

# Sister Julie Hyer

## ON THE RECORD...

PART 2



Sister Julie Hyer, C.E.O. of Dominican Hospital.

by Mary Bryant

**J**ust ask anyone. She comes with a full set of labels: shrewd, smart, and for most, but not all, sincere. That is not to mention Holy Sister, chief executive officer, hospital administrator, and scholar. In fact, the hardest part of interviewing Sister Julie Hyer is not drawing conclusions before meeting her.

While she serves in a religious organization based on patriarchal rule, she clearly is a woman who knows few traditional boundaries. When service work included teaching and nursing for most women joining a Catholic congregation, Hyer was busy going to college and climbing the management ladders in medical institutions. Five years ago, her newest "mission" brought her to the West Coast and Dominican Santa Cruz Hospital as president and chief executive officer. In practical terms that means serving on the many boards of the non-profit organization and assuring that a multitude of complex administrative and financial chores get done well.

Considering all of this, one would imagine that Hyer may not have a great deal of awareness for those tradition-

al lines which separate professions by gender, a characteristic which probably fascinates some and intimidates others.

Oh yes, she has a sense of humor. When asked where she was born, she answers, "In a hospital, so I could be near my mother." However, she quickly suggests the only answer that should go in print is "Stamford, that's with a 'm', Connecticut." But understanding both responses is important to discerning who Hyer is.

In this edition of *The Post*, Hyer talks about the merging of Community Hospital's work with Dominican's services, plans that went askew, concerns for the image of the hospital, working with employees struggling through changes, and making hospital dollars stretch farther in a shrinking economy.

MCP: When you first assumed the role as Dominican's administrator in 1985, the industry was in flux. Traditionally, hospital administrators might have been seen more as public relations people. However, your training is in business management. Did you find different requirements for your job than your predecessor found?

SJH: In 1983 when DRGs

continued on page 12

## SISTER JULIE HYER

*continued from page 9*

[Diagnostic Related Groups, a MediCare reimbursement process that dramatically cut funding from hospitals in order to save taxpayer dollars] came into effect, and cost reimbursements went out, you're right [that] the whole focus on health care administration was very different. My training was toward the model of not using cost reimbursements... So I believe I was schooled and had experience in different focuses in health care than my predecessor did.

MCP: Did you find yourself spending more time in the office, and less time working directly with the public than Sister Josephine Sullivan (Dominican's former administrator) was able to spend?

SJH: Absolutely. When I came on board I found that the organization needed a strategy that had not been developed. That was for the organization to respond to the new environment that was created through DRGs and managed care... so that we could be ready for the future. So I was spending a significant amount of time having the

local board decision. That was affirmed by the other two levels of the organization. In fact, I can tell you that if the local board had indicated it did not wish to go forward, the purchase would not have gone forward.

MCP: Are most of the decisions kept local?

SJH: Absolutely.

MCP: Does Dominican do enough to involve local physicians in the decision-making process? Could this aspect of local control improve?

SJH: I think that we can do better at absolutely everything that we do... In the area of physician involvement, we are always looking for a new and different way to involve the physicians more in decision making... It was just [recently] that we introduced physicians to the board and that we involved physicians in the task forces that talked about the future planning of the hospital at the time of consolidation.

We involve physicians in many board committees. We involve them in the budget, [i.e. the] capital budget for plant and equipment... There are five of them on the strategic planning committee.

many people don't realize that I'm a very shy person and they expect something very different. Hopefully, as I go out and meet people, they will see that.

MCP: What is it that people do think of you?

SJH: You know, it's interesting. People will indicate that I'm very shrewd. That's a word that I often hear, and I think that that's an interesting perception. I don't think that that's something that I or anyone who knows me would use to describe me.

MCP: If you're not shrewd, what is a good word to describe you?

SJH: I'd like to say that I was a competent and caring individual.

MCP: County leaders have asked that Dominican find a means by which to guarantee that prices will remain competitive without Community Hospital in business. While it is common for local governments to sign franchise agreements with service groups like cable operators, there really is no way for the county to protect the market for Dominican. With this considered, is it fair to ask Dominican to guarantee prices?

SJH: The county has a contract with us for its indigent care. Indigent care is one of the reasons why Dominican exists and has [care for the poor] as... part of [it's own] mission statement... So we are very interested in those same people that the county's very interested in. We do, in fact, have a 30-year contract regarding that [with the county].

MCP: But what about guaranteeing prices for those people who carry insurance or pay their own bills directly?

SJH: Well, fixing prices is an anti-competitive behavior, so we certainly are not going to act [in an] anti-competitive [fashion]. To have the county regulate us when the government already regulates over half of our income [through MediCare and Medi-Cal reimbursements], and managed care [private insurance] regulates the other 50 percent of it. So what the county can do, or what its real appropriate role in that is, is beyond me.

The other part that's so hard that I've been talking to the county about is we know what health care looks like today. Ten years ago if you had told people it would look like this, they would not have believed you.

For us to enter into a contract that would be unhealthy for Dominican or potentially cause our demise is something that I'm not willing to do.

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organization get ready for [new plans, and was] not able to spend that time out as a PR [public relations] kind of person.

MCP: How is Dominican Hospital run? Who makes the decisions?

SJH: There is a local board. It has a full range of responsibilities, that, in... most cases has final authority. In some cases, such as capital acquisition over certain amounts of money, it recommends activities to Catholic Health Care West [a management network for Catholic owned hospitals], who also, in some instances, must recommend the activity to be approved by the general council of the Adrian Dominican [Sisters].

MCP: In the case of the purchase of Community Hospital, was that activity finally approved by the general council of the Adrian Sisters?

SJH: Yes, it was.

MCP: Were all groups equally enthusiastic about the purchase?

SJH: That was entirely a

MCP: Both Dominican as an institution and you personally have come under a lot of heat surrounding the purchase decision. There are a few individuals who claim you will stop at nothing. Would that include bending the truth if you believed it was for the good of the hospital?

SJH: I think that individuals who know me... know that I'm an extremely forthright individual. I think the local board has come to know me as an individual that would, when asked a question, answer it to the fullest of my ability. I think that this is pretty well how I operate. Bending the truth—I can't say that that's one of my styles...

MCP: As a person working in such a visible role in the community, are you misunderstood? And, if so, why?

SJH: Yes, I would say that... I'm just as human as the next person, and I find that people, when they first meet me, have a tendency to have some other kind of perception in their mind... Very

*continued on page 27*



## SISTER JULIE HYER

*continued from page 12*

To enter into a type of a philosophical agreement as to what we're all about... putting those philosophies down and committing to the community—Yes... [that] is something I'm willing to do.

MCP: If part of the hard feelings are a leftover from the county being caught by surprise at the announcement of the final purchase, was there anything you wish could have been different about the negotiations with AMI over the purchase?

SJH: Yes, of course. You look back and there's a number of things that possibly could have been done... On several occasion when we did tell the press... those public statements caused great consternation among the individuals [and] that was not per our agreement [of confidentiality with First Boston and AMI]. So we realized that we had to be very, very cautious and could not talk publicly.

Quite honestly, however, we had planned the purchase on a Thursday afternoon at four o'clock... so that we could in fact... have Friday to get to people. We had planned to get to the staffs at both hospitals, Fred Keeley cer-

tainly, Gary Patton, [and] the supervisors. There were a number of calls we wanted to make before the Sentinel picked it up for their next issue [at the time without a Saturday publication, that

choice, what would you have done better to work with the community?

SJH: If I had my druthers... I would have loved to have spent more time educating, sharing with the com-



*Sister Julie Hyer and Dr. Joseph T. Anzalone.*

would have been Sunday morning]... It was only because an individual clerk at the recording office in Santa Cruz, when it was recorded, called the press and made it a public issue... So when that timing was blown, part of the anxiety was created as a result of that.

MCP: If you had the

munity about what health care is going through. Educated them as to where their dollars are going and why, and looked at what the implication would have been if, in fact, we purchased the facility and why it was in the best interest of the community... and certainly it would have been good to...

hear the opposing sides as to what the worries and concerns were and, if they could be addressed, to address them.

MCP: You don't feel you had any ability to negotiate the requirement of a confidentiality agreement?

SJH: Absolutely, that is correct.

MCP: After the announcement of the purchase, what were the first changes made at the Community Hospital site?

SJH: One of the things that we said was that for 30 days there would be no changes, so we could evaluate the situation... And what we did at that point was commit to keeping the quality at a certain level and only moving forward with changes as we needed to do that... 30 days later... we announced to the management staff that Dominican management would assume management responsibility for the functions at Community hospital, and thereby we announced a layoff of the intermediate management staff.

While we knew the management staff and structure needed to be consolidated, we needed to know what to do and where to place the programs. So very early in the process we identified a task force consisting of the

physicians... clinical staff, nurses, technicians and so forth, that sat around and talked about what was best about what we have, what is not good about what we have, what could we change into our new world, and where would we put everything. And they worked on that for several months, and came up with what ultimately became the consolidation plan.

MCP: Going into the purchase negotiations, you had to make financial sense of the deal?

SJH: Yes.

MCP: And you spent a lot of time with that?

SJH: Yes, we did.

MCP: But did you also have to have some sort of game plan in the works about what consolidation opportunities there would be?

SJH: Sure, we had a sense of what that would look like. But none of it had been validated... it's only when the physicians and the nurses and the technicians and the other clinical people get in there and they say 'That is wonderful' or 'Did you just step off of Mars?'...

So in theory we had a sense that non-acute service could be at one facility and the acute care services could

*continued on page 2*



**SISTER JULIE HYER***continued from page 27*

be at another facility. Again, we didn't have the details to know precisely what it would look like.

MCP: Is three months long enough for everyone involved to buy into the consolidation plans, or should the process have taken longer?

SJH: Actually we planned an 18 to 24 month consolidation, and what drove that was a commitment that we had from the very beginning. Through all this acquisition, what we would not do is we would not compromise patient quality or patient safety. What happened when we began running both hospitals was that physicians and patients changed their patterns. And so they all started coming to this campus [Dominican] and it left very few numbers over at the other facility. It became unsafe to have one patient in ICU [Intensive Care Unit] and not another patient anywhere else, or just different examples of one patient in the unit, but not anyone in ICU. And it [got to] the point where we

ing. They couldn't have cared less.

We selected, we chose and not at little expense, it was at great expense, to retain everyone and treat them with a tremendous amount of dignity as we went through the process... I'm very proud of the way those individuals were handled. I think the staff worked very hard to be very sensitive to that, and a lot of anger was there on the part of many of the individuals that was then focused at Dominican, and I'm not sure we earned that anger.

MCP: Are there any more acquisitions in the future?

SJH: I daresay that there is not one on the horizon.

MCP: Do you think there may be some day?

SJH: No, I don't anticipate an acquisition.

MCP: How about some kind of extension of home health care services?

SJH: A lot of people come to us talking about us needing to go into home health care services, and they continually ask. Our board members have continually asked about doing that. We have not

be better?

SJH: Oh, financially? I think our record speaks for itself. I think if you compare what the employees have been given over the years to what the unions have negotiated with local institutions... Dominican has exceeded them every time.... I think, truly, our record speaks for itself. We're very concerned about the employees and continue to work and to be committed to working with them.

MCP: With as much change as has occurred through the purchase of Community and the transformation of the national health industry, is it likely that all health care workers are feeling overburdened in today's world?

SJH: I think our employees are concerned about the amount of change, and about what's happening in the health care field. I think they see and understand shrinking dollars that are paid by Medicare... and I think they're frightened by that and they're looking for some sense of who can help them in this health care crisis, and I think the answer is that administration and management and the employees all working together really have the strongest solutions.

MCP: Are patients suffering through this crisis as well?

SJH: If you were to come into this hospital 10 years ago and you came in today you would see different levels of attention... There are kinds of niceties that are very nice to have, but can no longer be part of hospitalization. I think our nurses and our clinical people make a great effort to provide those kinds of niceties when they can, but much more it is dependent on the patient to take care of themselves for those that are able to do that... I wouldn't deny that at all.

We also... used to have a lot of patients in the house who were in the hospital for longer periods of time... that allowed the nurses to take the [time], even though they might have had [the same number of patients], to spend a little more time on those needing the time spent for them. Now the nurses still have those [same number of] patients, but all of them are in great need of care.

MCP: No place can be perfect, but are you reasonably close to perfect? Would you like to be perfect?

SJH: No. There is always an opportunity for improving quality and we have a lot of things going on, and looking for ways to always be better. That's one of the things that we're committed to.

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couldn't really support the services. So it was, in fact, the patients and the physicians that drove the consolidation much faster than we ever had anticipated.

MCP: One of the points you made at the time of purchase was that Dominican needed room to expand. For \$11 million, wouldn't that buy a few multi-level parking garages and give you room to build?

SJH: [By our agreement I can't verify that price], but there were certainly cost savings. You couldn't build a building the size of Community and in the amount of space right now for \$11 million, with the land and so forth. It couldn't be duplicated.

MCP: Was enough time given to the Community Hospital employees during the transfer?

SJH: For anyone who's ever been in a transfer, I think we made great efforts to give a lot of time and effort. We certainly stopped what AMI wanted to do and that was to let them all go as of midnight the day we purchased it, and to rehire anybody we felt like rehiring.

done specific plans to go into home health care at this time.

MCP: As the market moves quickly toward sending patients home sooner, Will this become a necessary extension of hospital services?

SJH: If you look at it, we are sending people home earlier. We're doing that because of the reimbursement the government and the insurance companies have structured—what they'll pay for and what processes they'll pay for... So we may need to look at that in the future and really look at a larger continuum. I wouldn't rule it out. It just is not on the platter right now.

MCP: There was recent news that a union had gotten enough signatures to petition the hospital to hold union elections. Is this the case?

SJH: I think... we're really not in a position where we are going to say anything until something's final.

MCP: Is it fair to assume that you would prefer working without a union?

SJH: It is my firm belief that the employees of Dominican do not need a union.

MCP: Why would an employee think a union would