

Solutions Case Study

Hospital Struggling to Improve Access and Financial Performance of Behavioral Health Services

INTRO

An acute care hospital division of a health system engaged Sheppard Pratt Solutions to identify operating deficits and opportunities to improve financial performance, and to develop a comprehensive strategic plan to enhance access to services, and to improve quality and financial performance.

PROBLEM

Behavioral health patients constituted the largest percentage of the hospital's average daily census in a community where it was the sole provider of inpatient behavioral health care for adults and adolescents. Operating losses in a hospital largely caring for behavioral health patients suggested an opportunity to improve patient care access and evaluate cost and revenue position as well as any gaps in the care continuum.

HOW SHEPPARD PRATT SOLUTIONS ENGAGED

The Solutions team conducted an on-site operations assessment to identify strategic and operational opportunities. It assessed overall operating cost of services in search of opportunities to reduce expenses. Sheppard Pratt Solutions also conducted market analysis and verified that the fastest growing population was older adults. Paired with the hospital's position within a post-acute care health system, the hospital appeared well suited to offer geriatric behavioral health services. The team also identified the need for the hospital to add dedicated behavioral health leadership to improve current operating performance while leveraging opportunities within the region to implement successful geriatric psychiatric services.

RESULTS

The consulting engagement resulted in Solutions managing the health system's behavioral health services. Solutions recruited a financial turn-around executive with strong behavioral health experience who improved operating margins, reduced ALOS in the behavioral health ED holding unit, developed a plan for mitigating environment of care issues, and implemented volume improvement strategies. In addition, Solutions provided a plan for offering geriatric psychiatric services at the hospital, which will integrate within the greater health system's operations.