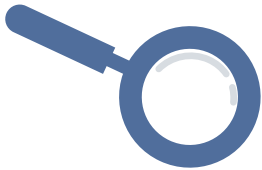


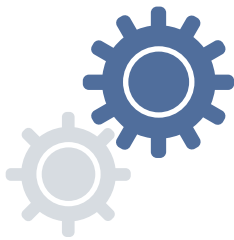
Operational and Financial Turnaround | Interim COO Leadership

THE CHALLENGE



In recent years, this large faculty practice plan (FPP) has suffered from declining revenues and a deteriorating reputation internally for its management approach, despite its relatively high marks with the patient base it serves. With the departure of longtime FPP leadership, the University client took prudent steps to shore up leadership to enhance the FPP reputation, improve its financial position, and better position the group for a closer affiliation with a leading regional health system.

THE PROCESS



The client turned to ECG to provide an interim COO, who was charged with leading transformational efforts and engineering the operational and financial turnaround. In collaboration with the FPP management team, the interim COO:

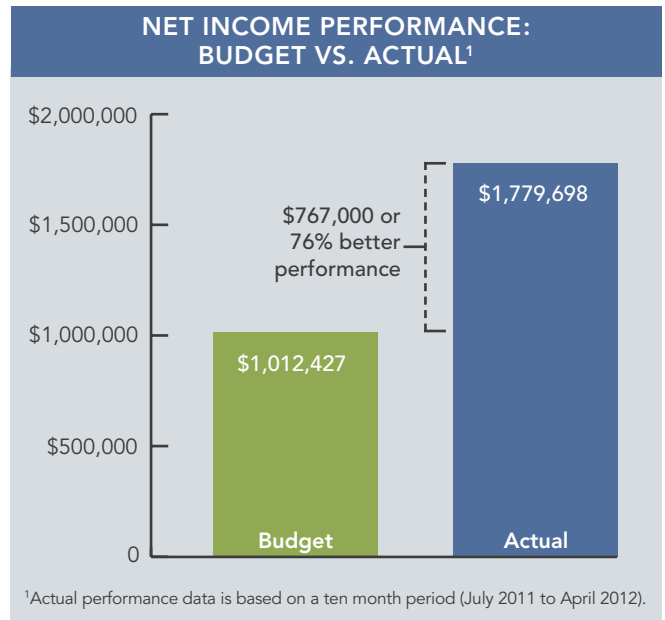
- Established strategic priorities and initiatives in key areas:
 - Patient access.
 - Performance improvement.
 - Revenue enhancement.
 - Organizational structure.
 - Financial performance.
 - Information technology infrastructure.
- Facilitated the first-ever brainstorming session for management staff to identify ideas and areas of opportunity related to the strategic priorities. More than 150 potential opportunities were identified.
- Organized tasks into 90-day increments and set measurable milestones at 30-, 60-, and 90-day periods, which translated the practice-level strategic priorities into targeted, measurable, and results-oriented goals for practice leadership and management.
- Launched "Operation Transformation" with multiple interactive training events for approximately 275 staff members at the front end of the patient experience. The focus was on improving time-of-service (TOS) data collection, enhancing patient satisfaction, and increasing internal referrals.
- Established new goals quarterly; any incomplete initiatives were brought forward to the following quarter until completion.
- Maintained an ongoing focus on performance and execution by requiring regular reports on progress. Any barriers to progress were identified and addressed.
- Reported quantifiable results to the board quarterly.

The following was accomplished in the yearlong transformation in a manner that balanced immediate financial and operational returns without sacrificing the long-term health of the practice plan:

THE OUTCOMES



- Finalized stalled negotiations with a hospital partner, resulting in a \$2.5 million annual increase in contracted revenue.
- Renegotiated managed care contracts for a \$6.6 million increase in revenue over the life of the contracts.
- Negotiated \$900,000 annual increases in other direct hospital contract revenue.
- Developed a new payment methodology for direct hospital contracts that improved cash flow and reduced FPP risk.
- Increased TOS collections by 21% during the first quarter following the initiative kickoff.
- Negotiated \$300,000 in additional funding from a partner hospital to bring ED physician compensation to market levels.
- Increased net income over budget by 76% in first 10 months.
- Developed a tool to track referrals and reported increased internal referrals.
- Right-sized staff through process improvement, eliminating poor performers and outsourcing some services, resulting in an 8% staff reduction and first-year net savings of approximately \$850,000.
- Recruited and oriented an experienced replacement COO, which provided for a seamless transition.



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