

HEALTH CARE

Medical Center

Creative management and cooperation to achieve a new revenue stream and efficiencies



The Challenge

A Regional Medical Center was recently purchased by a hospital group and needed help in working with the legacy agreement in place with the anesthesiologist group. The center had experienced a downturn in surgeries in recent years and was working on managing through the challenges it was facing.

What We Did

Working with the executives and their staff, we conducted an analysis across the administrative and operational areas focusing on billing, OR scheduling, anesthesiologist schedules, existing contracts and more. OR facilities made it difficult to get doctors to make changes to schedules. Costs were increasing and revenues were down. There was a strained history between the anesthesiologists and the past management of the hospital about an agreement to keep talent at the hospital by paying a stipend to offset the losses incurred by declining revenues. The new management felt it was no longer required and wanted help in working with the group to come to a new agreement. After working with management and the anesthesiologists group, we came up with a plan to reduce the stipend and partner with the doctors to grow their pain clinic practice. This would offset the stipend with the needed revenue and attract and keep doctors in the region. We also identified that OR could be consolidated from 14 rooms into nine. We worked with administration and 3rd party service provider to streamline billing and recovery services for increased efficiency.



The Result

- Consolidation of 14 Operating Room operations into 9 realized and annual savings of \$4.1M
- Conversion of space into pain clinic with projected revenues of \$3.5M first year
- \$1.M stipend elimination was achieved and an overall 9:1 ROI realized