

DATA-DRIVEN STRATEGIC PLANNING LEADS TO COMPETITIVE ADVANTAGE

Case Study

Strategic Planning and Marketing

Medical Center Hospital

Striving to maintain its position as overall market leader, MCH developed an ambitious strategic plan.

Medical Center Hospital (MCH), a government-owned hospital serving the Permian Basin in Texas, has long been the healthcare leader in a market that includes for-profit and physician-owned players.

Being a government-owned district hospital brings some specific challenges to the strategic planning process, the most difficult being that all meetings must take place in public. There is no privacy during the planning process, and the competition has an open view into all potential courses of action.

In 2004—the same year it opened a new medical pavilion, a stroke unit, and an inpatient rehabilitation unit—the hospital lost market share and saw a shift in payer mix with an increase of self-pay admissions, which led to a \$16 million loss.

Striving to maintain its position as overall market leader, Medical Center Hospital developed an ambitious strategic plan and equipped all levels of hospital management with the tools to recognize opportunities, focus on the right strategies, and achieve objectives. By 2006, the hospital realized a \$30 million financial turnaround and stabilized market share. The process of strategic planning continues as the hospital seizes its competitive advantage in the marketplace.

COURSE OF ACTION

To reposition its strategy, Medical Center Hospital conducted a thorough re-evaluation of its strategic



plan and a clear-eyed appraisal of the market. Working with the **Strategic Consulting Services** experts at the Healthcare business of Thomson Reuters, MCH identified and chose to focus on several key initiatives to support its goal of serving the community while continuing to grow financially.

Medical staff recruitment and retention was one of the initiatives chosen for immediate focus and became a priority for hospital leadership. Thomson Reuters Strategic Consulting Services experts provided background information about the physician landscape to help MCH create new recruitment strategies and support the initiative. Since August 2007, MCH has recruited 22 additional physicians and has gained an additional \$25 million in revenue as a result.

Service lines were another critical initiative outlined in the strategic plan to help grow the facility. A formal concentrated effort created an opportunity to educate the service line managers and involve them directly in the support of the



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MEDICAL CENTER HOSPITAL

Location:
Odessa, TX

Size:
362 beds

Scope and services:
Medical Center Hospital (MCH) is the only full-service hospital in Ector County. Serving as the regional referral hospital for the 17 surrounding counties of the Permian Basin, MCH prides itself on providing quality healthcare in a compassionate manner second to none.

Solutions:
Planning and Marketing
Strategic Consulting Services
ACTION O-I®
The Polaris Suite
The Market Planner® Plus



plan. Strategic Consulting Services experts at Thomson Reuters created and facilitated the Service Line Academy, an in-depth series of planning workshops to help develop business plans for key service lines. This program allowed managers to see their departments as businesses. Now they could initiate change and grow their particular department in alignment with the hospital's overall strategic direction. In fact, by employing physician engagement strategies presented during the Service Line Academy, Surgical Services has begun to capture orthopedic cases traditionally performed at competitor hospitals.

Using Strategic Planning Solutions to aggregate the objective market data, the Thomson Reuters Strategic Consulting Services team showcased the business potential of focusing on becoming a regional tertiary referral center. As a result of this third initiative, MCH senior leadership met with chief executive officers and chief nursing officers at local facilities. They explained that the hospital could offer more advanced care to their high-acuity patients. Once the officials at the local facilities understood that patient care was the goal, they began to create symbiotic relationships, which has increased the number of high-acuity patients from the regional markets.

"Thomson Reuters Strategic Consulting Services provided a dynamic, data-driven strategic planning process with initiatives that will provide significant competitive advantages," said Carol Durham, assistant administrator.

RESULTS

The strategic planning data and services provided by Thomson Reuters established a framework for MCH to take advantage of market opportunities, improve market share, and prioritize resources to key service lines. The hospital's dramatic turnaround is evidence of its success:

- In 2006, MCH was recognized as a **Thomson Reuters 100 Top Hospitals®: Performance Improvement Leader**. Focus on the 100 Top Hospitals metrics—a set of weighted performance measures centered on clinical excellence, operating efficiency, financial health, and responsiveness to the community—led the hospital to greater overall quality and efficiency.

"Thomson Reuters takes strategic planning from the requisite 'plan' to a dynamic, actionable set of initiatives complete with buy-in and direction for management staff."

William Webster

Chief Executive Officer
Medical Center Hospital

- The hospital's focus on developing certain service lines and physician engagement led to a 19-percent growth in admissions from 2006 to 2007 for OB/GYNs and a 10-percent improvement for orthopedic surgeons during the same period.
- A growth projection and bed-demand study by Thomson Reuters garnered the MCH board of directors' support for major initiatives including a new Center for Women and Infants and a satellite ambulatory care center.

"In a review of other strategic planning companies, no other group provides an offering like the Service Line Academy," said William Webster, CEO. "By incorporating market share and quality data at the service-line level and including an educational component, Thomson Reuters takes strategic planning from the requisite 'plan' to a dynamic, actionable set of initiatives complete with buy-in and direction for management staff."

In 2008, Medical Center Hospital was acknowledged for its accomplishments in the pursuit of excellence in performance improvement with a Thomson Reuters Insight Award. The Insight Award was established in 2005 to honor and recognize customers who have used Thomson Reuters Solutions and tools to achieve outstanding success at their organizations.

ABOUT THOMSON REUTERS

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