

Large Multi-Hospital System Midwest

“Best Practice” Resources
Solving Business Problems in Healthcare

Client: Large multi-hospital system with four distinct campuses situated in Midwest. With Executive Leadership that has always embraced a visionary approach toward management; the hospital system has enjoyed sustained capital growth, solid financial performance, and quality care delivery throughout its rich, 100-year history.



Problem: Recent changes in the economic climate, compounded by proposed reform, have created new challenges for healthcare organizations across the country. This large multi-hospital system is no exception. The Executive Leadership team identified the need to reduce costs and meet new industry standards without compromising the quality of the services provided. In 2009, the hospital system looked to **MDR™** to bring in our team to minimize the impact of these impending issues.

Solution: Our partner’s “best practice” all-in-one labor management tool, was the innovative improvement system needed to help execute the hospital system’s strategic objectives. During the first four months of the engagement, our team of expert consultants compiled and analyzed historical trends and global comparisons, tours and interviews were conducted with all levels of management to gain a full understanding of the operations of the individual departments as well as the system at large. The information gathered was used to develop productivity targets for each department specifically tailored to their unique set-up and patient care delivery model.

Over the following three to four months, the second phase of the project was rolled out. Collaboration between our team and the hospital system’s management was especially critical during the implementation. Both groups worked closely to develop action plans and strategies aimed at key departments where the greatest amount of opportunity existed.

After implementation, the team introduced bi-weekly productivity reports that correspond with payroll and provide a real-time view of efficiency on both the departmental and organizational level. The bi-weekly reports were also tied into the position control system, providing a reliable accountability model to guide recruitment and retention. The delivery of relevant data through user-friendly, streamlined tools was a major key in gaining buy-in from managers and ensuring effective utilization.

Results: At the conclusion of Q3 FY10 in June of 2010, the system’s full-time employee per adjusted occupied bed rate for the entire system was **reduced from 7.03 to 6.5** and the personnel expense as a percent of operating expense was **reduced from 49.7% to 47.82%**. The Executive Leadership team was striving to achieve an \$8M impact, but our Partner produced an **average annualized savings of \$11M**. To date, our Partner continues to enjoy a strong working relationship.

For Further Information
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