

# Managed Transitions Case Study:

## Client Description:

Located in a community of 200,000 plus inhabitants with an additional transient military community of 50,000+, this hospital was both a major employer and provider of health services. Comprised of 300 acute care beds, 90 behavioral health beds, and 60 assisted living apartments, this organization had been in existence for over 100 years. The area served was a combination of rural and city.

## Precipitating Event:

The engagement was precipitated by two major events; 1) the inability to recruit a CEO and 2) a significant drop in market share (close to 30%) with the loss of a contract with a major payer. The 300 bed acute care hospital was running occupancy of 150. The Behavioral Health hospital was experiencing quality, life safety, and revenue cycle issues.

Managed Transitions performed the following transition management services:

## ***Executive Management***

1. Placed interim CEO, and COO/VP Patient Care Services
2. Streamlined management table of organization
3. Initiated an operations recovery program. Identified more than \$15 million in improvement opportunities including:
  - a. Staffing ratio improvement (quality and fiscal parameters implemented)
  - b. Business office collection procedure modifications and performance monitoring program implemented
  - c. Rapid cycle redesign projects implemented in the clinical environment :
    - i. ED business and clinical process improvement
    - ii. Care Management
    - iii. Unit based concurrent coding implementation
    - iv. Supply chain and inventory management improvements
    - v. Implemented Hospitalist Program
4. Infrastructure was redesigned to refocus on core services, and internal managers were coached, held accountable for performance and ultimately promoted into new roles.
5. Management development program implemented.
6. Implemented standards for compliance and business performance.
7. Restructured Human Resources functions and installed new automated Time and Attendance system. Established credentialing guidelines for all levels of staff.
8. Restructured performance improvement, quality, and physician credentialing processes.
9. Negotiations began with the major payer that had withdrawn the contract and a new contract was in place within six months.

10. Engaged in government relations/lobbying effort in support of strategic objectives of the hospital
11. Supported search consultant to recruit new executives and transition to new leadership.
12. Provided governance coaching to board specific to executive team expectations and accountabilities.
13. Engaged physician stakeholders.
14. Improved OR operations efficiency, TAT, halted staff turnover, improved physician satisfaction.
15. Revitalized community, physician and employee support for the hospital .

***Financial:***

1. Restructure IT and Decision Support functions.
2. Evaluated and restructured revenue cycle processes.
3. Enhanced care management and utilization management functions.
4. Implemented validation processes for financial reporting.
5. Established best practice labor productivity standards and implemented a methodology to vary staffing to volume.
6. Established methodology to evaluate fiscal and quality performance of organization vs. best practice performers in national peer group.

**Impact:**

1. Stable senior executive team in place within six months. Positions included new CEO, CNO, CFO, VPHR.
2. Restructured management organization, decreased labor cost by 15%.
3. Enhanced productivity and labor efficiencies, decreased use of overtime and agency by 20%.
4. Physician recruitment and medical staff realignment resulted in incremental increases in market share by 10% in first six months.
5. Return of major payer contract returned market share to previous levels, and grew over the next 12 months.