

Nineteen independent Minnesota hospitals to collaborate on new network to strengthen rural healthcare

Headwaters High-Value Network to develop clinically integrated network and shared business services to enhance and sustain healthcare in rural communities

AITKIN, Minn.—June 27, 2024, 10 a.m. CDT—The [Headwaters High-Value Network](#) announced its launch today as a collaboration of 19 independent rural Minnesota hospitals working together on clinical and business initiatives to strengthen healthcare in rural communities across the state.

The centerpiece of the Headwaters collaboration is a clinically integrated network (CIN) featuring 19 hospitals and more than 50 clinics that will provide coordinated care to more than 750,000 Minnesotans. The network also will set up operational collaborations designed to control costs and spread best practices among its members.

Networks like the Headwaters HVN and the [Rough Rider High-Value Network](#) in North Dakota are an innovative model for rural hospitals to band together to meet the mounting challenges of delivering healthcare in rural communities. The capabilities needed to thrive in healthcare today, such as controlling the rising costs of providing care and expanding care coordination, are enhanced with the economies of size and scale.

As the collaboration deepens among members, the Headwaters HVN will be a strong partner with payers on value-based insurance products that improve quality, reduce cost, and enhance patient and provider experience.

“The members of the Headwaters network believe that helping rural hospitals to remain independent is the best way to serve the healthcare needs of our communities,” said Ken Westman, chair of the Headwaters board and CEO of Riverwood Healthcare Center in Aitkin, Minn. “We also believe that our independence is strengthened by our interdependence. The more we can work together, the better we can care for our communities.”

The Headwaters network is in discussions with other rural hospitals in Minnesota interested in joining as members and expects to grow.

Headwaters leadership announced

The Headwaters HVN board of directors includes seven leaders from member rural hospitals across Minnesota:

- Chair Ken Westman, CEO of Riverwood Healthcare Center in Aitkin
- Vice Chair Randy Ulseth, CEO of Welia Health in Mora
- Secretary and Treasurer Carl Vaagenes, CEO of Alomere Health in Alexandria
- Joel Beiswenger, president and CEO of Astera Health in Wadena
- Erik Bjerke, CEO of Madison (Minn.) Healthcare Services
- Carrie Michalski, president and CEO of RiverView Health in Crookston
- Rachelle Schultz, president and CEO of Winona (Minn.) Health Services

The active daily management of the network will be led by principals from [Cibolo Health](#), including Nathan H. White, president, and A. Clinton MacKinney, MD, chief medical officer. Cibolo Health helps independent rural hospitals create clinically integrated networks with their peers to overcome the obstacles rural healthcare providers face.

Expanding collaboration, driving efficiencies

The Headwaters CIN will drive care coordination efforts and reduce administrative burdens for providers. The network includes a Clinical Integration Committee (CIC) to oversee all clinical and quality initiatives. The committee includes one medical practitioner from each member hospital.

"Pooling the clinical know-how of our members through the Clinical Integration Committee ensures continued access to high-quality care that strengthens the vitality of rural communities," Dr. MacKinney said. "The CIC relieves some of the burden on physicians and gives them a supportive peer community, which will help our member hospitals recruit and retain clinicians."

The Headwaters HVN also will provide member hospitals a menu of shared services that promote more efficient operations. The network is exploring shared solutions in population health platform, data analytics, care management solutions and other areas.

"Everyone involved with Headwaters has a great sense of collaboration, a high 'collaborative IQ,' that will help us sustain independent hospitals for the long term," Westman said. "We understand that working together works for our communities."

About Headwaters

Headwaters High-Value Network enables rural healthcare providers to collaborate on clinical and operational initiatives, ensuring the availability, affordability and quality of care in rural communities. The Headwaters clinically integrated network (CIN) is driving our innovative efforts to change the face of rural healthcare for a population of more than 750,000 Minnesotans. Headwaters encompasses 19 hospitals and more than 50 clinics. For more, visit headwatersnetwork.org.

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