



ACCELERATED MARGIN IMPROVEMENT

Initiatives focused on increasing revenue by improving patient access, collections, and provider productivity should be closely synced with efforts to better manage labor, supply costs, and payer yield. Focusing exclusively on one without consideration of the others solves only part of the equation.

Impact Advisors' efforts to help Bristol Health achieve \$25M in margin improvement underscores why those efforts must be closely aligned. To help Bristol Health get to a stronger and sustainable financial state, Impact Advisors took a holistic approach across the inpatient and ambulatory settings.

FOR MORE INFORMATION

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Finding \$25M: Break-even Financials Achieved by Month Six

Bristol Health (Bristol, CT) is a 154-bed hospital with over 100 employed providers seeing patients in more than 20 locations. The health system is in a highly competitive market and was challenged by low provider productivity, long wait times for patient appointments, high length of stay (LOS), and rising labor and supply costs.

Bristol Health initially engaged Impact Advisors to help realize \$10M – \$16M in margin improvement. However, shortly after engaging with Bristol Health, the team realized the organization would need \$20M (either via savings or from new revenue) to break even. Achieving a healthy margin is particularly challenging given Bristol Health's market dynamics, service, and payer mix.

Although Bristol Health and its pain points are unique, typical areas of assessment with improvement opportunity ranges for health systems of its size and complexity include:

- Revenue Cycle (2-4% improvement in net revenue)
- Labor (3-5% reduction in labor expense)
- Supply Chain (3-5% reduction in supplies and non-labor expense)
- Clinical Optimization (2-4% expense and/or revenue)
- Medical Group Performance (10% medical group revenue)
- Corporate Services/organizational structure (10% CS expense)
- Network optimization and service line growth

"Bristol Health's experience with Impact Advisors has been outstanding. The pandemic left Bristol Health in a difficult financial position needing rapid cycle improvement. The Impact Advisors team identified and prioritized opportunities for improvement, brought in a qualified team of implementation experts and closed our substantial operating gap in less than six months. [They] integrated and worked with the Bristol Health team seamlessly, as if they were part of our culture. Their performance and engagement make it easy for me to give them my highest professional endorsement."

Kurt Barwis, CEO, Bristol Health

Given the high target for margin improvement, Impact Advisors conducted a rapid and holistic assessment of Bristol Health's hospital and medical group practices to quantify the opportunity, develop recommendations and map out a plan to increase revenue and reduce expenses.

Rapid Assessment Activities

The assessment team conducted stakeholder interviews and data analytics to understand Bristol Health's current state performance. To evaluate **labor** opportunities across all operations, the team ran a retrospective evaluation by cost center to identify best performance over the past four years and conducted a benchmark analysis. Then, they engaged subject matter experts to dig deeper in select areas where analysis showed material opportunity. The team's **medical group** assessment activities included a review of the revenue cycle management function, office staffing and structure, and operational benchmarking of provider productivity (e.g., RVU, Encounter Volumes). It also included a high-level review of the technologies used to support provider scheduling and utilization. The team looked for opportunities to optimize technology, better align it with operational workflows, and the availability of new technologies to improve efficiencies. **Clinical team members** identified opportunities to reduce the average length of stay and observation hours and increase inpatient discharges. An analysis of **supply and service expenses and contracts**, which included benchmarking price competitiveness, led to a realization that standardization and consolidation could improve savings due to inconsistent supplier contract terms and conditions. There were numerous **revenue cycle improvements** discovered that tied to patient balance collections, denial prevention, and AR management.

Patient-Focused Staffing

Impact Advisors worked with Bristol Health to implement "patient-focused staffing," which gives departmental leaders line of sight to staffing variances by department. The team worked side-by-side with frontline managers to educate them on the underlying drivers behind their staffing variances and strategies to remedy those variances. The team collaborated with departmental leaders to establish staffing grids and calculators that enable Bristol Health to reach their productivity targets. The team also led the effort to implement bi-weekly "productivity huddles," in which frontline managers can talk candidly with their colleagues about challenges and solutions related to staffing variances during the prior pay period. These huddles also provide leaders with an opportunity to look ahead to implement staffing changes before the close of the next pay period.



Medical Group Patient Access, Scheduling, and Provider Productivity

On the ambulatory side, the team worked closely with Bristol Health Medical Group executives, practice directors, clinic managers, and providers to recommend and implement changes that would drive increased patient access, schedule utilization, and provider productivity. For example, several specialty clinics made changes to physician schedules including decreasing templated visit durations, removing schedule blocks, and adding appointments. The team also developed action-oriented dashboards and fostered tighter connections between the finance department and operational leaders. Bristol Health's increased focus on key metrics such as RVUs per worked day and scheduling lag resulted in improved access for patients and increased productivity and efficiency for providers. As volume grew in the medical group, Impact Advisors' patient-focused staffing approach ensured that Bristol Health added support staff appropriately and strategically.

Progression of Patient Care and Reducing Excess Days

Impact Advisors assisted Bristol Health in aligning nurses, hospitalists, and case managers in progression of patient care. Using Geometric Length of Stay (GMLOS) as a guidepost, the teams worked to reduce excess patient days. In doing so, Bristol was able to accommodate care for 39 more patients over 9 months. The team also improved the interpretations of complex regulatory and payer rules, lowering the use of observation care, and provided appropriate medical necessity conversions to inpatient status.



Supply Chain Consolidation and Standardization

Through findings from the initial contract audit, the team increased consolidation and standardization of suppliers. Contract terms and conditions were reviewed and auto-renewal/evergreen and price escalation clauses were reexamined. Overall, operating expenses were reduced in more than 20 spend categories. Additionally, increased revenue was found by improving the internal capture rate of specialty pharmaceuticals. Other keys to success included the development of a project governance structure to oversee the execution of initiatives and a weekly non-labor initiative tracker review with Bristol Health senior leadership.

Patient Balance Collection, Denial Prevention, and AR Management

POS collection was improved by implementing new dashboards that pulled multiple sources of data together from two different EHR billing systems. This visibility into the performance and opportunity was crucial. Additionally, there was collaboration between Patient Access and the hospitals' early out vendor at POS to identify collectible prior balances. In-person training was conducted with all front-desk staff on POS collections scripting and best practices. Optimized reporting was established with collection opportunity identified by department.

From an AR Management standpoint, the primary focus was to align staff to at-risk and high-dollar accounts and establish follow-up timelines and quality guidelines. The team assisted with building an automated solution and providing training to posting and billing staff to reduce the 2 hours per day the billing team spent on manually adjusting balances. Expedited account resolution and standard appeal processes were developed to enable Bristol Health to better manage AR and avoid common denial issues.

340B Program Optimization

Impact Advisors partnered with Bristol pharmacy leaders to enhance their 340B program, a federal program that allows disproportionate share hospitals like Bristol to purchase outpatient medications at reduced prices. Through the implementation of best-practice eligibility logic, the team significantly increased the number of prescriptions eligible for 340B discounts. Additionally, Impact Advisors collaborated with Bristol physicians to increase their referrals to the Bristol Hospital retail pharmacy, increasing the volume of scripts being filled internally and further compounding the benefit of the increase in 340B eligibility.

Fostering a Culture of Transparency, Collaboration, and Accountability

To date, Bristol Health has achieved margin improvements of \$25M by increasing revenue, reducing labor and supply costs, and managing denials. Additional outcomes of the project included:

- Shared understanding among Bristol Health leadership about the importance of closely aligning revenue improvement efforts with initiatives to lower labor costs.
- Transformative shift across the enterprise to an action-oriented and proactive culture for increasing patient access, improving provider productivity, and better managing labor costs.
- Frontline leaders are now empowered to make informed labor decisions.
- Significantly higher level of collaboration – and better overall working relationship – between Bristol Health clinicians and the administration.
- More rigor and efficiency around Bristol Health's hiring process.
- Optimized schedules for Bristol Health Medical Group physicians.
- Improved performance against MGMA standards for work relative value units (wRVUs). Encounters are up almost 5% over last year, and RVUs per work day per provider are up over 12%.
- Established patient balance collections infrastructure and culture to enable identification and collection on every balance due from every patient. ■