

Case Study



Client: 500 bed urban tertiary hospital with a free-standing rehabilitation hospital serving a population center of approximately 275,000 people.

Engagement: Interim Vice President of Operations

Issues to be Addressed:

- Losing no more than \$5 million for fiscal year
- Improving patient satisfaction
- Establishing accountability structure
- Inconsistent business practices

B. E. Smith's Process for Success

Assessment

Like many healthcare organizations today, hospitals are expected to cut costs and improve patient safety at the same time. A hospital COO in the Northeast was challenged with the daunting task of losing no more than \$5 million of the operating budget for the current fiscal year. Seeking a quick solution, this COO contacted B. E. Smith.

Though quality of care was fundamentally sound, patient satisfaction needed improvement. In addition, a culture of accountability had not been established and fundamental business practices were inconsistent. Once this situation was acknowledged by the organization, employees were willing to step up, do more to address the situation and cut expenses.

Recommendations

Within weeks, an Interim Leader with proven healthcare experience was placed in this organization to turn-around their negative financial situation. The Interim Leader focused on educating willing employees to cover additional areas of expertise. She also focused on right-sizing employee numbers, decreasing supplies, reducing contract expenses and ceasing operations where expenses exceeded revenues. In addition, the Interim Leader established revenue cycle improvements and a means for improving cash collections.

Action Plan Results

In the first six months, the Interim Leader reduced overall expenses by \$3 million and created a sustainable positive bottom line. This was the first positive bottom line since acquisition of the hospital.