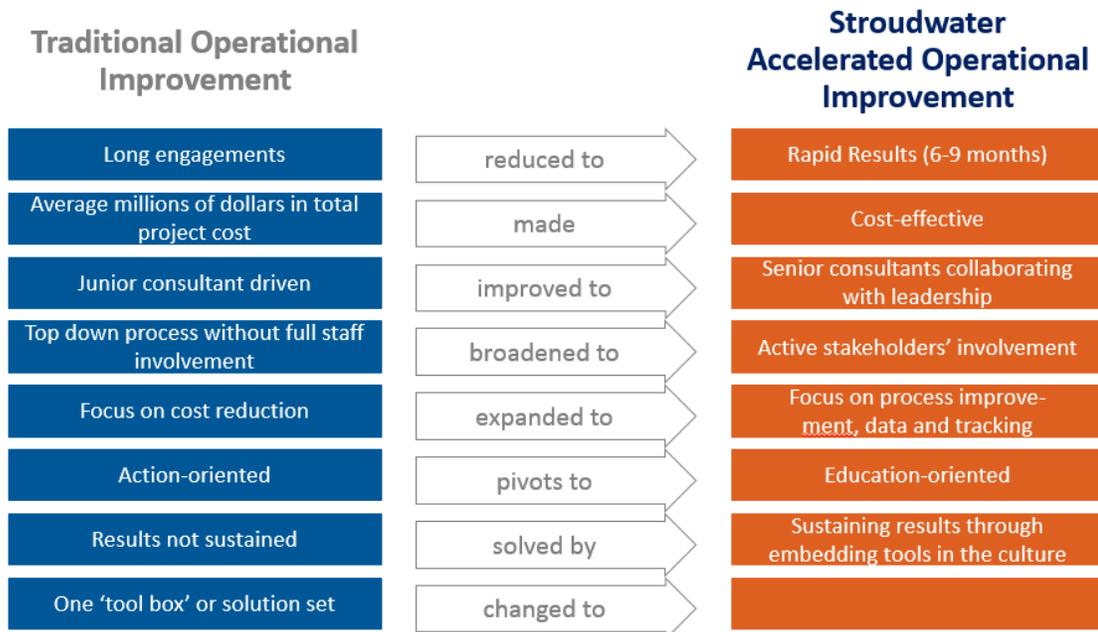


APPROACH

Healthcare consulting firms have been offering Operations Improvement (“OI”) support to hospitals for decades. Typically, these engagements are long, and depending upon the size of the hospital or practice and the magnitude of the improvement required, will often last for years. Stroudwater Associates employs a rapid change model to transform healthcare organizations. The model focuses on the themes of improving the delivery system, the payment system while implementing a population health approach to position the hospital or practice for success. Stroudwater’s Accelerated Operations Improvement approach rapidly streamlines operations, reduces operating expenses, improves revenue cycle, and enhances patient outcomes.

AOI is grounded in four principles:

- **First, the hospital leadership—not the consultants—needs to own and drive the improvement process.**
- Second, the consultants’ job is to **diagnose the culture and performance barriers** so that a plan can be crafted with the right information, resources, tools, and leadership development strategy to achieve organizational sustainability.
- Third, **the operations improvement approach and communication plan needs to be customized to the hospital**, recognizing that unique and specific market forces and organizational history need to be understood so that the improvement plan is realistic and executable under health reform.
- Fourth, and most important, the engagement is not about designing a performance improvement initiative that is time-limited, but rather, it is about **permanently changing the way the hospital does business and meets community need.**



CASE STUDY

Client OAKLAWN HOSPITAL

Situation Oaklawn Hospital is a 94-bed hospital with an ADC of 40 patients, the Sole Community Provider and major employer in the south central Michigan town of Marshall. The CEO estimated that Oaklawn needed to reduce operating expense by about \$20M, or 20% of the budget, over three years. Therefore, in early 2014, Oaklawn sought consulting assistance for Accelerated Operational Improvement.

Approach Stroudwater Associates was selected by Oaklawn Hospital based on its significant community hospital experience, operational improvement approach, and reasonable fees for the engagement. The engagement lasted for six months and focused on strengthening leadership competencies, providing effective tools and creating a culture of fiscal accountability.

Result Operating results rebounded from a loss of \$5.1M in FY14 to a gain of \$1.6 M in FY15. Patient days declined by 3% during this same time period and outpatient utilization remained steady. All quality and safety indicators reflected either stable or slightly improved performance. In February 2015, Consumer Reports cited Oaklawn Hospital as the safest hospital in the United States. Nursing Magnet redesignated Oaklawn Hospital in 2014.

FROM OUR CLIENTS

“Stroudwater provided the industry knowledge, the training, the support, and the “push” to make the hard changes. We did the work. That’s the only way to both achieve and sustain success.”

*-Ginger Williams, MD
CEO, Oaklawn Hospital
Marshall, MI*

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