

## *Capturing Success*

**Project Title: MEDICAL CENTER OPERATIONS IMPROVEMENT**

### SUMMARY

IMA Consulting worked with directors and leaders to identify actionable, process-based recommendations to increase net operating income for a local health system.

### PROBLEM

A nationally recognized, continually successful Pennsylvania medical center experienced increasing operating expenses while revenues flattened. Patient services growth, which encouraged expense increases, slackened, while attention to reducing expenses lagged. A building project and other capital additions added further pressures to improve the operating margin and generate capital.

### SOLUTION

IMA Consulting focused a multi-disciplinary team on conducting an organization-wide assessment to identify opportunities for reducing operating expense costs. The team utilized detailed data analyses, interviews, and direct observation to build a knowledge base from which to surface opportunities. The analyses included labor resource management, span of control analysis, benefits review, supply expense analysis, discretionary expense analysis, and patient service utilization analysis. Continuous engagement of departmental and senior leadership promoted understanding, acceptance, and ownership of the recommendations developed. Frequent reviews by a steering committee encouraged rapid cycle implementation of process improvement ideas as they occurred, rather than waiting for a final report.

### RESULTS

This work resulted in 647 recommendations for action, 132 of which had direct financial impact. The remaining recommendations addressed changes in policies, processes, and practices that enable the achievement of financial results. The senior leadership team accepted 633 of these recommendations (98 percent), requesting further study of an additional 12 recommendation (2 percent). Those recommendations accepted for action generated \$13.1 million. The return on investment to the client exceeded 26:1. The health system retained IMA Consulting in a six-month engagement to facilitate and expedite implementation of selected recommendations and to continue study into additional opportunities.

### THE IMA APPROACH

A diverse team of knowledgeable subject matter experts expedited discovery, analysis, and recommendation formulation. The utilization of a full-time project manager in residence on the project allowed it to progress toward its objective in minimal time. Engaging the executive leadership team in a short-cycle review process also expedited decision-making and action. Once compiled, consultants facilitated a joint working session of the executive leadership team, during which it reviewed all recommendations. In this session, the executive leadership team identified each recommendation as accepted, requiring further study, or rejected. This session, during which executive leaders discussed the recommendations from their respective areas, facilitated understanding and acceptance of the recommendations and their implications across the executive leadership team.