

\$15 MILLION IN SAVINGS RECOVERED IN JUST ONE YEAR

Case Study

OPERATIONAL PERFORMANCE IMPROVEMENT

The Ohio State University Medical Center — University Hospital East

University Hospital East needed a way to impact the bottom line, while still keeping quality indicators, staff satisfaction, and productivity on the rise.

University Hospital East (UHE), part of The Ohio State University Medical Center (OSU), had already lost \$10 million in one year — and was projected to lose another \$15 million in 2008.

UHE attributed the sharp financial downturn to several reasons. These were primarily reductions in Medicaid and Upper Payment Limit programs and increases in self-pay and governmental patients. Declines in orthopedic surgeries and slowing growth in patient admissions also played a part. It was clear that UHE needed an abrupt about-face.

COURSE OF ACTION

UHE's Financial Turnaround Team, consisting of senior hospital leadership and representatives from the finance and quality departments, created a three-year plan to bring losses to a halt and secure a positive bottom line. Leveraging the **ACTION O-I® Operational Performance Improvement Solution** from Thomson Reuters, the team took a closer look at expense management — specifically targeting productivity standards, premium pay, and staffing levels.

By providing objective comparative performance data, ACTION O-I ensured that UHE was making apples-to-apples comparisons to appropriate facilities and could set realistic improvement goals. This objective comparison also presented an opportunity for UHE to think outside of the box and look at alternatives they had not previously



considered. For departments in which staffing opportunities were identified, action plans were created and regularly monitored for changes in productivity. Finally, UHE supplemented its efforts by surveying and networking with peers.

OUTCOMES

UHE was able to offset this massive revenue shortfall with tighter operating efficiencies and streamlined budgets. Incredibly, this financial recovery took place in the first year of the three-year plan.

- Improved bottom-line performance by \$15 million
- Reduced top-of-hospital paid hours per adjusted admission by 5 percent
- Annual labor expenses were reduced by \$4.1 million without layoffs
- Improved productivity of patient registration from 50th to 25th percentile
- Environmental Services productivity up from 60th to 40th percentile



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2009 HEALTHCARE ADVANTAGE AWARD

**THE OHIO STATE UNIVERSITY
MEDICAL CENTER —
UNIVERSITY HOSPITAL EAST**

Location:
Columbus, OH

Size:
180 beds

Scope and services:
A small community hospital with all of the advantages of being part of the OSU academic medical center, the UHE physicians, nurses, and staff provide excellent patient care a full spectrum of general, specialty, and acute-care programs—including family medicine, orthopedic care, and emergency services.

Solutions:
ACTION O-I®



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Goal-setting and action-planning, backed by sound metrics, proved invaluable for UHE — they accomplished all of these results without layoffs, with improvements in quality indicators, and with increased staff satisfaction.

In 2009, University Hospital East was acknowledged for its accomplishments in the pursuit of excellence with a Thomson Reuters Healthcare Advantage Award. The Healthcare Advantage Award was established in 2005 to honor and recognize customers who have used Thomson Reuters solutions to achieve outstanding success at their organizations.

“We have witnessed how effective goal-setting and planning are when they are supported by sound metrics. ACTION O-I helped us do the unimaginable — recover \$4.1 million in labor savings in just one year.”

Patrick Robertson

Chief Financial Officer
The Ohio State University Hospital East

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