improve patient outcomes, there is little research monetizing or quantifying the impact of healing practices in the hospital setting. The cost-effectiveness of integrative medicine approaches and complementary therapies is often ill defined and controversial, leading to a lack of support from executives to implement these practices. Kligler et al emphasize that the implementation of a multifaceted OHE requires a potentially substantial initial investment by a hospital. The authors point out a lack of business data to support integrative, healing-oriented interventions and the critical need to generate data on potential cost savings and business benefits in order to facilitate adoption of more integrative, healing oriented approaches particularly in the inpatient setting. A study by Leatherman et al found that healthcare organizations may be reluctant to implement changes in practices if improved quality is not accompanied by better payment, cost reduction, or improved margins.

A business case for healing practices is critical to the adoption of the OHE framework in the healthcare setting. This study was designed to better understand the business case for an OHE and to discover evidence (if available) of positive impact on the bottom line. Better understanding of how the application of the OHE framework influences the cost of care and business outcomes will assist healthcare decision-makers in justifying investments in healing practices. The case studies described in this paper offer evidence of return on investment and the monetizable benefits of implementing elements of the OHE framework.

METHODOLOGY

Mixed-methods multiple-case study methodology allowed for analysis within and across settings. We examined 3 cases to understand the financial impact of creating an OHE. The OHE framework provided the conceptual framework for the case studies, and the OHE 360° Inventory provided quantitative data that were triangulated with qualitative data gathered from in-depth interviews.

Potential case study sites came from a list of healthcare organizations with which Samueli Institute had worked previously, sites that had contributed in the past to the refinement of the OHE framework, and organizations that demonstrated commitment to healing practices through published literature. The convenience sampling of potential sites yielded 3 sites willing to participate in the study that met the study criteria: history of strategic implementation of some or all of the OHE framework constructs; reputation for integrating healing practices into care; and evidence of financial success.

Each site fielded the OHE 360° Inventory, a 55-item online survey of clinical staff members, their supervisors, administrators, and executives assessing the 4 environments (8 constructs) of an OHE. The survey was developed over the past 7 years based on a series of program assessments and surveys. To date, there are...
700 completed surveys in the database. Preliminary psychometric analysis demonstrates that the survey is highly reliable with a cronbach $\alpha=0.95$. Further analysis is needed to develop evidence of validity.

Researchers conducted semi-structured interviews with staff members and providers at each study site. Interviews were conducted individually and in groups depending on the participant’s preferences. Group interviews included participants of similar background or role (i.e., finance team). Interviews were recorded and transcribed with permission of the participants.

After confirming understanding of the OHE framework, the interviewers asked open-ended questions designed to elicit what they as individuals and the organization were hoping to accomplish by becoming an OHE. Participants were asked about the problems they were trying to solve, the intended outcomes, and what changes to practice or innovations in care were implemented. As the stories of innovation emerged, the participants were asked about the costs of the changes and the financial and non-financial benefits realized.

Transcripts, recordings, and notes were reviewed. The participating sites provided additional quantitative information on the cost of their initiatives, outcomes such as patient satisfaction scores, volume or market share changes, and revenue after expenses expressed as percentage margin. These data were compared to national, regional, and demographic averages.

**CASE STUDIES**

Lee Memorial Health System, Cape Coral Hospital, Florida

In 2012, the leadership team from Cape Coral Hospital (CCH), an operating unit in the Lee Memorial Health System (LMHS), embarked on a journey to transform CCH into an OHE. Samueli Institute staff members provided a baseline assessment and advice on opportunities to improve practice. CCH used the OHE framework as the guiding framework for the fiscal year 2013 strategic plan to meet its operating unit goals and the goals of the LMHS. The results of the 360° OHE Inventory fielded in 2012 guided the prioritization of strategic initiatives and provided specific direction for innovation. Innovations were exposed to internal LEAN Six Sigma process planning to gain greater efficiency and to increase the probability of successful execution. Initial planning linked high-level strategy to the broad concepts within the OHE framework (Table 1).

| Table 1 Cape Coral Hospital Strategic Linkage to Optimal Healing Environments (OHE) Framework |
|---------------------------------------------------------------|
| **Strategy** | **OHE Linkage** |
| Provide the safest environment and the highest quality of care | Behavioral Environment: Align whole-person healing with scientific, actionable practices that promote a culture of safety and produce exceptional quality outcomes aligned with regulatory requirements. |
| Deliver an exceptional patient experience | Interpersonal Environment: Incorporate patients, family members, and/or caregivers in the Care Team plan. Support continuous coordination and communication while creating a positive experience at all levels throughout the patient’s admission, hospitalization, and discharge. |
| Develop a highly engaged workforce | Interpersonal Environment: Enhance employee engagement through cultural changes, communications, and education dedicated to an OHE that cultivates healing relationships, enhances personal wholeness, and provides resources for healthy lifestyle and areas of healing spaces. |
| Support a highly engaged medical staff | Behavioral Environment: Provide a healthcare system that heals as well as cures and provides opportunities for the medical staff to incorporate healing practices with conventional medicine and begin to solidify desired outcomes through both domains. |
| Achieve financial sustainability through operational efficiencies and system-wide growth | Interpersonal Environment: Demonstrate intentional and thoughtful choices supportive of the OHE framework that drives improvements and measurable outcomes, enhances medical care, reduces length of stay, and promotes advancement of services. This is accomplished through leadership practices that create a healing organizational culture with identification and development of community health, wellness, healing, and traditional medical programs based on whole person-centered care. |
| Engaging our community by providing an Optimal Healing Environment | Provide a healthcare system involving all aspects of Samueli Institute’s OHE |
Using the OHE framework to guide the 2013 operational plan opened the door to multiple strategic innovations (Figure 2). These innovations have had a direct and indirect positive impact on the financial success of CCH as well as improved staff morale and physician and community engagement with CCH.

CCH focused on cultural transformation by linking the OHE framework to the strategic plan and vetting initiatives through LEAN Six Sigma process evaluations. The cultural transformation began with embedding the framework of OHE into the business and strategic planning of the organization. Transformation spread through a 2-hour training session called “Connectivity.” Connectivity training is provided in new-hire orientation and is also offered biweekly for existing staff members, volunteers, and physicians for an 18-month period until everyone has experienced the training.

Other innovative changes included letters of gratitude on each patient’s door that are signed by all staff members who interact with the patient or family, an intensive care unit care cart provided to families of severe-ly ill patients, and the Patient Care Ambassador program that enlists volunteer navigators who ensure patients are holistically supported toward health. CCH is working on a comprehensive program to engage in healthy eating. They have begun a pilot malnutrition program that provides comprehensive in home assessment and support for healthy eating after discharge targeted toward reducing readmissions for vulnerable patients.

CCH created a comprehensive exterior OHE campus plan. It started with the simple installation of a walking path around a retention pond with seats for people to sit and enjoy nature. The path was highly utilized by more than just the hospital staff—the community began to use it as well. The vision of the connected full pathway system includes a community teaching garden, fitness stations, and additional pocket gardens for reflection and relaxation for all visitors to the campus.

Since incorporating the OHE framework into the strategic plan and initiating Connectivity, CCH has enjoyed a 4-point increase in its employee engagement index (2014 compared to 2012). One CCH employee said,
CCH repeated the 360° OHE Inventory in 2014 and scores improved in every environment, most prominently in the healing organizations construct with a 12% gain in positive responses (Figure 3).

CCH patient experiences of care scores are trending upward, and there are positive signs of increased community engagement with the hospital and the medical campus. One responder said,

In my leadership rounding on patients that have Cape Coral Hospital as their hospital, this is their community hospital. They tell me that in the last 2 years they have felt the difference, they have seen the difference. They are not sure what it is, it is the people. It is the excitement of the people; it is the engagement of the people. We are investing in our employees and in turn they are investing back into our patients and that is going out into the community, so you have these patients come back and tell their friends and their family members, “Come to the Cape.”

The estimated cost of the Connectivity training is $52,300 to date, and the program for current employees was completed early in 2015. It cost CCH $50,000 to plan new sidewalks to connect the community with the campus and $46,960 to develop a teaching-garden plan. The financial benefit recorded to date is an increase in gifts and grants: $150,000 from the city to implement the plans for the sidewalks and paths on campus; planters from the American Heart Association; and $225,000 from community members, employees, physicians, and the hospital auxiliary to build the teaching garden for the hospital and the neighborhood school.

I could talk for a month about all the little things that I have experienced in the past year personally as an employee, how the Optimal Healing Environment has affected my productivity and me. It has absolutely changed my life, it has changed my family’s life, and therefore I am a much healthier, more active employee.

CCH realized significant cost savings linked to more robust waste management and energy conservation systems. Adjusted admission volume grew by 11% in 2014 compared to 2013, there was a 78% growth in stroke volume (160 cases), and surgeries increased by 513 cases in the same time comparison, resulting in a 2014 operating margin of 16%, 3.6% higher than budgeted and 6.5% higher than 2013.

Valley Hospital, Ridgewood, New Jersey

The Valley Hospital (TVH) experienced a cultural transformation over the past 15 years from one where nurses were disheartened and demoralized to its current status as a magnet-designated hospital at which staff members and others experience the joy of knowing patients feel cared for and providers feel appreciated and respected. This case study demonstrates the link between mission-driven culture and financial success. One employee said, “Valley is home, my kids were born here, we all know each other, and all our kids know each other. This is where I was meant to be. I truly believe that.”

TVH’s transformational journey began in 2001 when the chief nursing officer (CNO) at that time recognized the magnitude of the problem with nursing engagement: “When I came to Valley, I felt the soul of nursing had atrophied and we needed to return to the core of nursing, which is the recognition of the need to care for the whole person—mind, body, and spirit—including the nurse.”

In 2005, TVH participated with Samueli Institute in a case study project to understand organizational motivation, expectations, and outcomes related to innovations targeted at transforming the patient experience. At that time, the nursing division implemented a shared-governance model, an Integrative Healing Arts Academy (IHAA), and a Holistic Practice Council (HPC). The program has survived and thrived over time and through changes in nursing leadership. Samueli Institute reconnected with TVH in 2014 to understand
the business ramifications of creating and sustaining an OHE. TVH fielded the 360° OHE Inventory in 2014 and scored highest in the areas of healthy lifestyles, healing organizations, and healing relationships (Figure 4).

The program evolved over time and currently includes a 2-day foundations course provided to all new nursing employees, 2 nurses working as full-time integrative healing practitioners, and the IHAA, which is a 12-day course provided in partnership with The BirchTree Center for Healthcare Transformation. The IHAA is divided into 3 sessions that run over the course of a year. Staff members apply to enroll in the academy, and if they are accepted, the tuition is paid by TVH with the expectation that the nursing participants will sit for national board certification in holistic nursing. Despite the fact that TVH had the highest percentage of certified holistic nurses in the country, 15 nursing leadership noted that the nurses did not consistently feel supported by their managers to practice holistically on the unit. In response, the CNO added an alternate offering, 2-day transformational leadership course provided by The BirchTree Center for Healthcare Transformation. All leaders overseeing patient care areas attended the 2-day training, and despite initial resistance due to time constraints, 20 managers asked to go to the next IHAA.

The skills developed in the IHAA are translated into care innovations at the unit level. Nurses bring recommendations for integrative practices to the HPC where evidence is presented and final protocols are developed. Patients at TVH are offered essential oils for nausea and sleep and have access to Reiki and healing touch (energy therapies). The 2 integrative healing nurses are available to all patients and take referrals from patients, families, the nurses, and the physicians. An interviewee described how integrative nursing practice spread to the care team:

We started to have an interdisciplinary team meeting once a week incorporating the holistic nurse, the social workers, pastoral care, our physician, collaborating physician, and the three APNs (advanced practice nurses) and anybody else who wants to come. It is an open forum where we discuss the patients and try to see where the patients and the families are and what the plan of care is. If there are any discrepancies or issues, they are discussed at that meeting to try to see how, from everybody’s perspective, we can bring a consensus. We have family meetings so that everybody gets the same information.

The yearly direct cost in 2014 for the IHAA was $61,908, and TVH covers the cost of 2 full-time integrative healing nurses. Staff share the cost of time for IHAA attendance, using benefit time for a third of the hours required. TVH staff and executives believe that the courses positively impact the patient experience, and patient experience of care scores at TVH are higher than the regional and national average (Table 2).

Executives at TVH believe the IHAA program has positively impacted nursing turnover, resulting in nursing turnover that is much lower than other comparable hospitals. According to the 2014 National Healthcare & RN Retention Report, 16 the average cost of turnover for a bedside registered nurse ranges from $44,380 to $63,400. Each percentage change in RN turnover costs the average hospital an additional $359,650. In comparison to other hospitals in the northeast region, TVH has a much lower RN turnover rate, resulting in significant cost avoidance ranging from $2,157,900 to $3,236,850 (Figure 5).

After going through the IHAA, a nurse midwife developed a holistic birth program that the administrative team at TVH agreed to fund and implement. The program provides a positive birth experience by developing an informed birth plan to meet the moth-

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**Figure 4** The Valley Hospital 360° Optimal Healing Environments Inventory results.

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**Table 2** Valley Hospital, Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Scores for calendar year 2013*  

| HCAHPS Key Items | Valley Hospital | New Jersey Average | National Average |
|------------------|----------------|--------------------|------------------|
| Patients who reported that their nurses “Always” communicated well | 85% | 76% | 79% |
| Patients who reported that their doctors “Always” communicated well | 85% | 78% | 82% |
| Patients who gave their hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest) | 80% | 64% | 71% |
| Patients who reported YES they would definitely recommend the hospital | 83% | 67% | 71% |

* Publicly reported HCAHPS scores lag by 1 year. (http://www.medicare.gov/hospitalcompare/search.html)
er’s expectations and prevent regrets related to the birth experience. Expectant women meet with the holistic birth nurses 3 times in the pre-natal period to learn about their birth options, express their hopes and expectations for the birth experience, engage in self-care activities, and ultimately develop a holistic birth plan. Noted one participant, 

We talk about their spirit and how we want to nourish their spirit and work with them to make this a good experience because how this ends up for them is going to change them as a person and is going to impact their relationship with their child.

By the third visit, the plan is finalized and written up so it is available to the patient’s obstetrician and the labor and delivery staff. The holistic birth nurses provide education and training to the obstetricians practicing at TVH and to the labor and delivery staff. TVH supports 1 full-time nurse’s salary and 2 part-time nurses’ at 8 hours per month each (approximately $98,300 plus fringe).

In 2013, 11.2% of the mothers who delivered at TVH utilized the Center for Holistic Birth, and 13.7% utilized the service in 2014. In the first 6 months of 2014, 55 mothers selected TVH for their delivery because of the holistic birth program (3.5% year over year growth). Anecdotally, many of those mothers learned of the program through an Internet search for holistic birth support and some chose their obstetrician based on the ability to deliver at TVH and participate in the program.

In 2011, the national average cost difference between a vaginal delivery and caesarean delivery (C-section) was $2500 per caesarean delivery. The patients involved in the holistic birth program had a 6% lower primary C-section rate (16% total) than the total C-section rate for TVH (22%). Had the mothers involved in the holistic birth program experienced C-section births at the hospital rate of 22%, there would have been an additional 26 C-sections in 2014, resulting in cost avoidance of $65,250.

Although TVH has a higher cost-per-patient-day, it enjoys a higher level of financial success than other similar hospitals in New Jersey. Valley Hospital’s margin of 9.64% is about 9 times higher than the New Jersey average of 1.06% and the national average of 1.1% for hospitals with 400 to 499 beds.

Cancer Treatment Centers of America, Eastern Regional Medical Center, Philadelphia, Pennsylvania

Eastern Regional Medical Center (ERMC) in Philadelphia is a member of the Cancer Treatment Centers of America, Inc (CTCA), a national network of hospitals focusing on treating patients who are fighting complex or advanced-stage cancer. ERMC was chosen as a case study site because of the focus on holistic, team-based care and its widespread use of complementary and integrative therapies. ERMC fielded the OHE 360° Inventory in February 2015 and scored positively in all constructs (Figure 6), validating the organization’s commitment to providing an OHE.

ERMC offers an integrative team approach to cancer care that includes standard medical, surgical, and radiological oncology treatments integrated with complementary and integrative therapies. Each patient is assigned a patient empowered care (PEC) team consisting of an oncologist, nurse manager, naturopathic doctor, nutritionist, and 2 care managers. The PEC team members work collaboratively to develop and implement a personalized treatment plan with each patient and his or her family. Integrative therapies incorporated into the plan of care aim to mitigate symptom burden from the cancer and from cancer treatments as well as to strengthen the patient to fight the cancer and to fulfill their quality of life goals. Nutrition is a very important aspect of care at ERMC because malnutri-

Figure 5 The Valley Hospital nurse turnover rates.

Figure 6 Eastern Regional Medical Center 360° Optimal Healing Environments Inventory results.
tion is a common problem in cancer patients and is associated with increased morbidity and mortality and decreased quality of life.\textsuperscript{19} Naturopathic doctors assess the patient’s use of herbs and supplements and recommend the use or discontinuance of supplements based on the patient’s treatments and symptoms. Patients have ongoing access to physical therapy and rehabilitation services, pain specialists, mind-body therapies, acupuncture, chiropractic care, massage, psychologists, and pastoral care.

The ERMC’s person-centered model of care is manifest in multiple aspects of their processes and structures. Most of ERMC’s patients are self-referred. CTCA advertises its holistic model of care directly to potential patients and has networks of cancer survivors who refer family, friends, and colleagues. The majority of patients travel great distances (more than 200 miles) to receive care at ERMC, so ERMC has staff members who arrange all travel and accommodations, pick patients and families up at the airport or train station, and schedule their tests, procedures, and appointments so that they are accomplished in the timeframe of the visit.\textsuperscript{20} They adhere to the adage, “The patient will see you now” and design the care experience to maximize patient and family comfort and convenience. There is a deep-seated commitment at ERMC to “look at care through the patients’ eyes,” finding out and providing what is important to patients from the care modalities provided to the color of the walls in patient rooms. ERMC calls its baseline standard of care the “Mother Standard,” representing care you would want for your mother and incorporate this standard in all decision-making. As one interviewee said, ERMC “leaves no stone unturned to create a truly healing environment.”

ERMC strives to hire and retain caring and innovative employees (CTCA calls them stakeholders). They require an extensive screening process prior to hiring and once hired, the initial orientation includes 4 days of enculturation. Nurses are encouraged to participate in holistic nurse training and to achieve certification. ERMC uses Schwartz Center Rounds as an outlet for employees for expressing their feelings and to share their experiences, dilemmas, joys, concerns, and fears.\textsuperscript{21} Employees are able to access integrative services at ERMC for themselves and receive an allowance for dietary supplements.

The administrators interviewed for this case study acknowledged that the cost of care at ERMC is higher than some other organizations. Examples of patient services that are not typically reimbursable but included in the ERMC plan of care include naturopathic care, some mind-body interventions, support for travel arrangements and pick-ups, and spiritual care services. Additionally, chiropractic care, acupuncture, massage therapy, and physical therapy for building stamina are services not covered in all insurance plans but are available to all ERMC patients. All of the food served at ERMC is prepared fresh daily and locally sourced when possible. ERMC invests heavily in new technology and treatment modalities if the innovation contributes to better patient quality of life or clinical outcomes. The recent investment in intraoperative radiation for select breast tumors is an example of an innovation that generates less revenue per case than standard postoperative radiation but was implemented to satisfy patient preferences and improve quality of life.

ERMC manages costs by streamlining processes using \textsuperscript{3} methodologies: A\textsubscript{3}, Lean Six Sigma, and Kaizen.\textsuperscript{22} Employees at all levels and in all areas lead process improvement work that improves safety and efficiency and drives down cost. ERMC has fewer missed appointments and retains patients longer than other cancer centers. The focus on cancer care allows for economies of scale and efficiencies that arise from being specialized.\textsuperscript{18} CTCA credits their person-centered care model for lower-than-average liability costs. CTCA hospitals support each other in sharing innovations, and stakeholder career progression is encouraged through transfers and promotions across all 5 of the hospitals.

ERMC’s business model involves direct-to-consumer marketing, negotiated contracts with payers, and competing for privately insured patients. ERMC’s financial success is due in part to patient loyalty and resultant referrals leading to sustained growth (Table 3).

ERMC reports high patient experience of care scores. Its HCAHPS scores are substantially higher than regional and national averages. Of the 18 Philadelphia hospitals participating in the public reporting system, ERMC scores the highest in overall hospital rating (88% of respondents give ERMC a score of 9 or 10) and likelihood to recommend (91% answered they would definitely recommend). ERMC collaborates with Press Ganey to field an outpatient oncology survey. Scores for overall rating (98.2% positive) and likelihood of recommending services (98.8% positive) are high and consistent with the publicly reported scores. As one interviewee stated, “Build your reputation and the financials will follow.” Patient loyalty and positive feedback about their experiences at ERMC are excellent.

Nursing turnover is low at ERMC. The CNO reported a 2% turnover rate for last year, which is 7 and 9 times lower than the regional and national averages.

| Year | Patients Treated | Additional Patients Treated | Percentage Increase |
|------|------------------|-----------------------------|--------------------|
| 2006 | 504              |                             |                    |
| 2007 | 681              | 177                         | 35.1%              |
| 2008 | 783              | 102                         | 15.0%              |
| 2009 | 818              | 35                          | 4.5%               |
| 2010 | 1063             | 245                         | 30.0%              |
| 2011 | 1193             | 130                         | 12.2%              |
| 2012 | 1273             | 280                         | 6.7%               |
implemented OHE innovations many years ago, and the commitments to holistic, integrative practices survived changes in leadership. CCH began the journey to become an OHE recently to turn around a demoralized, stagnant organization. Each of the organizations have achieved or exceeded their financial goals. All of the organizations realized improvements in patient satisfaction scores and resulting patient loyalty, commonly believed to be a driver of market share, particularly the high-margin services in competitive environments. They all experienced an increase in targeted market share and high or improved employee and physician engagement scores, an outcome linked in most experts’ minds to higher patient satisfaction scores as well as improved productivity and retention. To conclude that creating an OHE improves financial performance would require the study of larger numbers of diverse organizations.

These case studies suggest that there are multidimensional returns on investment in innovations that create an OHE. There is little evidence of a direct relationship between the complex innovations and monetizable outcomes. However, each organization realized an increase in market share of targeted services. Two of the organizations (CCH and TVH) captured previously unrealized community or philanthropic support because of the focus on healing, and the third (ERMC) differentiates itself in a competitive market based on its integrative approach to care. Each organization increased costs in terms of employee orientation and training, provision of uncompensated services, and staffing commitments. Despite the increased cost, each organization realized positive margins above those of comparable organizations. Two of the 3 organizations (TVH and ERMC) reported very low nursing turnover, a significant cost-avoidance outcome, and ERMC reported very low recruitment costs for traditionally hard-to-recruit professionals.

What nonfinancial outcomes matter to the business case for OHE? The cases revealed efficiencies resulting from the emphasis on person-centeredness. When patients are involved in decisions and their input is incorporated in process design, redundancies, wait times, and frustration points are minimized. Integrating multiple disciplines into care planning and execution provides checks, balances, and communication patterns that reduce errors. These outcomes could be monetized as cost avoidance but are not typically incorporated into the financial plan. In all cases, the business case for innovation appeared to rest on the mission and confidence that providing a healing environment would result in customer, staff, and physician loyalty.

CONCLUSION

Three organizational case studies support the contention that there are additional costs associated with becoming and maintaining an OHE. However, the costs are minimal when compared to overall budgets. The 3 case studies demonstrate that innovations related to

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Table 4 RN turnover Eastern Regional Medical Center Compared to National and Regional Averages

| ERMC's Cost Avoidance at $359,650 per 1% difference |
|-----------------------------------------------|
| % Turnover Difference | 2% | $4,315,800 |
| Northeast Region | 14.20% | 12.2% |
| ERMC | 18% | 15% |
| Hospitals With < 200 Beds | $5,394,750 |

respectively, resulting in significant cost avoidance related to nursing turnover (Table 4).

ERMC was recognized as a best place to work in the Philadelphia Business Journal for the past 3 years, and administrators report minimal recruiting costs for professional positions.

As privately held companies, CTCA and ERMC do not release financial information. ERMC continues to experience growth and according to executives, fulfills their annual budget targets for cost control and growth.

DISCUSSION

An OHE attends to all aspects of the human experience in ways that enhance our innate capacity for healing. Most healthcare leaders agree that healing is at the core of their mission. However, when confronted with the realities of reimbursement constraints and cost-containment priorities, healing practices often get set aside in favor of direct revenue generating activities. Each of the 3 organizations studied committed resources above usual care standards to create a healing environment, incurring costs that are not reimbursed or required by regulatory standards. Why did these organizations make this commitment?

Each of the organizations studied posits healing as the core of their work. It is part of their mission, vision, and their values. They each feel obligated to provide the level of care outlined in the OHE framework. In each case, a transformational leader set a vision and provided consistent reinforcement for creating an environment of care that focused on the whole person and elevated healing. They created accountability structures to reinforce the vision and recommit when the organization experienced a plateau. These 3 hospitals demonstrate that when organizations regard healing as the core of their work, they find ways to maintain a healing focus by seeking additional sources of revenue and reducing costs of operation. These 3 case studies reinforce the viability of creating healing organizations that Samueli Institute describes as relentless in their focus on the people they serve, inclusive of key employees in decision-making processes, and dedicated at all levels to collaborative, team-based care focused on healing.

Is there money to be made by creating an OHE? This issue is critical to the business case for OHE. Each organization studied is financially thriving at a time when many hospitals are struggling. They were chosen because of their financial record of accomplishment. Two of the 3 organizations (TVH and ERMC)
creating an OHE provided market differentiation, improved community engagement, positive staff and physician engagement, and positive patient experience scores. These organizations experienced an increase in volume-driven revenue and philanthropic support. They eliminate waste and improve efficiency without sacrificing their mission. All 3 organizations are thriving in difficult financial markets and attribute their positive margins to their focus on the mission of healing. They demonstrate that creating an OHE is practical and applicable in real-world settings. Their focus on the mission of healing demonstrate a return on investment in terms of loyalty, customer engagement, and strategic alignment that drive improvements in the bottom line and result in margins higher than comparable organizations.

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