

How an acute care hospital was able to increase revenue by improving patient throughput.

This 210-bed short-term acute care facility offers a variety of inpatient and outpatient services as part of a nationwide, for-profit healthcare organization. It has nearly 1000 employees and 950 affiliated physicians. Like many hospitals, it was experiencing overcrowding in its Emergency Department and chronic bed shortages on its floors. It recognized that it had to reduce average inpatient length of stay to free up capacity in order to serve more patients and increase its

revenue stream.

Said a senior hospital administrator, “With backlogs and deficits growing more severe and problematical each day, we felt we had little choice but to go outside for expert advice and assistance.” After a thorough review, including reference checks, the hospital’s management team decided to retain the services of USC Consulting Group (USCCG), a management consulting firm highly regarded for its ability to improve patient flow.

The consultants began by conducting an analysis and design in which they identified key areas for improvement, among these: ED efficiency, bed management, case management and OR turnaround time. Working with and through hospital personnel, they then identified and prioritized specific opportunities related to each area, and developed action plans

to address them. In the process, baselines were established along with measurable and achievable targets and a means to evaluate progress toward reaching them.



Key Metrics

Improved throughput by 120 patients per month

Reduced adult (non rehab) inpatient average LOS from 5.1 to 4.6 days

Reduced ED average LOS from 300 to 195 minutes

Reduced turnover times between surgical cases in OR from 31 to 24 minutes

Improved on-time starts for surgical cases from 50 to 78%

A rigorous management operating system that focused on continuous improvement and included twice-daily meetings with the senior management team was installed to maintain discipline and accountability. This was supported by a technology application that was custom-configured for the institution starting with a definition of technical requirements, and proceeding in stages through planning, programming, testing, training and implementation.

The system allowed for real-time communication of patient status, provided a series of dashboards and reports to monitor progress against targets, supported discharge forecasting with a series of alerts and escalations defined by local protocols, and helped in the advanced planning, prioritization and scheduling of workloads.

With incremental revenue averaging nearly \$7,000 per patient, annualized benefits to the institution are projected to approach \$10 million - essentially doubling its net income and yielding a 30:1 net cash return on investment in the first year. "We had no idea when we started the engagement that the benefits would be achieved so rapidly. Our patients, physicians and corporate staff are all delighted by the progress we've made in a few months' time", said the hospital's COO.

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COO
Acute Care Hospital



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